

“We Are Fully Prepared”; Or, Why Plans Fail

By Mark Chussil

On Sunday, August 28, 2005, the day before Hurricane Katrina hit New Orleans, President Bush was briefed by Max Mayfield, director of the National Hurricane Center, and Michael Brown, then director of FEMA. They warned him about what could lay ahead. A subsequent videotape, said the *Wall Street Journal* on March 3, 2006, shows the president assuring local officials that “we are fully prepared.”

As events demonstrated, we were not fully prepared. Yet the president was willing to go on record saying we were. Politics, perhaps. Being misunderstood or misinformed, maybe. However, presumably at least some of the people involved genuinely believed that we were fully prepared.

We often ask (especially after a disaster) how we can hold people more accountable or get rid of those awful incompetents who failed to implement the plan. But maybe, as *Fortune* (December 12, 2005) quoted former Intel CEO Andy Grove, “That is not the right question.” Maybe the right question is why people believed we were fully prepared when we weren’t.

In business and government, we build plans and then we trust them. “We are prepared” generally means “we have a plan, we have the resources required by the plan, and we have trained our people to execute the plan.” Talented, dedicated people work hard to make great plans. Those plans always work, on paper. After all, if we thought the plans wouldn’t work, we wouldn’t call them our plans.

So what goes wrong? Why do strategists write growth plans with wondrous forecasts and spreadsheets, and then their businesses shrivel? They fail to anticipate or respond effectively to competitors’ moves, as in the slow, painful decline of the American automobile industry. Why do government agencies, following their plans, buy hardware and drill emergency responders, only to see citizens suffer and die in a disaster? The agencies fail to communicate and coordinate, as with Hurricane Katrina.

CONFIRMING PROBLEMS IN PLANNING

What goes wrong is, in part, the process of planning itself. The process of planning unintentionally leads to failures to anticipate, respond, communicate, and coordinate, because the process of planning unconsciously makes us overconfident in the plans.

It’s not that the process of planning is bad, and it’s emphatically not that the planners are bad. It’s that the process often doesn’t go far enough.

In planning we develop a sequence of steps to follow in a given situation. We refine and communicate the sequence by writing it down in detail, and we test and teach it by rehearsing it in drills. When we’re done, we believe we have validated the plan. We believe the plan. We believe we are prepared.

What we do in that process is implicitly focus on so-called *confirming evidence*. Each time we write down tasks and procedures that will make the plan work, and each time the rehearsal works, we feel more confident that the plan will work.

When we believe the plan will work, we stop questioning it. As human beings, we tend to seek, retain, and apply facts consistent with our beliefs. We tend to discredit or avoid information that conflicts with our beliefs; we even stop listening. (When’s the last time you read a book by an author with whose views you expected to disagree?) Unfortunately, like the belief that we were fully prepared for Katrina, some sincere beliefs are simply not true.

CALIBRATION AND FEEDBACK

Social psychologists use a concept called “calibration,” which refers to the match between confidence and accuracy. How it’s measured is beyond the scope of this essay. Suffice it to say that weather forecasters are well-calibrated because (for example) when they say there’s a 70% chance of rain, 70% of the time it rains.

We stop seeking information, studies, ideas, or tests when we’re confident we’ve got enough. When we’re accurate that we’ve got enough, that means we don’t need more, and it’s appropriate to stop. The problem is when we’re inaccurate. High confidence with

low accuracy means we stop too soon. That's what happens with the plans we believe will work because they worked on paper and in rehearsals. That probably contributed to officials to proclaim, confidently and inaccurately, that we were prepared for Katrina.

According to Professor Scott Plous of Wesleyan University, author of *The Psychology of Judgment and Decision Making*, "The most effective way to improve calibration seems to be very simple: *Stop to consider reasons why your judgment might be wrong.*" In other words, look for *disconfirming* evidence.

In their book *Decision Traps*, Professors Jay Russo of Cornell and Paul Schoemaker of the University of Pennsylvania say that we can improve calibration by providing timely, accurate feedback. Learning from timely, accurate feedback gives weather forecasters an "enviable record of reliability" and helped geologists at Royal Dutch Shell avoid "spending billions of dollars on dry holes."

The need for "accurate" feedback rules out simply relying on hindsight. National Public Radio played comments from a California legislator (January 6, 2006) who said, "We created 450,000 new jobs last year without raising the minimum wage." In his next sentence, he advocated a minimum-wage policy. Although the 450,000 new jobs could support maintaining or raising the minimum wage, he believed that history showed the implications were obvious and unambiguous. Saying that hindsight is 20/20 says more about how we perceive the past than it does about the past's clarity.

How can we provide timely, accurate feedback for those we have entrusted with safeguarding our communities and industries? How can we encourage them to search for disconfirming evidence? How can we help them work around the shortcomings of the planning process?

FAIL SAFELY

In an introductory psychology course in college, we joked about a concept called one-trial learning. In one-trial learning, you take a rat - remember, it's a joke, you don't *really* take a rat, you just imagine the rat - and put it at the base of a T-shaped maze. If the rat turns one way when it gets to the T intersection, it gets a piece of delicious cheese. If it turns the other way, it gets a fatal electric shock. The rats who make the right choice learn in just one try!

Of course, there's no learning. It's luck, jazzed up with imaginary academic sadism. But in concept it's not so different from on-the-job training.

In real life, we don't want to risk one-trial learning. Taking the wrong turn in a real T-shaped maze means real people get hurt. What we want is the opportunity to fail (and learn) where it's safe. In effect, we want many-trial learning in which we replace the cheese and the fatal electric shock with timely, accurate feedback. The feedback, especially from failures, provides disconfirming evidence and the opportunity to discover and repair flaws in our plans before they do us real harm.

Make it safe to disagree. People sometimes feel reluctant to contribute disconfirming evidence or dissenting opinions, particularly in politically charged decisions. It's critical, though, to draw them out. So, do things differently. Close the doors. Allow anonymous feedback. Reward the contributions, even if they're uncomfortable. Let people role-play: "If I were in Mortimer's position, here's what I'd do." Make someone Contrarian Of The Day.

Change how ideas are presented to decision makers. According to the *Wall Street Journal* (February 13, 2006), A.G. Lafley, CEO of Procter & Gamble, "always asks managers to give him two different approaches and present the pros and cons of each" before he makes a decision. Ask for reasons-why-it'll-work and reasons-why-it-won't.

Look outside your agency or industry. Think differently by putting on someone else's hat. Imagine, for instance, what Rudy Giuliani, Steve Jobs, Sir Winston Churchill, Sir Richard Branson, Gen. George Patton, or Steven Spielberg would do with the challenges you face. Look for insight to industries such as software and microprocessor engineering: they do rigorous code reviews, and they succeed at making the most-complex stuff in history work.

Ask strange questions. What would it take to improve our performance not ten percent but tenfold? What could we do that would make customers or citizens happy even if it costs more money? What has to happen for our plan to work (e.g., the electricity stays on, we have police protection, there's enough gasoline), and what would we do if one or more didn't happen?

Keep asking what-if. Asking what-if reveals the chaos, surprises, and uncertainty you'll face in a real crisis. What if critical people aren't on the scene? What if you have to carry out the plan in the middle of the night or during a snow storm with the power out? What if senior leaders aren't able to communicate?

Conduct simulations. By their very nature, simulations provide timely feedback and disconfirming evidence. They make it very difficult to succeed simply because you want to succeed or because you believe your plan will work; you've got to take effective action, coordinated with others on your team and within the bounds of available resources. Good simulations stimulate high-impact, out-of-the-box, we've-got-to-do-something thinking while there's still time. Moreover, you can repeat the simulations with different people or with different settings to get many-trial learning. This is the path to before-the-job training. (See *Feeling Is Believing*, <http://www.crisissimulations.com/knowledge/feeling.html>.)

You wouldn't certify an aircraft as airworthy just because it flies smoothly in a wind-tunnel rehearsal or in a clear-skies drill. You also want to demonstrate it'll fly safely in a bad storm or when an engine fails. Stress-testing your plans helps you make them crisis-worthy. Then you can say confidently, and accurately, that you are prepared.

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