

WHAT'S YOUR GRAY RHINO?

**5 Key Questions
to Keep You from
Getting Trampled
in Business
and Life**



**GRAY
RHINO**
& Company

A gray rhino is a highly obvious threat: the thing that's right in front of you that you'd rather not see or deal with. It's two tons of angry beast, and you'd better come up with a plan.

Why gray? You've probably heard of Black rhinos and White rhinos. But Black rhinos are not actually black; nor are White rhinos white. They are all gray: the most obvious detail that we manage to miss.

While we've all heard stories about seemingly sudden "black swan" crises, the truth is that we're far more vulnerable to obvious, highly probable issues that we take for granted.

So many of the things that all but blindside us in business, life, and the world were there all the while, if only we'd been willing to see them in time to get out of the way.



That's why decision makers who regularly take stock of their gray rhinos are the ones likely to come out ahead of the game instead of taking for granted the obvious dangers that often are avoidable but all too often don't get their due.

Are you prepared for your gray rhinos, or will you let them trample you? The questions in this guide will help you to think more clearly about the most obvious dangers you likely are missing, and first steps in strategizing how to do a better job acting in time not only to keep preventable disasters from happening, but also to find ways in which they can work to your advantage.

A White rhinoceros (*Ceratotherium simum*) cow and calf coated in mud at Sabi Sands Game Reserve, South Africa.

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1. What are the top three gray rhinos facing you or your organization?

Just recognizing how likely it is that you are missing the dangers right in front of you gives you an advantage over others who think they've got it covered. To avoid unpleasant "surprises" that shouldn't be surprises at all, do a gray rhino reality check regularly. Make an extra effort to recognize and act on the most obvious challenges that aren't getting the attention they need, whether it's because the problem is seemingly mundane or because it feels overwhelming.

For companies, gray rhinos could be common challenges like succession strategy, employee turnover, changing consumer tastes, disruptive technologies, supply chain gaps, safety issues, or broader economic shifts. Or it could be a "meta" issue like your company's preparedness, or lack thereof, to spot the obvious and deal with it.

For individuals, your gray rhinos might involve health, relationships, finances, or your career.

Take a moment now to jot down the top three challenges facing you or your organization. Pay particular attention to gray rhinos that affect more than one of these areas.

Your Gray Rhino #1:

Your Gray Rhino #2:

Your Gray Rhino #3:

Gray Rhinos in Organizations

- Groupthink
- Changing market preferences
- Succession planning
- Cyber security
- Supply chain risks
- Digital transparency
- Economic trends
- Industry transformation
- Human capital mismatches

Gray Rhinos for Individuals

- Health
 - Job satisfaction
 - Estate planning
 - Substance abuse
- Education & Skills
- Housing
- Financial planning for college
- Retirement planning
- Relationship issues
- Community safety

Gray Rhinos Facing the World

- Climate change & extreme weather
- Wealth & income inequality
- Youth unemployment
- Water scarcity
- Forced migration
- Impact of automation on jobs
- Weak education systems
- Cyber attacks
- Crumbling infrastructure
- Strains on city infrastructure
- Demographic shocks
- Pandemics
- Healthcare infrastructure
- Debt/liquidity crises
- Breakdown of political civility
- Nuclear threats
- Terrorist attacks

2. Are you –or is your organization’s leadership— denying or dealing?



Are you or your organization’s leadership

paying attention to obvious challenges or taking them for granted? Have you recognized your gray rhinos, identified solutions and acted on them? If you’re not dealing with what’s in front of you, you’ll pay a bigger price later. The price if your employees or investors feel the company is not addressing its biggest threats will quickly overtake whatever you have to spend to fix it.

Let’s take another minute to think about how your or your organization are doing on each gray rhino identified in the last question.

Gray rhinos involve one or more of five stages: **Denial, Muddling, Diagnosing, Panic, and Action**. Typically there are one or more leaders who get to Action way ahead of everyone else. Their Action plan involves convincing a critical mass of others to come along with them.

If you’ve listed the problem, you’re well on the way past the **Denial** stage. But are you sure you’re not denying anything important? Did you include the problem just because you felt you “should”?

If the problem is clear but nothing is happening, you’re **Muddling**—also known as kicking the can down the road.

Sometimes people muddle because they haven’t done a good job **Diagnosing** the problem, which is essential to moving toward acting. Do you have a handle on the causes and likely solutions to your problem? How about the other people at your organization, in your community, or others who have a stake in or affect whether or not the problem gets solved?

If you do a good job diagnosing, you might be lucky enough to skip the **Panic** stage, when a problem is widely recognized and bearing down on you. Panic is a double-edged sword. It can propel people into action, but if there's not a good plan at hand, we are more likely to do the wrong thing. If you've been in denial for too long, you may not even have had a chance to muddle or diagnose the problem: you panic right away.

Thinking about the top gray rhinos you identified in Question 1, rate where you or your company are in dealing with them. Which stage or stages best fits where you are with your top obvious dangers? Why did you answer the way you did?

Think, too, about other stakeholders: people affected by how you handle these gray rhinos; people whose actions cause or contribute to the problem; potential allies in fixing them; potential obstacles to solving them. Where are they along the five stages? How might you get them to move farther along toward action?

The next step in this process is to analyze why you and other key stakeholders in a particular stage and what you might do to move everyone closer to action. That's a much bigger set of questions that we'll leave for another day.

Gray Rhino #1:

Denial
Muddling
Diagnosing
Panic
Action

Rationale:

Gray Rhino #2:

Denial
Muddling
Diagnosing
Panic
Action

Rationale:

Gray Rhino #3:

Denial
Muddling
Diagnosing
Panic
Action

Rationale:

3. How good is your rhino detection and response system?

The first time I went on safari, I quickly learned that you have to train yourself to spot wild animals—even Big Five animals like elephants and rhinos—who may be hidden behind brush or at a distance that makes them harder to see. It was helpful to have an experienced tracker as well as other passengers looking at the landscape from different perspectives.

There's a learning curve in spotting gray rhinos, but there also are systems you can put in place to make it more likely that you'll see one in time to keep from getting trampled.



The first element of a gray rhino alarm system is a **regular reality check**, like the one you're doing here.

The second is a **designated gray rhino spotter and team**. In your personal life, this may be the best friend who's not afraid to say it like it is (you know, the one in all the romantic comedies). At an organization, it could be a formal position like a chief risk officer, or it could be a more informal designation of one or more key employees, advisors, consultants, or board members: the person who's not afraid to ask the tough questions and who both listens to employees and has the ear of the CEO and board. If it's not clear who this person is, find yourself a chief contrarian to watch out for and call out any gray rhinos in your field of vision. In addition to the gray rhino spotter, be sure that your decision making process includes voices from different and essential points of view.

The third is a way to **turn warning signals into action**. Are you confident that if a member of your organization raises a red flag, people with the power to do something about it will act in time? Have you developed a checklist or other regular reporting system that can identify problems early on? Does you require specific steps to solve problems that your alarm system identifies –like a low bank balance or safety violation?

A system for measuring how well you are responding to and fixing problems can help to keep you on track in changing the course of a gray rhino.

Ask yourself if your detection and response system includes these elements, and how robust they are. Jot down below what, if anything, your existing system includes for each of these elements. If you don't have one, write what it might look like when you create it.

Your rhino detection and response system

Regular reality checks [how often?]:

Variety of points of view, representing all key stakeholders:
[List those stakeholders here]

Designated gray rhino spotter(s):

Action triggers and steps if they happen:

Progress tracking:

4. What opportunities do your Gray Rhinos create?

Gray rhinos can be destructive, but channeling their power can create new opportunities.

Leaving a relationship that's not working can open you up to meeting the right person. Instead of just getting through the day at a job where the best part is when the day is over, you could learn new skills and land a new job or start your own company: something you're excited to go to every day.

Are there silver linings to your gray rhinos that hadn't occurred to you before?

If a technology is becoming obsolete, letting the old one go and moving on to the next one can make you a leader in your market.

If you can build a solution that will help others to solve a problem, you've got a huge opportunity on your hands.

Gray Rhino Opportunity #1:

Gray Rhino Opportunity #2:

Gray Rhino Opportunity #3:

5. What actions have you taken to respond?

What have you done to deal with the obvious danger in front of you? What's your action plan for the future? Sometimes you don't have much power other than to alert people who do have power. But you may find you have more ability to change things than you thought. Wrangling a gray rhino doesn't simply mean getting out of the way. Ideally, it involves preventing a catastrophe from happening. Sometimes, it means letting the trampling happen and taking a new path entirely.

Gray Rhino #1 Action(s) Taken:

Gray Rhino #2 Action(s) Taken:

Gray Rhino #3 Action(s) Taken:

Now look back over your answers. Are you satisfied with what you've done so far or what you're planning to do? Are your responses guided by fear –just getting out of the way of a trampling—or by a sense of new possibilities?

Review and Next Steps

Congratulations! By answering these five questions, you've completed Gray Rhino Readiness 101: Recognizing Your Gray Rhino.

You've identified the top obvious threats, evaluated how well you're doing in dealing with them, reviewed ways that you can better identify and respond to future gray rhinos, considered new opportunities that your gray rhinos might create, and you've measured your responses to date.

You now have hearty food for thought about how to strategize your next steps in wrangling your gray rhinos: Define Your Gray Rhino and Act on Your Gray Rhino.

Defining your gray rhino involves properly diagnosing and prioritizing the challenges in front of you. You'll need to apply strategies that are right for the stage your gray rhino is in, find solutions that are workable, and pursue the opportunities that your gray rhino creates.

Acting on your gray rhino means not only focusing on your own actions, but on how you can motivate others who share the power to solve a problem.

Think also about prioritizing further. Among the top three gray rhinos you identified here, what is the very top? I like to choose a single gray rhino in three categories: personal life, work, and the world –whether your immediate community or the planet, or a local problem that's part of a global challenge.

None of this is easy. But by recognizing your gray rhinos, you've taken big steps that put you ahead of the game.

About the Author



Michele Wucker, author of *THE GRAY RHINO*, is a global thought leader with nearly three decades of experience in media and non-profit management and content. She also is the author of *LOCKOUT: Why America Keeps Getting Immigration Wrong When Our Prosperity Depends on Getting It Right* and *WHY THE COCKS FIGHT: Dominicans, Haitians, and the Struggle for Hispaniola*. She has been honored as a Young Global Leader of the World Economic Forum and a Guggenheim Fellow.

In 2015, she founded Gray Rhino & Company to help decision makers improve their responses to challenges. Her previous positions include Vice President for Studies at The Chicago Council on Global Affairs; President of the World Policy Institute, which she re-launched in 2007; and Latin America Bureau Chief at *International Financing Review*. Her writing has appeared in media around the world including CNN.com, *The New York Times*, *The Washington Post*, and *The Wall Street Journal*. She has been interviewed by networks including National Public Radio, CNN, CNBC, MSNBC, and Fox News.

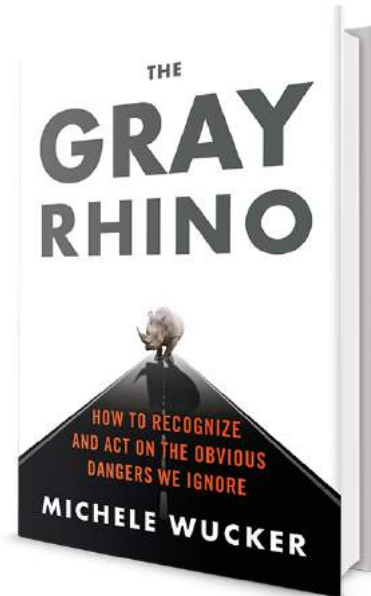
For further reading:

THE GRAY RHINO:

How to Recognize and Act on the Obvious Dangers We Ignore

By Michele Wucker

St Martin's Press, April 2016



“Equally vital for companies and countries, this highly original book serves as a critical reorientation of crisis management strategy and policymaking.”

– Ian Bremmer, President, Eurasia Group

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