

## Using assumption questions to tame complexity

Precision Questioning and Precision Answering are tools for working with complex situations in smart ways. The current global economic situation certainly qualifies as complex! Almost every day we have a chance to see, through the window created by the media, national leaders, economists, business executives, and journalists asking questions about the changing economic climate. Even these experts, however, can be stymied by the complexity of the situation.

For many of us who aren't experts, when complexity threatens to become overwhelming we move to the sidelines of the conversation. With PQ+A as part of your repertoire, however, you don't need to be an expert to ask useful questions that keep you in the discussion. And in situations where you need to tame complexity, one of the most helpful intellectual skills you can develop is your ability to ask questions about assumptions.

So this month, during times of great complexity, we want you to use your environment to build your assumption questioning skill. We are going to ask you to try this: every time you turn to a source of news, analysis, or opinion, use the PQ+A Toolkit and its detailed examples of assumption questions to build your ability. In fact, get out your PQ+A Toolkit right now, and follow along as we take a look at assumptions in some of the news and analysis we've been reading.

### Existence Assumptions

We hear a lot of talk these days about "bubbles." For instance, you might be familiar with the mortgage bubble that started downward pressure on home prices, or the consumer debt bubble that might be next to pop. Have you been reading about the bubble created by zombie banks? To really understand the economic climate, we need to ask about the existence of all of these so-called bubbles.

Existence assumptions help you sort out whether or not all of these bubbles are equally real. Some people claim, for example, that there's an enormous bubble created by credit default swaps. But apparently, if that bubble were to pop, each player's losses would be more or less matched by their gains. So does a bubble exist in that market?

Whenever you encounter provocative headlines such as depression, epidemic, crisis, or panic, ask yourself and others: does this condition actually exist? We guarantee an interesting conversation will result.

### Uniqueness Assumptions

Since we are talking bubbles, let's ask this: how many bubbles are there in the contemporary economic situation? Are they distinct from one another? In what ways are they unique, and in what ways do they overlap?

These questions about uniqueness assumptions—applied to bubbles or meltdowns or any other financial jargon—will help you sort out what is happening by getting a better picture of where concepts border one another. Knowing the boundaries of the intellectual terrain helps you tame the complexity.

### **Measurement Assumptions**

What assumptions are people making about the validity of key metrics in the current economic climate? We've been hearing a lot about unemployment rates, for example. You probably know that the numbers of unemployed people reported in the press typically exclude people who have been unemployed over a longer term or who have given up looking for a job. What do you see differently if you adopt a different measure of the unemployment rate? Understanding more about the assumptions embedded in measurement helps you form a more accurate picture of a situation and also spot areas of unmeasured or untapped complexity.

Measurement assumptions also matter when you want to compare across groups. For example, if we want to understand the economic situation from a global perspective, perhaps we need to understand measurement assumptions for phrases like "economically active population," and "currently available for work," vs. "seeking work" as they apply across different populations and national boundaries.

### **Possibility Assumptions**

Possibility assumptions are particularly important when we start to talk about solutions to complex problems. One way of understanding the debate between economists and politicians about a "stimulus package" is to unpack people's assumptions about what it is possible to change in this situation. For example, we might ask in the current economic climate: are we assuming that it's possible to safely let the air out of all the bubbles?

Political leaders might be wondering about the possibility of global financial collaboration. Is it possible to bring world leaders together to address a global financial crisis in a coordinated manner? (Political crises don't necessarily engender the possibility of cooperation!)

### **Value Assumptions**

If we determine it is possible to let the air out of the economic bubbles, we could then ask about value assumptions associated with that possibility. For example, even if it is possible to break the consumer credit bubble, is it a good idea to do so?

Value assumptions show you where you are taking for granted that something is bad vs. good, positive vs. negative. The press tends to construe current economies around the globe as bad for everyone. In the long run, however, who stands to gain the most from the current situation? (One answer: in the current climate, the business for fortunetellers is expanding, not contracting!)

### **Audience Assumptions**

When economists talk about recessions, trade deficits, and national debt, they tend to assume that everyone in their audience understands the technical meaning of these words. If you don't fit the characteristics of the assumed audience, you will have a chance to form and practice many types of questions of clarification. Of course, we urge you to do that whenever you encounter technical terms that you don't understand.

But here is another audience assumption we've been seeing a lot these days: a newspaper columnist writes something like: "We need to think about how the downturn is affecting the people at the bottom of the ladder. They keep our economy running." Hey, we say to ourselves, is it really the case that "we" the readers are thinkers and decision makers, and "they" aren't reading this column? Audience assumptions can help you re-think your implicit ideas about we vs. they or us vs. them and then reconfigure your solutions to complex challenges in ways that become more inclusive.

### **Category Assumptions**

We're swamped in category assumptions in the current financial situation. Consider how many times you've read about a "mortgage" crisis, a "regulatory" crisis, a "credit" crisis, and "a crisis of confidence" in the banking system. As we begin to divide the market into categories like these, we come to take for granted that these categories correctly or meaningfully represent what is happening. What if, beneath the surface, there is now a completely different kind of crisis? What if separating these topics into categories masks the reality of a holistic financial crisis that has evolved in such a way that it is essentially unrelated to any one of these categories?

When we examine category assumptions, our thinking about the complexity of the problem and the necessary solution opens up to consider different directions or ideas that are not immediately obvious. Category assumptions often blind us to new ideas or to seeing complex situations in holistic ways. Every once in a while, challenge the expert assumptions about categories if you want to see new approaches to the situation.

### **Similarity Assumptions**

In the United States, for people of a certain generation, the word "depression" automatically invokes a picture of a 1930's era dominated by soup lines and public works projects. Asking about similarity assumptions will help break down these types of automatic pictures, because they help us sort out how this situation is similar to or different from the economic and cultural situation in America at that time. Your questions might sound like this: comparing 2009 with 1931 or 1935 or 1939, what are the similarities in population, culture, consumerism, literacy, and other relevant concepts? What are the differences in economic instruments and economic regulation, as well as culture, consumerism, population density, and population distribution?

Comparison across time and across rapidly changing circumstances is tricky stuff—whenever you find yourself thinking that now is similar to then, stop and ask more questions about similarity assumptions.

### **Time/Constancy Assumptions**

Last month in Vervago’s skill sharpener, we suggested that questions about time and constancy assumptions should become your best friend in the current economic situation. The changing circumstances and the evolving responses to those circumstances provide us with challenges on multiple fronts. Most of what we know about the situation is dynamic, because very little in our economic climate is constant just now. Learn to ask more questions that sound like: how has that topic or situation changed in the last days, weeks, or months? How do those changes reshape the picture I have of the situation now as opposed to the picture as it was a few days, weeks, or months ago?

### **Practice Taming Complexity**

One of the deepest lessons that PQ+A offers is that you do not need to be an expert in a topic area to ask precise and valuable questions. To answer the questions - yes, that sometimes requires expertise. But as Precision Questioners, we don’t need to become overwhelmed by complexity or give up and sit passively on the sidelines of conversations about the changing world.

Every day this month, as you listen to the news or read about your marketplace, use one of the nine types of assumption questions we reviewed above to tame its complexity and gain a better view of what is happening. Keep this list in the same place and add to it each day. By doing this, you will find that as your list grows, you can identify those questions about assumptions that are most pivotal to your work and to your own changing economic circumstances.

Are you trying to find PQ+A colleagues and PQ+A companies? Join our [LinkedIn](#) alumni group.

If you’re looking for other forms of support as you learn to use PQ+A in a non-PQ+A world, contact [QuestionMaster@vervago.com](mailto:QuestionMaster@vervago.com).