: Can decision support tools help minimize black swan events?

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In decision making and planning, managers are sometimes surprised by unanticipated events. A black swan is used as a metaphor that describes an event that comes as a surprise, has a major effect and impact, and is then often inappropriately rationalized. A Black Swan is an event where the probability of occurrence is low, but the impact would be very high. Black swan events are considered unpredictable, rare, highly improbable, and unlikely. These extremely negative events or occurrences are extremely difficult to predict. So can data, analytics, contingency planning or other conceptual or technological tools help minimize black swan events?

Black Swan blindness, underestimation of the role of a Black Swan event, and occasional overestimation of a specific one is a significant problem. Business analysts, data scientists, and decision support builders have ignored the problem. Because of the nonrepeatable aspect of the Black Swan, there is an asymmetry between the rewards for those who prevent and those who cure. This asymmetry creates an ethical problem.

References

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