

## Chapter 5

# Assumptional Analysis: The Key Role of Assumptions

### ABSTRACT

*The authors present a general method known as assumptional analysis for uncovering and analyzing key assumptions. Assumptions are plotted on a two-dimensional chart. The horizontal dimension ranged from those assumptions on the left that were relatively unimportant to those on the right that were extremely important to a strategy's success. The vertical dimension ranged from those assumptions on the top that were felt to be certain to those on the bottom that were felt to be uncertain. They were as likely to be false as they were to be true.*

*“Your assumptions are your windows on the world. Scrub them off every once in a while, or the light won’t come in.” — Isaac Asimov*

### Learning Objectives

- Define Assumptions
- List the steps for Assumptional Analysis
- Describe an approach to challenge an assumption
- Identify three common false assumptions
- Describe what the letters SWOT stand for
- Explain the inherent differences between SWOT and SAST

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## INTRODUCTION

The Strategic Assumption Surfacing Technique (SAST) was pioneered by James Emshoff, who was then at Wharton School at the University of Pennsylvania, serves to identify and assess assumptions underlying organizational strategies. Subsequently, it's been developed further by Mitroff and his colleagues.

SAST facilitates dialogue among team members, helping them uncover implicit beliefs that could affect decision-making. By bringing hidden assumptions to surface, organizations can analyze their validity, reduce conflicts, and align their teams for more effective execution of strategies.

In SAST, participants are divided into groups, each of which is assigned a specific aspect of the strategic issue at hand. Groups identify key assumptions and then present them for collective examination. Assumptions may be categorized as either “taken-for-granted,” which are often unconscious but widely accepted, or as “contingent,” which are conditional on certain events or circumstances. This process exposes discrepancies, contradictions, or gaps in the strategy, which can then be addressed or tested.

A successful application of SAST can yield transformative results for an organization, strengthening its strategic footing and enhancing team alignment. By surfacing hidden assumptions, the team becomes more aware of potential blind spots or vulnerabilities in their planning, allowing for the design of more resilient strategies. The process also fosters open dialogue and critical thinking, thereby enriching the organizational culture with a deeper sense of collaboration and accountability. Moreover, SAST serves as a preemptive measure against conflicts or misunderstandings that could arise later due to unexamined assumptions. As a result, the organization not only gains a robust, adaptable strategy but also nurtures an environment of transparency and collective problem-solving, equipping it to navigate future complexities with greater agility and confidence. Examples of implementation include:

**Mergers and Acquisitions:** During the planning stages of a merger or acquisition, SAST can be used to uncover assumptions about corporate culture, potential synergies, and expected financial outcomes. By identifying these assumptions, companies can develop more robust integration strategies, pre-empt potential cultural clashes, and set realistic financial goals.

**Product Development:** In the tech industry or any fast-paced sector, SAST can help teams uncover assumptions about market demand, technological feasibility, and competitor behavior. Doing so can lead to a more well-rounded understanding of risks and opportunities, aiding in the development of a product that addresses actual market needs rather than perceived ones.

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