

Britten Coyne Partners

COVID19 Triage: Short Course in Making Good Decisions in the Face of Unprecedented Uncertainty

In 1921, Frank Knight wrote his most famous book, *Risk, Uncertainty, and Profit*. He drew a critical distinction between decisions involving risk, and those involving uncertainty.

Risk pertains to situations in which possible future outcomes, and their respective probabilities of occurrence and potential economic impacts are all known. Uncertainty refers to situations in which this is not the case.

The decision-making methodologies taught in schools and used in most organizations assume the underlying environment is risky. Yet after the arrival of the global COVID19 pandemic, we now face an environment characterized by unprecedented uncertainty.

Making good decisions in the face of uncertainty requires the use of different quantitative and qualitative methods, many of which are not usually taught in strategy and finance courses. But in the post-COVID19 environment, awareness and mastery of these techniques lie at the heart of effective decisions making.

Our short course (which can be delivered remotely, in person, or in hybrid approach) provides a quick introduction to these techniques, and, depending on the time your team has available, their practical application to specific challenges facing your firm.

The course covers the following:

- Understanding Decision Contexts: Risk versus Uncertainty versus Ignorance
- Traditional Approaches: Naturalistic Decision Making, Discounted Cash Flow, and Multi-Attribute Decision Making
- What Defines a Good Decision Process?
- How to Make Good Decisions in the Face of Uncertainty?
 - Determining Bayesian Priors and Updating Them with New Evidence
 - Monte Carlo, Ensemble Modeling, and Forecast Combination
 - Scenarios
 - Pre-Mortems
 - Info-Gap and MinMax