

NOT ALL UNKNOWNNS ARE EQUAL: RISK, UNCERTAINTY, AND AMBIGUITY

Do you know the outcomes? Do you know the odds? Do you know the question?
Leaders often struggle because they apply the right tool to the wrong kind of unknown. Once you know what type of uncertainty your team is facing, you can plan how to move forward.

	<u>RISK</u>	<u>UNCERTAINTY</u>	<u>AMBIGUITY</u>
WHAT IT IS	You know the possible outcomes & the likelihood of each	You know the possible outcomes but not how likely they are	You aren't yet sure what the right questions are
EXAMPLE	Seasonal turnover in a role you've hired for many times	A pending budget decision with three possible outcomes	A shift in direction whose impact on your team is still unclear
BEST RESPONSE	Calculate and plan: use data, forecasts, & standard procedures	Prepare options: build scenarios and low-cost fallbacks	Make sense of it: run small experiments, gather perspectives, & review often
WHAT YOUR TEAM NEEDS FROM YOU	Clear direction	Honesty about the possibilities	Permission to learn as you go
COMMON MISTAKE	Overthinking a problem that is already well understood	Betting everything on one forecast	Projecting false certainty to calm people down