Assumption Based Planning, by James A Dewar

A Book Review by Ian Jay

Failure to identify key planning assumptions can lead to catastrophe. Key assumptions thus represent a significant source of risk to a plan. The means to recognize these assumptions and an approach to managing them is likely to be a useful asset.

The problem with many plans is a lack of a complete description of the assumptions that underlie them. To identify the underlying assumptions upon which such plans are based is problematic. In some cases the assumptions are so deeply embedded in our mindset that we do not recognize that they exist at all, even when they are pointed out.

James a Dewar of RAND has produced a book that specifically looks at this problem. It describes a method that can be used at the end of any major planning exercise. Its aim is to assess the vulnerability of the plan to what Dewar calls, ‘load bearing assumptions’.

The process is described in a five step framework. First the assumptions behind a plan are identified. The book describes nine methods of doing this. The next two steps classify the assumptions, and identify signposts to the failure of ‘vulnerable’ assumptions. Finally shaping and hedging actions are designed to deal with failed assumptions.

One of the methods the book describes to identify assumptions is to search for the word ‘will’ in the plans description of the future. The book gives an interesting example where a 47 page document about the future had used the word ‘will’ 470 times. By contrast in the same text ‘may’ and ‘can’ appeared 45 times each and ‘might’ was used once! In fact the statements using ‘will’ clearly set out assumptions about the future.

The book also provides a means of classifying assumptions once they have been identified. This provides a means of systematically dealing with those that are important to the plan. Such assumptions are regarded as ‘vulnerable’. This means it is plausible for them to fail inside the time frame the plan covers. These can be addressed through hedging or shaping actions.

The approach described originated at RAND and was initially developed for use by the US Army to assist in its long range planning. Like scenario planning before it, Assumption Based Planning subsequently found its way into the commercial arena as an addition to the strategic planning process. The author holds a number of positions including Frederick S Pardee Professor of Long Term Policy Analysis at RAND Graduate School.

The book is aimed at planners in the corporate setting and much of the text relates the approach to strategic planning activities. For those that work in this field the book provides interesting coverage of the linkage between the method described and scenario planning. Project planning is not specifically addressed however the approach and the tools within it could be usefully applied to the business case supporting the project or programme.


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