

Mikhael Lalwani | The Business of Uncertainty

Practical Insights on Business, Risk, Growth And Resilience

What More Than Two Decades Around Risk Taught Me About Business

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Executive Summary

After more than twenty years in high-risk operations, security, corporate advisory, investment boards, and group CEO roles, I've learned a clear lesson: frameworks alone don't manage risk, people do, through the decisions they make under pressure. Theoretical models, static risk registers, and polished dashboards can create a false sense of security when they reflect only the past. Real business resilience comes from strengthening real-time decision-making, recognizing recurring human patterns, and closing the gap between static plans and changing realities before small blind spots become major crises.

Experience vs. Frameworks

Standard risk frameworks often fail in real crises because they assume the world is predictable and that variables stay the same long enough for committees to discuss them. Reality repeatedly challenges us and teaches lessons no playbook can.

- **Frameworks capture known risks, not dynamic uncertainty.** Risk registers track incremental liabilities, but systemic shocks can collapse overnight with foundational assumptions.
- **Data without context can create dangerous blind spots.** Dashboards show *what* happened, but practical intuition helps you spot changes before they show up in quarterly numbers.

The Recurring Pattern Across Domains

Whether it's elite tactical defense, corporate turnarounds, supply chain problems, or cross-border deals, the main threat pattern stays the same.

- **The Human Barrier:** Teams consistently freeze when information is incomplete, mistaking delay for prudence.
- **The Institutional Pattern:** Organizations often stick to outdated playbooks, known as the "Assumption Gap," until outside forces push them into costly, forced decisions.

How Experience Sharpens Interpretation of Weak Signals

With experience, leaders move from just collecting more data to filtering out the noise. Over time, you learn to spot early signs, stalled approvals, vendor issues, or small compliance delays, and see them not as routine problems but as early warnings of bigger changes.

Lessons Learned Over 20+ Years

1. Inaction is an active strategy that adds up over time. Delaying decisions to avoid risk slowly erodes your options, uses up capital, and gives faster competitors an advantage.
2. First principles are better than old playbooks. When things change quickly, past benchmarks don't matter. Decisions must be based on what's happening now.

3. How quickly information moves can decide survival. Bad news should move faster than good news. When organizations hide tough truths, problems only get worse.
4. Agility is the best strategic safety net. No one can predict everything, but organizations that change direction quickly will always do better than those that stick to a rigid plan.

What I Believed Early vs. Today

Early Belief
Complete risk management means building comprehensive rules, exhaustive procedures, and eliminating operational variables.

Belief Today
You can't write enough rules to get rid of uncertainty. Real leadership means setting clear decision boundaries, giving one person ownership, and acting confidently even when you have only about 60 to 70 percent of the information. Executives often overestimate how much reliable data they have, believing they are at 70% sufficiency when concrete facts support only about 50%; the rest may reflect assumptions and confirmation bias.

To mitigate this risk, decisions should be decisions in structural calibration rather than subjective impressions of data adequacy. I typically implement the following practical mechanisms:

1. **Reversibility Test: Door 1 vs. Door 2**

Before debating the data threshold, first classify the decision:

- Door 1 (Reversible): If the decision is wrong, the impact is minor and easily contained. Use the fast 60–70% data rule.
- Door 2 (Irreversible): If the decision is wrong, the consequences could threaten the organization's survival. Do not use the 70% shortcut. Require rigorous verification and a higher threshold for sufficient data.

2. **Pre-Mortem Analysis**

Before execution begins, convene the core decision-making team and pose one question:

> Imagine we are 12 months in the future, and this decision has failed catastrophically. What was the primary cause of that failure?

This forces the leadership team out of confirmation bias and exposes hidden assumptions masked as 70% data.

3. **Separating Signals from Noise (Non-Negotiables List)**

Executives should prioritize data quality over volume. Calibration starts by defining the 3–4 essential signals that must be verified before proceeding:

- Financial Assumptions: Is the worst-case downside calculated and absorbable by the company?
- Legal/Regulatory Exposure: Are any statutory limits or compliance requirements breached?

- Operational Capacity: Do we have the execution capability, or is this merely paper strategy?

If these core signals remain unvalidated, then regardless of supporting data volume, actual sufficiency remains at 50%.

4. **Appointing a Devil's Advocate (Designated Challenger)**

In every executive board or crisis response team, formally appoint a reviewer to challenge the dominant narrative. Their role is not to slow progress, but to stress-test executive assumptions with uncomfortable questions. If leadership cannot defend its position against the Devil's Advocate, that '70%' figure is simply overconfidence.

Defining Experience: Closing the Assumption Gap Under Pressure

When investment committees evaluate high-growth ventures, they routinely rely on audited statements, tier-one co-investors, and compelling impact narratives. In eFishery's case, the corporate playbook's assumptions appeared sound: exponential user adoption, nationwide supply-chain coverage, and top-tier institutional validation. However, the critical "Assumption Gap" the divergence between reported governance metrics and ground-level reality widened undetected, masked by inflated unit economics, dual accounting, and circular transactions.

By treating routine operational anomalies and delayed field verifications as mere administrative noise rather than early warning signals, investors let a breakdown in operational visibility led to massive capital destruction.

Navigating this crisis required shifting from static risk registers to active, real-time decision calibration. When initial whistleblowing and forensic discrepancies emerged, the traditional response would have been to wait for full audit conclusions before acting. Applying structural decision-making discipline meant cutting through sunk-cost bias, recognizing that base assumptions had completely broken down, and executing an immediate exit strategy based on incomplete data. Accepting an immediate, low-cost capital write-down preserved remaining liquidity, contained legal exposure, and protected broader portfolio governance, proving that when an assumption gap turns into operational failure, decisive action beats prolonged hesitation every time.

Turning Setbacks into Strategic Resets: Lessons from the Mat

In combat sports and tactical martial arts, beginners often cling to a compromised guard or broken position out of pride or fear, believing they are safe until an opponent forces a painful submission. But remaining still on the mat is not neutral: it allows an opponent's momentum to build, gives up spatial control, and lets their strategy shape the match.

Experienced martial artists quickly recognize when reality no longer matches their original plan. Rather than absorb more damage while defending a failing stance, they make an early, controlled reset. This preserves energy, defensive options, and focus, creating an opportunity to regain control before the situation escalates.

The same mindset serves leaders facing boardroom uncertainty. Hesitating or clinging to an outdated strategy can create an invisible "inaction debt," drain capital, weaken leverage, and give faster competitors an advantage. Friction is a useful signal: accepting a small, immediate loss when a premise has failed is not defeat, but a deliberate reset that preserves capital and flexibility. Adaptive leaders do not wait for perfect certainty or try to eliminate every operational risk. They respond to early warning signs and make timely adjustments to align expectations with reality.

Leaders need to let go of the idea that waiting for complete certainty is safe. Move boardrooms away from just reporting risks and build in these four habits:

1. **Measure Inaction Debt:** Treat decision delays with the same financial severity as unapproved capital expenditures.
2. **Audit Base Assumptions Regularly:** Continuously ask: *“What are the core assumptions behind this plan, and what happens if they are wrong?”*
3. **Establish Single-Owner Accountability:** Assign complex decisions to a single leader who is empowered to act on partial data.

4. **Act with calculated agility:** Make decisions when you're confident in about 70 percent of the data and use real-time feedback to adjust as conditions change.

Strategic Takeaways

Adaptive leadership treats uncertainty not as a reason to pause, but as a mandate for decisive, disciplined action. Waiting for complete clarity is a high-risk gambling situation. It creates costly inaction debt, weakens strategic leverage, and cedes market dominance to more agile competitors. To make risk management a true decision advantage, boardrooms must close the Assumption Gap, assign clear ownership, and act with partial visibility using real-time feedback loops to adjust as conditions on the ground evolve. Ultimately, sustainable enterprise resilience comes not from predicting every market shock, but from building the organizational discipline to move quickly, cut losses early, and adapt continuously under pressure.

About the Author



Mikhael M. Lalwani is a business leader and practitioner in business risk, crisis management and strategic resilience, with more than two decades of experience spanning security, operations, corporate risk, crisis response, entrepreneurship and investment.

As Founder & Group CEO of CORIM Group, he leads a multi-sector business ecosystem and works with corporate leaders on complex, high-stakes situations where decisions must often be made before the picture is complete.

His perspective is grounded in real-world operating environments. His career has moved from security and high-risk operations into corporate risk advisory, crisis management, strategic business leadership and investment—giving him a practical view of how risk develops, how organisations respond under pressure, and how leaders can build the visibility, readiness and decision discipline required to act under uncertainty.

His thought-leadership focus is the business of uncertainty: risk before crisis, decision-making under pressure, organisational resilience, human risk, leadership, and the relationship between risk and opportunity.

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