Prepare for 'ambiguous threats'

Organizations that develop systems to identify, evaluate and respond to ambiguous threats are much better at averting failure than those that don’t, according to three business professors who’ve studied it.

Luckily, a “recovery window” exists. It may stay open for minutes or months, but only those who are prepared can jump through. You can’t improvise in a recovery. Rather, you have to automatically apply detection and response techniques, and rehearse them in advance.

First, practice rapid problem-solving and teamwork. It requires blunt assessments and constructive conflict. Fight the urge to escalate your commitment to the standard course of action. Listen to your experts.

Second, recognize and jump through the recovery window. Keep it open as long as possible by seeing it as a fleeting opportunity to learn and improve, even if the “threat” turns out to be nothing. Morgan Stanley practices different responses to multiple threats. Employees at Logan International Airport in Boston run regular drills. Amplify your warning signs.

Third, encourage employees to explore threats and responses through quick, low-tech experiments and “seeing what would happen if.” Video game developer Electronic Arts runs through a process called “mini-prototyping.” Other organizations intentionally stress their operation and watch how it reacts. One NASA engineer used a pencil and a postage stamp to show how vulnerable the space shuttle was. Another ran an experiment in his kitchen showing why foam shredded.

These three steps—practicing, amplifying the signal and experimenting—will help your organization to prepare.