



Think Slow and Act Fast: A New Way of Thinking about Risk Management in Turbulent Times

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Few organizations prepare project teams sufficiently to navigate the complexity and uncertainty of project execution, especially on complex and risky projects. Often project teams spend considerable time in the pre-implementation and planning stages to identify and analyze risks quickly, sometimes with the explicit purpose of “checking the box” on a checklist. This fast but often flawed method is called System One thinking (see Reference 1). This method can have worse consequences when the identified risks are largely ignored until they occur in the execution phase. Project teams then scramble to respond, but outcomes are sub-optimal in such reactive modes. For example, a 2010 McKinsey study of over 1,000 business investments found that teams achieved returns of up to 7% higher when they consciously worked at reducing biased thinking by thinking slowly (see Reference 2). But focusing on risks, which by definition may not happen, can be seen as a wasteful use of precious resources.

I believe in a better way that combines speed and agility with thoroughness: “think slow and act fast.” By practicing intentional, conscious and ‘slow’ thinking to accurately identify, assess and observe project risks during execution and acting proactively as risks manifest, projects become more flexible and agile. Think slow and act fast is especially important for projects in our current turbulent and shifting technological times. For project managers, this method requires thinking slowly when time and situation permit and acting rapidly to mitigate threats and exploit opportunities. The combination of thorough planning with quick actions can greatly reduce project uncertainty and achieve greater project success.

This article is the summary of a topic (by the same name) that I am presenting at the PMI Silicon Valley 2016 Symposium. For the full article (and, in a few weeks, a link to the presentation), please go to www.pmoadvisory.com/blog/think-slow-and-act-fast.

References

1. Kahneman, D. (2011). *Thinking, Fast and Slow*. New York: Farrar, Straus and Giroux.
2. Kahneman, D., Lovallo, D., & Sibony, O. (2011). Before You Make That Big Decision. *Harvard Business Review*, 50-60.