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## Everyone should prepare for the next black swan event

When we hear the term ‘black swan event,’ we tend to think of rare and unforeseen events that have massive and unpredictable impacts. The name itself comes from the historical European belief that all swans were white. This view persisted until the colonial ‘discovery’ of black swans in Australia. Suddenly, it seemed that something was possible that had previously been unimaginable.

The ‘black swan event’ is so-named from the Euro-centric worldview from which it comes, a perspective that of course ignores the knowledge and experience of Indigenous Australians, who long knew of the existence of black swans. This irony extends further when we consider that the defining characteristic of a black swan event is that it cannot be predicted based on past observations. Our tendency to rely on linear extrapolation from past trends and our too-willing adoption of biased assumptions leads us to believe that we are always in the prime viewing seat: able to foresee most future scenarios. Ironic, then, that many so-called black swans were entirely foreseeable.

### **Sudden shocks can be a long time coming**

This mindset of isolated, blinkered thinking can be particularly dangerous for entrepreneurs and business owners, who are constantly navigating uncertain terrain. Look at the recent release of ChatGPT, for instance. A sudden entrant to the generative AI landscape, which was not so sudden for those who had been pioneering this technology in multiple companies over decades. Yet its release resulted in the sudden and surprising rapid adoption of the tool worldwide and the opening of the

collective human-AI imagination. This simple event has already had ripple impacts, of unforeseen size and consequence, equally exciting and concerning. If you are an entrepreneur and you have not already started factoring in the potential of this technology, you are already behind. Same goes for governments and regulators. And the average small business is not immune, either. Your competitors will be using this technology in the next-wave of business tools, and you’d better be prepared to adopt it too.

### **The past is familiar, but not reliable**

The reality is that change is constant and much of it is unpredictable. The past is familiar, yet increasingly it is not a reliable guide to the future. In such a world, resilience and adaptability are essential for businesses to be able to survive and thrive in the face of unexpected shocks. At its core, resilience means having the ability to withstand and recover from adversity. Adapting, on the other hand, means being able to adjust to changing circumstances and take advantage of new opportunities. Together, resilience and adaptability are more than the buzz words of today’s business landscape. They are organisational leadership imperatives.

## **The solve is resilience. And adaptability.**

Resilience and adaptability is something that nature, including swans of all colours, have been embodying for a very long time. We humans, as a species, have done the same. We are used to the idea of resilience and adaptability when it comes to bio-ecosystems. We are much less used to how this applies to the average business.

One example of a small business that has demonstrated resilience and adaptability is Stasher, a company that produces reusable silicone bags as an alternative to single-use plastic bags. When the black swan event of the pandemic hit and demand for travel-sized bags plummeted, they quickly adapted their marketing strategy to focus on at-home use, which helped them to maintain sales and even expand their customer base. Resilience can be a small thing. An openness and flexibility to pivot at the right time. To take a risk. Stasher didn't know that they would need to pivot their business away from travel. But they were ready to pivot their perspective and reinvest their resources rather than sit on their hands when travel suddenly declined.

Resilience and adaptability create a dynamic and flexible organisational culture that can weather the storm of the unexpected - even if we should have known, as often we should have, that something might be coming. In reality, events like the pandemic, climate change, social change and even black swans themselves, are entirely in the realm of possibility. More than that, our world is quite likely to continue to serve up regular shocks, given what we actually know about underlying mega trends.

## **Black swans don't sound that scary. But you don't know what they could do.**

A swan doesn't sound that scary, really, but by its nature, a black swan event could up-end your world. None of us know, before a black swan event happens, how much the event will shift things for you or your organisation. Preparation for unexpected black swan events is essential, even if the events themselves can not be pinpointed ahead of time. This means being open to changing perspectives and being forward focussed, rather than relying on past assumptions as the only guide to

building and running your business. It means building resilience and adaptability into the core of your organisational culture, so that you are better equipped to handle the shock of accelerated shifts like that of the pandemic, or the sudden adoption of a new technology.

Whether it's climate change, technology disruption, social change or other global forces, the most successful businesses will be those that are able to adapt and thrive in the face of uncertainty. Preparing is not always about predicting the event exactly, but strengthening your business in readiness for change, and developing connections with partners and ecosystems that can face a different future together.

## **Let's develop interconnected thinking**

While as organisational leaders we may never be able to predict the exact form that a black swan event will take, we can prepare for these events by assuming they will come and noticing the connectedness of the ecosystems we play in.

It's time to shift our thinking from linear, past-based thinking to the realm of future-based possibility. We can and must create businesses that are better equipped to handle the shocks of accelerated shifts that are likely to come our way.

As we reflect on the concept of black swan events, let's reflect on the ironic Euro-centric perspective that led to the naming of this phenomena in the first place. As venture leaders, entrepreneurs, and business owners, let's adopt the connected Indigenous worldview. Let's aim to create organisations that are more agile, responsive, connected and therefore able to thrive in a world that is constantly evolving.

From an Indigenous worldview, the black swan was always there. From an Indigenous perspective, everything is connected. There are no random events. Start by noticing the mega trends and tectonic shifts around us. Build resilience and adaptability into the fabric of your organisational mindset. Actively change your perspective and test your white swan assumptions. Then, when the next black swan swims around the headland, you'll simply smile and say, 'ah, there she is. I always wondered what she'd look like.'