Share a book letter: The Black Swan

Subject: *The book The Black Swan*

Dear ……… ,

*The impact of the highly improbale*

Planning is guessing, as it often has no relationship with the reality. And that is exactly why our predictions and plans often fail. *We overestimate what we know and underestimate uncertainty.* The author of the book *The Black Swan* calls this *Knowledge arrogance.*

‘Black Swans’ are events we have not been able to predict. 9/11 was such a *rare* event, *unpredictable*, *not expected*, with *extreme impact* and *consequences*. What can we learn from the characteristics of ‘Black Swans’ when making our own predictions and plans? We must realize that our plans can be highly influenced by what we *do not know* and *ignore.* We can learn from the book *The Black Swan* how to become better plan makers, by strengthening our knowledge about predicting.

Why many plans fail? We learn the wrong lessons from history, past events, and plans. We fall prey to our need for anecdotes and stories about predictions and plans. Stories we believe, whereas we don’t know the soundness of content of the story. It is the *confidence* of what is right in the story and what is wrong. Many stories lack knowledge of the *uncertainty*. Many stories have false beliefs, created by ignorance, by fragility of knowledge or by manipulation.

Spotting the *unexpected* and the *unforeseen* is where our focus must be. Success of ideas, religions, dynamics of historical events, elements of our own personal lives, trends, financial plans and fashion, all follow ‘Black Swan’ dynamics. Misinterpretation of predictions and plans are caused by our blindness to *randomness*. Things that happen by chance, not planned or foreseen. One final point on predictability: tools cannot measure unpredictable events. ‘Black Swan’ observations are well outside of the expected range of values, dealing with the unexpected. ‘Black Swan’ logic makes what you *don’t know* far more relevant, than *what you do know.* This extends to all businesses.

The *‘secret recipe’* to success is not known by others and not obvious by others. Otherwise, everyone would be doing it. The more unexpected the success, limits the number of competitors to the benefit to any kind of entrepreneurship. If you want to get an idea right, you need to look at it under the tests of severe circumstances. Not under the regular rosy glow of daily life. Getting the idea right, requires a lot more imagination. Be aware of the lack of imagination and repressed imagination in others. Careful examination of the past does not teach you much about history of affairs but gives you the illusion of understanding the history of affairs. Humans are great at fooling themselves.

We fool ourselves with stories that cater to our thirst for distinct patterns. This is called: *The error of confirmation.* We behave as if the ‘Black Swans’ do not exist. What we see is not necessarily all there is. History hides ‘Black Swans’ from us and gives us a mistaken idea. We focus on a few well-defined sources of uncertaintyat the expense of other possibilities that do not easily come to mind.

The world is far more complicated than we think. This is not a problem, except most of us don’t know it. We are arrogant about what we think we know. We know a lot, but we think we know more than we do. That overconfidence occasionally gets us into serious trouble. Why on earth do we predict so much? Worse, why don’t we talk about our poor record in predicting? *We overestimate what we know, and underestimate uncertainty.*

Plans fail because of what we can call *tunneling. Tunneling* is the neglect of sources of uncertainty, outside the plan itself. We cannot truly plan if we do not understand the future. But this is not necessarily bad news. We could plan while bearing in mind such limitations. It just takes guts. It is often said that *“is wise he who can see things coming”*. Perhaps the wise one is the one who knows that he cannot see things far away.

The author does not recommend forcing to avoid making a judgment. Why? Because we must deal with humans as humans. We cannot teach people to withhold judgment. Judgments are embedded in the way we view the world. Accept that being human involves some sort of arrogance in running our affairs. Don’t try to stop being a fool—just be a fool in the right places. Avoid unnecessary dependence on large-scale harmful predictions. Avoid the big subjects that may hurt your future. Be fooled in small matters, not in large matters.

Listen to the engaging conversation in the *Podcas*t, study the *Mindmap* and the *Actions for Impact*, then read the *Summary*. The bottom line: *be prepared for all relevant possible outcomes,* when it comes to judging predictions and plans.

<https://globalreadingclub.com/books/the-black-swan>

Enjoy reading and listening.

(Your name)

P.S. Attached is the Newsletter, covering the book *The Black Swan*