The Black Swan – Knowing the unknown in projects

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Abstract

A “Black Swan” is produced when the gap between what we know and what we think we know becomes dangerously wide (Taleb, 2007). This concept is closely related to uncertainty and learning. A Black Swan event is usually a surprise, at least to the observer. However the Black Swan event very much depends on the observer. What may be a Black Swan surprise for a turkey is not a Black Swan surprise to its butcher; so the main objective is to “avoid being the turkey” by exploring and identifying areas of vulnerability in order to avoid surprises. In projects, while some may disagree, almost all failures, even catastrophic ones, are not really Black Swan events but a series of failures that alone may have a negative impact on project outcomes but combined lead to catastrophic failure. However it is surprising how often experienced project teams ignore the early warning signs and move forward into the project lifecycle despite serious problems in many areas that are keys to project success. This will ultimately lead to the Black Swan event materializing. That is when it is too late to take any preventive actions. This paper will characterize the Black Swan concept in projects and describe its nature and identify organizational mechanisms that can be useful in dealing with Black Swan surprises in projects. This study is mainly based on literature study, however carries out an assessment on examples of Black Swan events in order to better clarify the concept under study.

Keywords: Black Swan; Project; Early warning signs; Uncertainty; knowledge