



# Decision Making under Uncertainty: Black Swans, Dragons and Pandemics

**Program Description:** Decision making in situations of uncertainty is about decisions under psychological stress, in highly dynamic environments and limited availability of reliable information. In this intense one-day course gives an overview of ideas which can help decision makers in such difficult moments. The program is open to some degree, leaving room for round-table discussions among participants.

**Target Audience:** Analysts and decision makers in institutional investment processes, board members, risk managers, operations managers, institutional investors, family offices

**Materials:** Participants will receive a binder with the slides presented and access to spreadsheets containing example calculations for all models and concepts discussed.

The content of this program can be combined with content from other programs for customized **inhouse training** purposes. Please contact [email@andreassteiner.net](mailto:email@andreassteiner.net) for details.

Information relating to **scheduling, course venues and pricing** for the public courses is available on [www.andreassteiner.net/consulting](http://www.andreassteiner.net/consulting)

## Day One

### Welcome and Introduction

### Decision Theory

- Decisions under Certainty
- Decisions under Risk
- Decisions under Uncertainty
- The Role of Information, Data, Fundamental Learning
- The Role of Models
- Robust Decision Making
- Heuristics: Institutional, Historical, Psychological Examples

### Risk Perception

- The Psychology of Threats and Fear
- Information Issues: Media, Internal/External Information Flow
- Risk Communication



- “Biases”: Information perception, processing

## Crisis Types and Their Characteristics

- Characteristics of Unusual, Extraordinary, Anormal, Unexpected Scenarios
- Black Swans
- Dragons, Moby Dick
- Pandemics
- Higher Order Effects, Transmission Mechanisms
- Temporary versus Permanent Shocks

## Institutional Aspects

- Regime-dependent processes, triggers
- Planning horizons
- Risk capacity, risk tolerance of institutions
- Task Forces
- Reaction speed: problems & solutions

## Mitigation Approaches

- Accept, Avoid, Transfer, Reduce
- Safe Havens, Hedging
- Impact Management, Resilience
- Pooling, Insurance
- Self-Insurance, Reserves

## X, Y, Z

- *Work in progress*

## Conclusions