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BOOK REVIEW

The Gray Rhino: How to Recognize and Act on the Obvious Dangers We Ignore

BY MICHELE WUCKER

Reviewed by Judy Benson



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The thesis behind *The Gray Rhino* contrasts with Nassim Nicholas Taleb's *The Black Swan: The Impact of the Highly Improbable*, which was published just ahead of the 2008 financial crisis. Black swans (also referred to as "fat tails") are events that are beyond our ken to predict; Michele Wucker describes gray rhinos as threats we ought to see but often don't or willfully ignore. In short, she writes, "if a threat is obvious enough that a reasonable person can see it coming, it is a Gray Rhino, not a Black Swan."

The book includes the following simple schematic for telling the difference:

	Low Probability	High Probability
Low Impact		White Swan
High Impact	Fat Tail, Black Swan	Gray Rhino

Wucker's contention is that we should see the high-probability, high-impact events coming from a distance—like a charging rhinoceros. The challenge is to recognize, prioritize, and act fast enough to get out of a gray rhino's way. Said another way, the gray rhino is about foresight rather than hindsight.

Just as there are many genera of rhinoceros (all of which are gray), so too are there many attributes of Wucker's gray rhino. Her taxonomy chart contains several subspecies, including the charging rhino and the recurring rhino.

- The charging rhino is a smoldering issue that flares up and prompts a

sense of urgency and a need for a fast response that may not solve the underlying problem. In fact, the response may make it worse.

- A recurring rhino is a situation or event generally known about well in advance, but the when and where cannot be discerned until the last minute. Recurring rhinos may have warning systems in place—a good example is a hurricane.

Although not labeled as such, the critical underpinnings of the gray rhino relate to human behavior. *Investments & Wealth Monitor* has featured many articles on human behavior's kissing cousin, investment behavior. The same (or similar) behavioral issues that blindside us when we're investing keep us from paying attention to the immense shadow the rhino casts from afar. Wucker states: "Recent welcome attention from behavioral scientists has helped to bring into the light reasons that we're not better at recognizing threats early on, even when there are signals."

Here are several examples from Wucker's lexicon of biases. Some were unnamed in the book, but were given sobriquets by this reviewer:

Avoidance bias is synonymous with the ostrich syndrome of putting one's head in the sand. Avoid asking questions for which we don't want to know the answers so that we don't have to deal with the consequences.

Confirmation bias is directly aligned with groupthink (see below), because the

more we align with those who presuppose the same thing, the more likely our opinions will be aligned, whether or not those viewpoints are sound. We assimilate information that confirms our beliefs or hypotheses; consequently, we are unwilling to consume a wider range of inputs. Remember, outliers are essential.

Groupthink prevents us from seeing beyond conventional wisdom and what's directly in front of us. Wucker describes groupthink as the "tendency of insular groups to miss signals of any threats outside their normal expectations."

Optimism bias endangers our ability to judge which predictions have a greater likelihood of becoming reality. It's why we are challenged to see the obvious. Optimism bias is an "obstacle to recognizing and acting to get out of the way of danger even with information that should alert us."

Refusal bias explains our intentional refusal to acknowledge or give available information its due.

Priming is the way we perceive information and react to predictions. It comes with one immovable stumbling block; it depends on who gives us the information. We are primed to unequivocally accept information from (so-called) experts.

Backfire effect bolsters groupthink, priming, and confirmation biases. A synonym for this potent stew is intractability; I am more likely to hold tighter to

my pre-existing views than to consider the opinions of others.

Availability bias is like short-term memory; we frame our decisions with the most immediate examples we can recall, especially if it “involves near misses that give us a faulty sense of invincibility.”

The Gray Rhino: How to Recognize and Act on the Obvious Dangers We Ignore
By Michele Wucker
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Rose-colored glasses blur our vision and feed into our denial reaction. This time it's different but suffice it to say that it rarely, if ever, is.

Muddling is when you are aware of the nature of a problem but unable to face it.

Wucker shares several of the many take-aways from this vocabulary. Curb enthusiasm, pay attention to independent sources, encourage a diversity of opinions—even the outliers—because the input is critical to better decision-making. She's ultimately discussing leadership and how individuals,

corporations, organizations, heads of state—any grouping of one or many—can successfully anticipate and face down the gray rhino, risk trampling and injury, and get back up. How we recognize the danger creates the opportunity to cast off our biases, prioritize, and act.

The Gray Rhino was published in 2016, but it is a timely read. ●

Judy Benson is a partner with Barrington Partners in Boston, MA. She is a member of the Investments & Wealth Monitor Editorial Advisory Board. She earned a BA in business administration and economics from Simmons College. Contact her at judith_k_benson@yahoo.com.



INVESTMENTS & WEALTH INSTITUTE®

5619 DTC Parkway, Suite 500
Greenwood Village, CO 80111
Phone: +1 303-770-3377
Fax: +1 303-770-1812
www.investmentsandwealth.org

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