The Quiet Emergence of Risk

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On Scope

This book isn't about predicting crises. It's about observing the silent factors that lead to them.

Often, an organization's failure is portrayed as a sudden tragedy. Headlines emphasize the shock of what happened. However, the cracks were always there – they were just hiding in plain sight. Decision-makers must remain vigilant about risks that could jeopardize their organizations. The problem is, risks don't announce themselves loudly – rather, they hang about silently.

At times, risks aren't hidden but normalized. They appear in decision patterns, governance structures, incentives, cultural norms, and managed language. These risk factors become normalized, and soon organizations ignore their threat.

This book examines how risk quietly develops within organizations. The insights are applicable to different types of organizations, be they corporate, financial, or policy-based. It doesn't forecast outcomes or moralize. It identifies how an organization prepares a strategy to deal with its current reality.

The examples are intended to highlight tendencies rather than to critique individuals. Organizations evolve under constraints. Leaders operate based on incentives.

Major risk rarely arrives unannounced. By the time it's noticed, the signs have been there – and were ignored, to the organization's peril.

Attention to the quiet emergence of risk is essential.

Chapter I – Risk Hides In Plain Sight

The small city of Bend, Oregon, is famous for being home to the sole remaining Blockbuster store – popularly known as "The Last Blockbuster." The franchise store has been active since 1990. Thirty-six years later, it remains standing, even though all Blockbuster corporate stores and other franchises have closed.

It's popular among movie lovers who grew up renting VHS tapes and DVDs at Blockbuster and has earned additional revenue through merchandise and by listing the premises on Airbnb.[1]

Blockbuster faced many risks from its main competitor, Netflix. The reason is that the latter adopted streaming services while the technology was still in its nascent stage.

Netflix moved beyond the model of shipping DVDs to customers. With its streaming platform, Netflix became the preferred choice for Americans to watch their favorite films and TV shows.

Blockbuster expanded beyond the United States. Its international stores across North America, South America, Asia, the UK, Continental Europe, and the Middle East also closed.[2] [3]

Netflix continues to operate in more than 190 countries[4] and has an extensive library of films, TV shows, video games, and original content produced in various countries and languages.

As Netflix gained momentum, Blockbuster eventually launched Blockbuster On Demand in 2007, yet it didn't succeed.

Blockbuster attempted to create a successful streaming service multiple times but never matched Netflix's popularity. Netflix had already established its reputation as the best online library for streaming films and TV shows, despite Blockbuster being a household name.[5]

Blockbuster didn't meet the demands of a consumer base that preferred the emerging popularity of a new technology and the now-prevalent streaming model.

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[1] Margaritoff, Marco. "How the World's Last Blockbuster Store Continues to Survive Against All Odds." *All That's Interesting*, 21 May 2020, **https://allthatsinteresting.com/last-blockbuster-store**

[2] "Blockbuster - Our History." *Blockbuster (Via Internet Archive)*, **web.archive.org/web/19971008054702/www.blockbuster.com/history/history.html** Accessed 17 Feb. 2026.

[3] Butler, Gavin. "Australia's Last Blockbuster Is Finally Closing." *VICE*, 4 Mar. 2019, **www.vice.com/en/article/australias-last-blockbuster-is-finally-closing/**

[4] **https://help.netflix.com/en/node/14164** Accessed 17 Feb. 2026.

[5] Stewart, Ellis. "What Happened to Blockbuster? How Streaming Killed the Video Store." *Enterprise Tech News EM360*, 13 Dec. 2024, **em360tech.com/tech-articles/what-happened-blockbuster-how-streaming-killed-video-store**

Blockbuster recognized the need to transition from VHS tapes to DVDs and Blu-ray discs. Yet it couldn't keep pace with on-demand entertainment, which became the norm. Consumers increasingly found visiting a physical store inconvenient. This was Netflix's advantage over Blockbuster.

The risk was present, but Blockbuster was unable to respond properly. Netflix was a catalyst for the convenience economy. Any company that couldn't offer convenience was unlikely to survive. Supermarkets still thrive, but they've all had to partner with food delivery services, from Uber Eats to Instacart, to ensure customer loyalty.

Blockbuster's model functioned for some time in the era of streaming. It didn't align with the new preferred method for renting and watching films and TV shows.

Risk Comes Quietly

An observer might wonder why Blockbuster didn't attempt to replicate the Netflix model sooner. This is because the risks to its existing model and Netflix's eventual market dominance weren't immediately apparent.

Customers still frequented Blockbuster stores. The culture of renting and buying physical media hadn't died out. Plus, Blockbuster still had the legacy that no other competitor had.

In retrospect, one can assert that it was a blunder for Blockbuster not to recognize the risks to its continuity. At the time, however, the risk emerged quietly, and Blockbuster had its own challenges to address while Netflix had established itself as a formidable competitor.

The Accumulation Of Risk

Risk accumulates until it begins creating major issues for an organization – eventually leading to a decline if the organization is unable to respond.

There wasn't a single decision or mistake that led to Blockbuster's shutdown. Rather, it was a series of decisions (or lack thereof) that didn't assess the severity of the risks the organization faced.

Blockbuster introduced a subscription model as consumers were increasingly making Netflix their preferred supplier. Late fees were still charged for unreturned DVDs. While Netflix did the same, they canceled any outstanding fees after they ended the DVD rental service and transitioned to a streaming-only model.[6]

[6] Smithers, Dominic. *"Netflix Releases Statement to Anyone Who Hasn't Returned Old DVDs."* UNILAD, 28 Aug. 2023, **www.unilad.com/film-and-tv/netflix/dvd-netflix-unreturned-charge-734674-20230828**

Blockbuster continued to incur the cost of owning and operating physical stores, which prevented it from allocating capital to other operations that could have ensured continuity.

Because risk accumulated slowly, Blockbuster's continuity didn't seem under threat. This is a challenge for decision-makers; they have to monitor trends and assess whether they pose a risk to their organization, even when the situation seems stable.

Chapter II – Drift In Decision-Making

A taxi medallion remains a valuable asset in any major American city. Taxi companies continue to manage their operations by purchasing medallions and vehicles, establishing dispatch systems, and complying with regulations. Daily, taxi services operate as usual, with iconic yellow cabs remaining a key part of New York City's transportation landscape, for example.

Ride-sharing technology and services gradually became widespread, offering an alternative mode of transportation that some consumers considered superior to traditional taxi service.

Taxi operators have incentives to maintain the status quo and avoid adopting ride-sharing technology. Operators have to pay for the purchase or lease of expensive taxi medallions. Physical dispatch centers have to be maintained. Drivers and other personnel have to be paid. Car costs have to be covered. Plus, taxi services are still used and trusted.

Continuity persists despite changing technology because incentives existed to preserve the system.

Incentives Shape Decision-Making

Decision-makers, regardless of the type of organization or sector, don’t operate freely. They’re constrained by incentives to keep the organization as is, without making dramatic changes or adapting to new technologies. Preserving continuity and avoiding major changes keeps the systems going. This stability maintains the company’s asset value, predictability, and credibility.

Making major changes brings about uncertainty within an organization. The introduction of new and disruptive technologies doesn’t cancel existing obligations. Decision-makers are often tied down to the existing system. This includes being tied to investors, shareholders, personnel, infrastructure, and regulators.

Decision-makers are judged by their ability to maintain stability and continuity. Ensuring continuity establishes professionalism. Stability remains a key criterion for assessing their competence. Sudden organizational changes pose reputational risks, particularly when the outcomes of such decisions are unpredictable.

A successful transition or disruption is only lauded in retrospect. A strategic change that corresponds with increased profits receives praise. Should the change lead to undesirable outcomes, it’ll be viewed as an error of judgment. The decision-makers are evaluated based on the outcomes of their decisions.

This explains why adept decision-makers prefer to focus on continuity. Current systems tend to stay in place because the benefits of maintaining an established plan often outweigh the potential gains of change. While decision-makers recognize that change can be beneficial, they also

acknowledge that existing commitments and potential negative consequences have to be considered.

Business operations rely on financial stability, and this is a key factor decision-makers consider when deciding whether to proceed cautiously when presented with an opportunity to change or disrupt their business model.

A decision-maker must consider how much more capital must be invested to pursue strategic changes. They'll also have to consider whether investing more capital will yield a significant return.

The pressure to maintain cash flow, pay salaries and taxes, and build and maintain emergency funds is also a factor decision-makers must consider. A decision-maker might face two difficult choices: invest in an emerging technology that's disrupting their sector or increase salaries for high-performing employees. This is a challenging dilemma, and the decision-maker must weigh the trade-offs.

Failing to invest in adopting new and disruptive technology can cause the company to fall behind its competitors. However, failing to give raises to deserving employees can risk losing them to other employers.

One must consider extra costs associated with adopting new technology, including infrastructure, devices, software, and employee training. Conversely, neglecting existing infrastructure and failing to adequately compensate employees can lead to significant future financial losses.

As mentioned earlier, decision-makers are also assessed on their professionalism based on the outcomes of their decisions. Decision-makers don't simply consider the company's outcomes when making decisions; they also weigh the risks to their own careers.

The decision-maker risks losing their job if they fail to guide the company in adopting the latest industry trends. They might also encounter setbacks if they are seen as focusing more on company growth than on employees' development and financial stability.

Then there's the existing structure that decision-makers take seriously. Disrupting that structure won't always lead to favorable outcomes and can jeopardize the company's operations. Transitioning into a new sector with different regulations is challenging. So is changing service providers when the company has a long-standing, trusting relationship with the current providers. The risk of instability looms when infrastructure changes.

Decision-makers are cautious when evaluating the best options for their organization. They stay informed about emerging technologies, alternative strategies, and the advantages of innovation. At the same time, they remain cautious about potential negative consequences and emphasize maintaining organizational continuity. Their decisions are influenced by incentives rather than by taking risks, even if they might lead to positive results.

Normalization Of Drift

Organizational structural changes happen gradually, allowing the team to adapt more easily. Changes are introduced step by step until the new methods are fully adopted. When an organization opts to change, decision-makers carefully develop a plan to ensure a smooth transition.

Gradual changes help a team adapt more easily, and decision-makers are aware of this. Sudden changes can feel like shocks or crises. To promote stability and continuity, organizations prefer to implement structural changes gradually. Numerous small decisions are made to facilitate the smooth execution of major changes.

First, decision-makers introduce new expectations to the team calmly. The sales team is told that unit sales should increase by x. The marketing team is told that social media posts should now include more video. The accounts team is told to tighten the budget slightly each month. The expectations can't be drastic, and the teams will slowly adapt and strategize about how to scale their operations.

Next, language adjusts accordingly. Decision-makers won't use urgent language that can cause panic or stress the team. Internal communication won't place too much focus on competitors or major challenges within the organization, which can seem alarmist. Instead, the language will focus more on the incremental goals the organization and its team need to achieve.

This gradual easing shouldn't be seen as indecision or a lack of confidence. Rather, decision-makers understand the risks of making changes. Changes to a company's structure, goals, or output can cause unease. If these changes are made hastily, they're likely to create tension within the organization.

As changes occur gradually, risk develops incrementally. Decision-makers observe the subtle rise of risk and respond accordingly. They avoid rushing into decisions or actions to mitigate risk, as hasty responses can disrupt the organization's continuity.

A decision-maker recognizes that reacting impulsively to incremental risk may not eliminate it and could lead to additional issues for the organization. They understand the importance of balancing risk management with stability and continuity.

Chapter III – Signals Appear Before Recognition

Changes within an organization rarely appear without warning. These warnings, or signals, emerge before formal acknowledgment of the changes. Decision-makers observe these signals and, at times, create them before making formal announcements regarding organizational changes. This is an important strategy to ensure that changes don't come at the expense of stability and continuity.

Managed Language

One of the main signals that an organization is making major structural changes is the use of managed language. This refers to using language to craft expectations, shape behavior, and establish perception. This contrasts with descriptive language, which simply describes reality.

Managed language is an important tool for decision-makers to make a team feel at ease as the organization makes changes.

A prominent example is the use of managed language in the newspaper industry, particularly in the United States, where newspaper circulation has significantly declined.[7]

Newspaper organizations had to transition to digital media as part of their plan to maintain continuity. Smaller publications may have had to go digital-only. Today, many new media houses consider going exclusively digital, as they estimate that print media is too costly for their business.

While consumers are accustomed to digital news today, the transition from print to digital was a shock to the news industry.

Informing a team of journalists that newspaper circulation is decreasing and that the costs of printing newspapers aren't feasible or aren't sufficient to generate profits is descriptive language. It describes a reality that many newspaper companies face. However, this type of phrasing is likely to create panic within the organization.

The famous slogan for *The New York Times* is "All the News That's Fit to Print." Although it remains a print newspaper, the publication has maintained its reach through digitization. The organization used managed language to help its team transition to a new operating model.

In their 2014 Innovation Report, they assessed how the publication was adapting to the digital age and what steps they could take. Phrasing within the document included the following quote:

[7] Pew Research Center, *"Newspapers Fact Sheet,"* Pew Research Center, 10 November 2023, **https://www.pewresearch.org/journalism/fact-sheet/newspapers/**

"It should be stated explicitly that there is no single transformational idea in this report. Transformation can be a dangerous word in our current environment because it suggests a shift from one solid state to another; it implies there is an end point."[8]

This shows that the key decision-makers felt that a word like "transformation" could worry the team. The quote makes it clear that there is no end point, which otherwise could suggest that some key personnel may no longer be needed once the "transformation" is complete.

This short passage in the report assures the team that there will be changes, but it doesn't necessarily mean a complete replacement of what was previously there. It asserts that change isn't there to cause discomfort or threaten the organization.

The change in vocabulary occurs in tandem with the structural changes. Discussion of digitization doesn't happen once digitization is complete. It happens as the process unfolds. Managed language eases the process of change as it occurs. The vocabulary changes gradually, so do the signals.

Decision Patterns

The signals don't just show in language, however. They also appear as incentives change. As more consumers choose to read their news online, print publications are incentivized to digitize. Other incentives can include demands from investors, shareholder expectations, and pressure from competitors.

Decision-makers notice these signals and must act in accordance with incentives while also preserving continuity. They'll set the adjustments and new expectations while ensuring operations continue without issue.

The organization will also adopt new decision patterns to meet these new internal expectations. A change in decision patterns often reflects the anticipation of risk.

Decision-makers might decide to gingerly cut budgets. An upcoming project might be postponed. These decisions are made with insight and careful consideration of the risks that could arise within the organization.

Due to "slowing economic growth," the advertising market wasn't as strong as expected. This affected several media companies, including long-established media houses such as *The Washington Post.* The leadership envisioned a more positive outlook for advertising, but realized they had to make new decisions when this didn't pan out.

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[8] *The New York Times*, *Innovation Report* (internal document, 2014), p. 5
https://nytco-assets.nytimes.com/2024/04/InnovationReport.pdf

The decision was made to reduce employee headcount. To avoid layoffs, *The Washington Post* opted for voluntary buyouts.[9]

Decision patterns change gradually because they're introduced methodically. Each new decision is defensible. Hiring slows, investments are deliberated before being executed, if at all, and future commitments are often reduced.

Strategic Narrowing

As the organization faces challenges and assesses risk, it begins the strategic narrowing process. This refers to narrowing the organization's scope of work. Strategic narrowing is presented as a focus rather than a retreat from a larger scope of work to avoid creating panic within the organization.

The focus will be on the main activities where internal expectations are changing. Organizations will also continue operations as is and reduce or eliminate experimentation with new methods for completing work.

The priority is on stability and continuity. This lets the team know that a reduction in the scope of work will not harm the organization.

For example, rather than expanding to a new market, an organization might double down on growing its client base in an existing successful market. Rather than developing new products, they'll focus on improving their existing catalog.

The example from *The Washington Post* in the previous section illustrates strategic narrowing. Rather than focusing on increasing circulation, launching new publications, or creating dynamic news documentaries, the immediate need was to ensure stability and continuity. Voluntary buyouts, rather than layoffs, are a prime example of how strategic narrowing helps keep an organization afloat.

A decision-maker doesn't panic when they anticipate risks within an organization. Rather, they'll focus on what needs to be done to ensure continuity. As the organization stabilizes, they'll then decide when to rekindle new endeavors and canceled projects.

Pattern Recognition

Keen observers will notice changes within an organization and understand that a few changes here and there aren't indicative of an anticipation of risk. A casual observer might panic if they see decision-makers steering the organization in a new direction.

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[9] Reuters. "*Washington Post Will Offer Buyouts to Employees to Reduce Staff*." *Reuters*, 10 Oct. 2023, **https://www.reuters.com/markets/us/washington-post-will-offer-buyouts-employees-reduce-staff-2023-10-10/**

A casual observer will also not understand the importance of stability and continuity. If an organization continues operations as usual and postpones innovation, new projects, hiring, etc., they might feel that this will harm the organization's success in the short term.

A keen observer understands that decision-makers are looking at the long term. They understand that stability and continuity must be preserved before any new endeavors. They acknowledge that decision-makers are considering potential risks and working to prevent future issues within the organization.

Chapter IV – Continuity Comes First

Organizations are often expected to scale, innovate, and disrupt continuously. These expectations will come from personnel, shareholders, investors, clients, and the general public.

However, continuity is the priority for any organization. Only when continuity and stability are in order can scaling, innovation, and disruption occur. A decision-maker must assess whether a decision can ensure continuity or will harm it. Continuity is the default position.

Under Steve Jobs' leadership, Apple saw significant innovation – from the iMac to the iPod to the iPhone. Under Tim Cook's leadership, so far, there has been more refinement of existing products than the creation of wholly new ones – with the Apple Watch, AirPods, and AirTag being notable exceptions.

Under both CEOs, Apple's reputation as a leader in the tech industry has remained intact. Continuity thrived under Steve Jobs and is being preserved under Tim Cook.

Systems Stay Intact

A key reason why continuity takes precedence is that organizations operate through established systems. Immediately changing the system risks disrupting operations; it can also remove trust that has taken a long period to build.

Abruptly not renewing a contract with a vendor, for example, can lead to distrust and skepticism – about whether the organization values loyalty and long-term relationships or will quickly jump to a new vendor on a whim.

Likewise, shutting down physical stores to go fully digital must be a slow, gradual process, if it happens at all. If Blockbuster had closed its physical stores as quickly as possible to transition to a digital-only model, it's likely it would still have hurt its business.

Workflows, processes, and standard operating procedures are also systems that ensure the stability and continuity of an organization. Decision-makers won't advise changing these systems on a whim. If a team is unable to adapt to a new process, for example, it can affect their performance, productivity, and results. As a result, such changes must be made slowly and carefully.

A casual observer may view an organization that keeps systems intact or changes them gradually as risk-averse, lacking innovation, or even lacking ambition. However, a keen observer understands that decision-makers act according to incentives, and that making changes that could bring high rewards can also carry high risks.

Identity Matters

One key reason organizations prioritize continuity is their core identity. For a newspaper company, a strong focus on selling newspapers can hinder its shift to digital formats or its expansion into other media, such as audio and video. Likewise, a taxi company might view itself as an entity that dispatches taxis – rather than one that connects passengers with drivers, as ridesharing companies do.

The importance of identity shouldn't be underestimated. Clients and the public also view an organization with a particular identity. A change in identity could cause the organization to lose favor with both clients and the public.

Tom Ford might lose its appeal if it begins targeting mass-market consumers and significantly reduces its prices. Toyota would lose its appeal if it began producing only luxury cars and charging prices one would expect from Rolls-Royce. Changing their well-established identities, built over decades, would likely disrupt their continuity.

It's easier for an organization to change its identity when it isn't as well-established. The British entertainment production company and retailer Go Faster Stripe is an example of this. Go Faster Stripe started by selling baby clothing. However, they transitioned to selling DVDs and merchandise featuring popular British stand-up comedians who weren't recognized by the mainstream at the time.

Because they weren't a well-established baby clothes retailer, they were able to make a major transition and change their identity. The company is now considered an institution of British comedy.

Berkshire Hathaway was acquired by Warren Buffett when it was a declining textile mill that had closed several locations and laid off employees. Eventually, it became the holding company for Mr. Buffett's investments. It moved from producing textiles to owning shares in companies as varied as Apple, Amazon, Dairy Queen, Coca-Cola, Geico, and several newspapers.[10]

Given its declining status as a textile mill, it wasn't much of an issue to transition to a holding company.

Decision-makers must consider an organization's identity before suggesting drastic changes, even when a potential risk arises. A change in identity might seem ambitious or innovative, but it can also harm continuity.

[10] Montevirgen, Karl. "Berkshire Hathaway." *Encyclopedia Britannica*, 27 Feb. 2026, **https://www.britannica.com/money/Berkshire-Hathaway**

Continuity Helps Evolution

An emphasis on continuity doesn't mean that evolution has been stalled. Decision-makers view it as imperative to mask evolution with continuity – to ensure that the team can adapt to the changes without discomfort.

Before introducing the iPhone, one can speculate that Apple knew it would eventually replace the iPod – because consuming media on the iPhone was possible, eliminating the need to own both an iPhone and an iPod.

Apple focused on ensuring that the infrastructure on which the iPod ran would be transferred to iPhones. The iPhones essentially became iPods that could make phone calls, send SMSs, and perform other tasks. There was a combination of continuity (selling a media player) and evolution (developing a smartphone).

Apple's original identity was as a company that manufactured personal computers. Today, it's known as a tech giant that sells personal computers, smartphones, audio equipment, and software. Furthermore, Apple sells an identity – that Apple users are cool and creative.

Apple has evolved, but it has always maintained continuity. It has always presented itself as an organization that sells personal computers, which it continues to do today. It has always presented itself as selling stylish, aesthetically pleasing gadgets. Rather than simply functioning, Apple has an appeal that sets it apart from its competitors.

This style ensured continuity and made customers loyal to Apple, helping the company venture into other tech products. It's why customers don't just go to Apple for their MacBooks but also for their iPhones, iPads, Apple Watch, AirPods, AirTag, Final Cut Pro, Logic Pro, and more.

Only with continuity in place can change be effectively implemented. When an organization shifts to new systems or goals, continuity facilitates these transitions. It also creates an impression of preserving the current state and reduces the likelihood of internal challenges.

Chapter V – Recognition Followed By Action

Organizations seldom undergo sudden structural changes. They'll experience continuity even as changes are occurring. Evolution happens within continuity and is often concealed. As such, risk doesn't appear externally, and it emerges quietly.

Because risk doesn't present itself loudly, it becomes a hazard to an organization if it's not governed by proficient decision-makers. This is why it's necessary to have decision-makers who are keen observers and can detect risk when it emerges quietly. These decision-makers will also advise on the steps to ensure continuity, manage risk, and help the organization achieve its goals.

Perspective

An organization's behavior is perceived differently by a keen observer than by a casual one. A casual observer might be perplexed as to why Apple hasn't introduced (as of February 2026) smart home products – akin to Amazon Alexa, for example. They might see this as a major risk and one that could hold Apple back.

A keen observer, in contrast, can assess an organization's predicament more carefully. They'll understand that there are well-founded reasons an organization might prioritize continuity and defer innovation. They'll understand why an organization isn't adopting new technology immediately. They know that it isn't wise for an organization to rapidly change existing systems.

All organizations must have decision-makers who are keen observers to maintain continuity and mitigate risk. These decision-makers must know how to counter skepticism toward continuity.

Even within an organization, key personnel might question why certain decisions aren't being made. A Chief Technology Officer might question why the organization isn't making more use of AI platforms. The Director of Marketing may seem frustrated when the organization isn't using social media more often to promote itself.

Decision-makers must navigate skepticism and possible criticism, knowing the right steps to maintain continuity while allowing for future growth. Equally important is their understanding of restraint, recognizing when it's best to remain hands-off and avoid taking action.

Gradual Action

When action is required, a decision-maker must assess how and when to take it. To avoid any harm to the organization, actions must be gradual and carefully considered. A decision-maker must assess the situation before deciding when to act and when to step back.

The right decision-maker will save the organization and preserve continuity. A poor decision-maker can accelerate the organization's decline. Just as risk accumulates gradually, a decision-maker must approach risk gingerly and work to remove it.

This is when the decision-maker insists on weighing the trade-offs for every action. They must insist on a rigorous risk assessment before any more capital is allocated to a business operation. They'll consider whether more public relations effort is needed to strengthen the organization's reputation, if it risks being tarnished.

This is when strategic narrowing occurs. It's when the organization begins to use managed language to guide the team through any major structural changes.

Recognition doesn't arrive once the risks have done their damage. A decision-maker gradually recognizes risk as it quietly emerges within an organization. Only in retrospect does one notice the major structural changes the organization undertakes.

The ideal is for an organization to make gradual changes while preserving continuity and mitigating risk, so that few outside observers notice the risk in the first place.

Conclusion

Organizational failure is often perceived as sudden. In retrospect, an organization's collapse is seen as an abrupt event.

Markets crash rapidly. Companies fail and shut down without a moment's notice. Policy changes are made on a whim. These are the perceptions held by both the public and by personnel within an organization.

However, this couldn't be further from the truth. Structural change doesn't occur suddenly. Instead, it begins as continuity persists.

Business operations continue within established systems. Decisions are defensible and meet little skepticism. Changes are made slowly. Managed language takes over descriptive language. Incentives reward stability, and continuity remains the default goal.

Members of an organization work within these incentives, setting aside personal goals or perspectives to focus on the organization's overall well-being. Their actions maintain continuity and help smoothly implement structural changes, reducing associated risks.

It's within continuity that a keen observer notices the quiet emergence of risk.

The risk isn't a shock to the system. It accumulates within an organization, and decision-makers make small adjustments as needed. Leaders are rewarded for ensuring continuity rather than for taking haphazard decisions that might seem innovative but can also jeopardize stability.

When one looks at an organization that has undergone structural changes, the actions seem rational. The signals seemed clear, and the decisions seemed measured. One doesn't realize that the language was carefully crafted to influence action and shape perception rather than to describe the underlying reality.

The purpose of this book hasn't been to predict crises within organizations. The book has described how risk emerges and how corresponding changes within an organization are made to avoid failure.

Competent decision-makers are keen observers. They don't wait for dramatic signals to appear. They notice risks and their gradual accumulation. They understand that shifts in structure, incentives, and language are crucial to addressing these risks.

By the time everyone notices the structural changes, they've already been put in place and have become the new standard for the organization.

Risk doesn't manifest suddenly; it gradually develops. The response must be balanced to ensure continuity, avoid organizational failure, and to make room for future changes and innovation.

About The Author

Raghav Suri is a business strategist, advisor, and executive speechwriter. His work explores leadership, strategy, decision-making, influence, and the forces that shape organizations and reputations.

He advises businesses and leaders on strategy, positioning and communication, and works with founders, CEOs and senior executives on speeches for important moments.

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