



Whitepaper

Before the fact leadership

Building organizations that anticipate problems — and hiring the C-suite that will

FTTM best-practices series.

Why high performers pull pain forward, why normal organizations punish them for it, and how CEOs build the conditions and hire the leaders who reverse the pattern. Grounded in the Fast Time To Market (FTTM) practices and the research behind them.

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Before the fact leadership

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Core thesis. The happy schedule is the blue pill. The reality-based schedule is the red pill. Anticipation is not a personality trait—it is a behavior the organization either rewards or punishes, and that C-suite leaders either model or suppress. The CEO's job is to make before-the-fact behavior the cheapest, safest, highest-status act in the company, then to hire leaders who already practice it.

Overview

Abstract

Most organizations reward the wrong behavior. The leader who notices a problem six months out, raises the alarm, and forces an early trade-off gets labeled negative, not a team player, a poor fit for the culture. The leader who stays silent until the crisis arrives, then works nights and weekends to pull the launch back from the brink, gets promoted. Across thousands of hours of observation inside Silicon Valley product development teams, lateralworks has watched this pattern repeat: firefighters are celebrated, fire preventers are dismissed. The research at MIT, Harvard Business School, and the high-reliability literature reaches the same conclusion through different routes [1, 2, 5, 7]. This is the single largest avoidable source of schedule slip, cost overrun, and strategic surprise.

This paper names the alternative and describes how to build it. We call the alternative **before-the-fact behavior**: anticipating problems while there is still time to fix them, pulling pain forward rather than pushing it back, and confronting reality even when reality is unflattering. High performers do this instinctively. Normal performers avoid it because their organization punishes it. The difference between the two groups is not talent, intelligence, or effort. It is the environment the CEO builds around them.

The environment has three layers. A cultural layer that rewards honest early warning and treats the discovery of a future problem as a gift, not an indictment. A process layer that forces anticipation—pre-mortems, reality-based schedules, the explicit naming of the gap between where the program is and where it needs to be. A delegation layer we call **Freedom Level 1**, in which experienced leaders act first and report routinely, accepting after-the-fact control from the CEO in exchange for the speed and ownership that anticipation requires. The three layers reinforce each other; absent any one, the system degrades back into firefighting.

The paper closes with a practical instrument: a set of structured interview questions for C-suite candidates, designed to reveal whether a leader is a before-the-fact thinker or a talented after-the-fact rescuer. The questions probe behavior under three conditions every elite candidate has lived through—a program in trouble, a decision made with incomplete information, and a truth no one wanted to hear. The answers distinguish the two groups cleanly.

01

Section one

Why firefighting wins

Development projects do not fail at the finish line. They fail at the start, when the seeds of the late crisis get planted and nobody is willing to name them. The schedule looks fine. The staffing looks fine. The technical plan has a few gaps, but “we have learned from our mistakes” and “we will figure it out.” People who raise concerns are told to be better team players. Positive energy, the room is told, drives delivery. Negative thinking is self-fulfilling. The hard trade-offs can wait.

Six to nine months later, the problems are no longer hypothetical. They are here, stacked on top of each other, with a deadline that sharpens focus in a way that early warning never did. The pain curve goes vertical. Nights and weekends appear. The hero emerges—the leader who rescues the program from the edge, who finds the workaround, who lands the silicon or ships the release or closes the customer despite everything. That leader gets promoted. The leader who pointed at the dead component six months earlier is still at the same level.

Section one

Why firefighting wins

MIT's Nelson Repenning, building on John Sterman's system-dynamics tradition and writing with Laura Black and others, modeled the dynamic formally and proved it is structurally stable: organizations tip past a threshold into a self-sustaining firefighting mode and cannot get out without explicit intervention [1, 2, 3]. One of the project managers in their study summarized the rule of the game in a single sentence: around here, the only thing they shoot you for is missing product launch; everything else is negotiable. The unspoken corollary is that identifying a future failure early does nothing to help the project currently on fire, and the project currently on fire is the only project that matters.

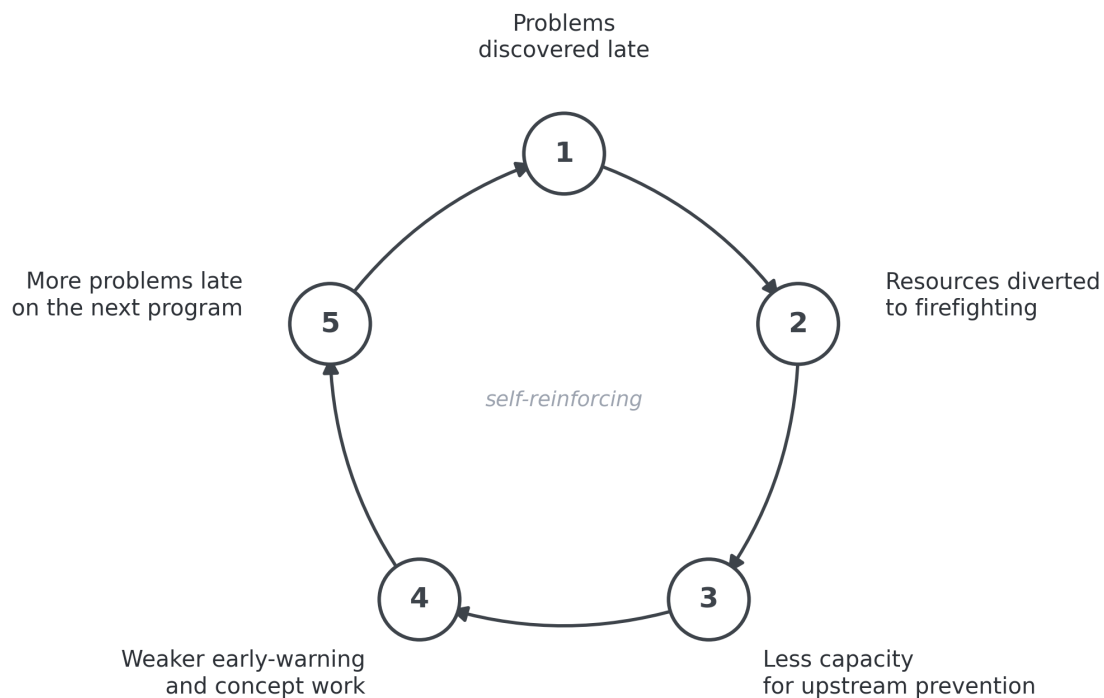


Figure 1. The firefighting reinforcing loop. Late-discovered problems pull resources out of upstream prevention, which produces more late-discovered problems on the next project. Once inside the loop, organizations cannot escape without explicit, structural intervention (after Repenning & Sterman, 2001).

The three mechanisms that keep organizations trapped

Three mechanisms hold normal organizations in reactive mode. A CEO trying to build a before-the-fact culture is fighting all three at once.

Optics beat outcomes. In the firefight, everyone can see the hero work: the late nights, the crisis calls, the last-minute save. In before-the-fact mode the equivalent work is invisible—a problem that never happened, a meeting that surfaced a gap, a decision made in March that saved the program in September. Invisible work is hard to reward, and organizations that cannot see the work do not pay for it.

Bad news is career-limiting. When a leader raises a concern that implies a future miss, the room hears an accusation: someone planned badly, or promised something they cannot deliver, or missed a risk earlier. The political cost of being the messenger is borne immediately; the benefit of the early warning accrues months later, to a different audience, often absorbed into the general narrative that “the team delivered.” Harvard’s Amy Edmondson has documented the pattern across hospitals, factories, and knowledge-work firms: absent psychological safety, the rational individual choice is to stay silent, even when the organizational cost of silence is enormous [5, 6].

Delay lets reality resolve itself. Some problems visible in month three will resolve themselves by month nine. A key engineer’s family issue may pass. A supplier may recover. A scope request may be dropped. The temptation to wait and see is rational at the level of the individual decision and fatal at the level of the program, because the problems that do not resolve themselves now have six fewer months to be fixed.

Self-diagnostic: is your organization in the trap?

The firefighting trap is subtle. Organizations inside it usually believe they are high-performing, because the constant heroics produce a steady stream of successful rescues. The ten markers below separate a healthy organization from one that has tipped past the threshold. Three or more yes answers indicate the pattern is established and structural intervention is required.

#	Marker	Yes/No
1	Your best leaders fix the last-minute problems. They are rarely the ones who prevented them.	
2	Program reviews open green or yellow. Red appears only when the miss is unavoidable.	
3	Concerns raised more than six months before a deadline are deferred to “the next review.”	
4	Your calendar is dominated by the current crisis; there is no protected time for the next one.	
5	Upstream work—concept, early risk, architecture—slips to accommodate downstream firefighting.	
6	People who raise uncomfortable questions are seen as “negative” or “not a team player.”	
7	The phrase “we will figure it out” appears in commitment meetings for problems not yet solved.	
8	Near-misses are not investigated. The team is relieved and moves on.	
9	Your best people are stretched across multiple projects in late-stage rescue mode.	
10	The honest answer to “will we ship on time with the committed quality?” differs from the official one.	

Table 1. Self-diagnostic markers for the firefighting trap. Three or more yes answers indicate the organization has tipped past the threshold and cannot recover on effort alone.

02

Section two **Before the fact**

High performers are not more talented than their peers. In the lateralworks best-practice study the high-performing leaders held the same degrees, came from the same companies, and reported to bosses as political as anyone else's [20]. What they did differently—consistently, across programs and across companies—was shift their work earlier in time. They forced themselves to look forward, deliberately and uncomfortably, and they trained their teams to do the same. Six behaviors characterize the pattern.

Section two

Before the fact

1. Pull pain forward

High performers raise the threshold of pain early, when there is still time to act. Rather than letting issues accumulate silently until a deadline forces a crisis, they push the pain curve toward the front of the program. They know from experience that a problem surfaced in month two has eight months of budget, staffing, and leadership attention available to resolve it. The same problem surfaced in month nine has a weekend [20].

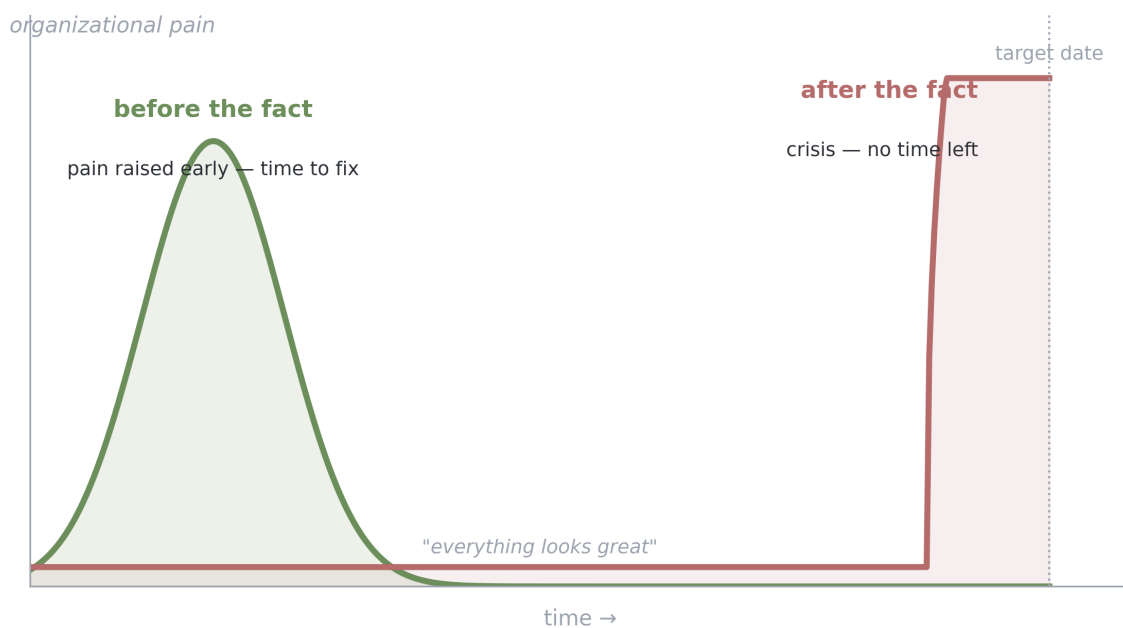


Figure 2. The pain curves of before-the-fact and after-the-fact leadership. The sage curve raises organizational pain early, creating urgency and time. The coral curve suppresses pain until the deadline, then spikes vertically at the exact moment time has run out.

2. Confront the brutal facts

High performers do not substitute optimism for information. They look directly at the gap between where the program is and where it needs to be, even—especially—when the gap is embarrassing or politically inconvenient. Jim Collins calls this the Stockdale Paradox: unwavering faith that the team will prevail in the end, combined with the discipline to confront the most brutal facts of the current reality, whatever they are [9]. Optimism alone kills programs. Optimism paired with honest assessment delivers them.

3. Know the gap

High performers quantify the gap and publish it. They produce what lateralworks calls reality-based schedules—schedules that show the program as it is, not as the boss wants to see it. When the reality-based schedule says the program is fourteen months late at the current scope, that number goes on the first slide of the review, not buried in an appendix. The gap, made visible, forces the conversation the

happy schedule was designed to avoid: what do we cut, what do we change, what do we invent, what do we buy?

4. Run pre-mortems

High performers formalize anticipation. Before committing to a plan, they invert it: the team is asked to imagine the plan has failed a year from now, spectacularly and publicly, and to write down every plausible reason for the failure. Cognitive psychologist Gary Klein, who popularized the technique in a 2007 *Harvard Business Review* article, found that this single inversion—prospective hindsight—increases the ability to identify potential problems by roughly 30 percent and surfaces risks that traditional review meetings miss [4]. Pre-mortems are structurally safer than speaking up, because everyone is being asked to find problems; dissent is the assignment, not the deviation.

5. Default to action, not to ask

High performers do not wait for permission. When the evidence is clear and the decision falls inside their competence, they act and report—what lateralworks teams call the UNIDIR practice, short for “unless otherwise directed, I intend on...” They notify the hierarchy of the action they are about to take, offer the chance to intervene, then move. The cycle compresses by days or weeks. Colin Powell captured the underlying information principle in his 40/70 rule: act when you have between 40 and 70 percent of the information you need [10]. Below 40, you are guessing. Above 70, the opportunity has already passed.

6. Stay preoccupied with failure

High performers treat near-misses as signals, not as luck. This is the first of the five principles Karl Weick and Kathleen Sutcliffe identified in their study of high-reliability organizations—aircraft carriers, nuclear power plants, wildland firefighting crews, emergency rooms—organizations in which a single missed weak signal can be catastrophic [7]. Preoccupation with failure does not mean pessimism. It means active, disciplined attention to the small things that might go wrong, and refusal to simplify them away because the simpler story is more comfortable.

The six behaviors reinforce each other

None of the six behaviors operates alone. Pulling pain forward without confronting brutal facts produces a team that raises alarms but cannot act on them. Knowing the gap without psychological safety produces a schedule with the truth on slide one and no one willing to own it. Pre-mortems without Level 1 delegation produce a long list of risks and no authority to mitigate them. Default to action without preoccupation with failure produces speed in the wrong direction. The leaders lateralworks has watched at the top of the performance distribution practice all six, and they require all six of their teams, because the combination is what produces the result.

The practical test. Pick any one of your current programs. For each of the six behaviors, ask: is this behavior visible in the program today? Not stated as a value—visible, observable, happening this week. Most programs show one or two of the six. The high-performing programs show all six, because the leader running them is practicing them and requiring them.

The failure mode

Shoot the messenger

When the leader who raised the alarm gets punished, the next leader will keep quiet.

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03

Section three

The red pill, the blue pill

The Matrix gave technology culture a useful shorthand for the choice at the center of this paper. Morpheus offers Neo two pills. The blue pill returns him to a comfortable simulation—the world as he has always known it, where nothing is really wrong. The red pill wakes him up to reality, which turns out to be much harsher than the simulation but also true. The scene endures because it names a real dynamic: the moment a person chooses awareness over comfort, knowing the awareness will cost them.

Section three

The red pill, the blue pill

Every leader in every major program faces a version of this choice, often weekly. The blue pill is the happy schedule—the one that shows green in every status review, that absorbs the quiet concerns of the engineers into a general optimism, that lets the executive team adjourn without confronting the gap. The red pill is the reality-based schedule—the one with the fourteen-month miss on slide one, the one that forces the trade-off conversation the blue pill was designed to avoid. The blue pill is cheap and immediate; the red pill is expensive in the moment and cheap over time.

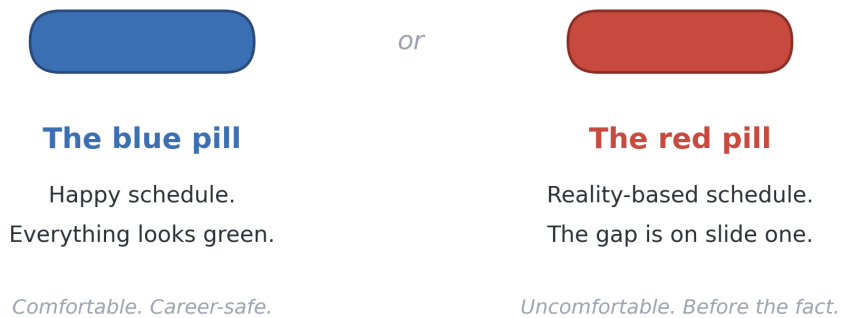


Figure 3. The choice every experienced leader makes, often weekly. The environment around them—what it rewards and what it punishes—determines which pill is the easier one to reach for.

Every experienced leader has taken both pills, often in the same career. What changes is not the person but the environment. Firefighting organizations make the blue pill the cheapest, safest, highest-status choice: say everything is green, be a team player, keep the narrative positive, and rise through the hierarchy. Before-the-fact organizations invert the incentives. The red pill is rewarded publicly, and the blue pill—especially when it turns out to have been a deliberate evasion—is career-limiting. The two environments produce different leadership not because they hire different people, but because they reward different behavior.

The two environments, side by side

The behaviors above do not exist in isolation. Each sits inside a system of incentives, rituals, and language that either reinforces it or suppresses it. The table below contrasts the two environments on the dimensions that matter most. Most organizations are not purely one or the other, but most leaders, if they are honest, can locate their company closer to one column than the other on most rows.

Dimension	Normal (after-the-fact)	Best practice (before-the-fact)
Response to bad news	Messenger is blamed; problem is minimized; discussion deferred.	Messenger is thanked; problem is named; trade-off is forced immediately.
Planning stance	Happy schedule: everything on track, no explicit gap.	Reality-based schedule: gap is visible on the first slide.
Risk identification	Implicit, informal, deferred to the risk register nobody reads.	Structured pre-mortems at every commitment gate.
Decision speed	Escalate, wait, reconvene. Below Freedom Level 3.	Act, report. Freedom Level 1 for experienced leaders.
What gets rewarded	Visible heroics during a crisis.	Invisible foresight that prevents the crisis.
Treatment of near-misses	Relief. Move on. Do not investigate.	Signal. Investigate. Update the model.
Career path	Firefighters are promoted.	Fire preventers are promoted.

Table 2. Structural differences between after-the-fact and before-the-fact environments. Each row reinforces the others, which is why partial interventions fail.

Key finding. Organizations do not get stuck in after-the-fact behavior because their leaders lack talent. They get stuck because every row in Table 2 rewards the wrong answer. Changing one row—for example, launching a pre-mortem program—rarely moves the culture, because the other rows are still pulling against it. The CEO has to change the system, not the symptom.

04

Section four

The research base

The lateralworks framework did not emerge in isolation. It converges with thirty years of research from operations management, organizational behavior, cognitive psychology, and the high-reliability literature. Five independent streams of work arrive at the same conclusion through different routes. A CEO designing an anticipatory organization is not inventing something new—the evidence base is robust and the tools are well understood. What is scarce is the will to apply them.

Section four

The research base

Repenning and Sterman: firefighting as a trap

MIT's Nelson Repenning, working with John Sterman and others, used system-dynamics modeling to show that firefighting is a reinforcing feedback loop that tips above a threshold into a steady state from which organizations cannot escape without explicit structural intervention [1, 2, 3]. The diagnostic is sharp: if a new process improvement initiative is unworkable in a firefighting organization—as one engineer in the study said, it is a good process, some day I would like to work on a project that actually uses it—then the problem is not the process. The problem is the allocation of attention, and attention is being consumed downstream. The treatment is to protect upstream capacity, by force, from downstream demand.

Klein: pre-mortems and prospective hindsight

Cognitive psychologist Gary Klein developed the pre-mortem technique to exploit a specific property of human cognition: people are substantially better at explaining outcomes that have already happened than at predicting outcomes that have not [4]. Imagining a failure as if it has occurred, then working backward to its causes, surfaces risks that forward-looking brainstorming misses. The underlying research—Mitchell, Russo, and Pennington, 1989—found that prospective hindsight increases the ability to correctly identify reasons for future outcomes by 30 percent [4]. The technique is now used in Army operations, Wall Street trading floors, wildland firefighting, corporate boardrooms, and the design of medical protocols. Nobel laureates Daniel Kahneman and Richard Thaler have both endorsed it [16]. It costs twenty minutes.

Edmondson: psychological safety and voice

Harvard Business School's Amy Edmondson, starting with her 1999 study of medical and manufacturing teams, established that the willingness to speak up about problems is a team-level property, not an individual one [5]. Teams with psychological safety surface problems earlier, learn faster, and—counterintuitively—report more errors, not fewer. The higher error rate is not because they make more mistakes; it is because they are willing to see and name them. Her later book, *The Fearless Organization*, translates the research into practical leadership behaviors: frame the work, invite participation, respond productively [6]. The psychological-safety construct is now the foundation of Google's Project Aristotle framework for effective teams [15].

Weick and Sutcliffe: high-reliability organizations

Karl Weick and Kathleen Sutcliffe studied organizations that operate in conditions where error is intolerable—nuclear power, naval aviation, emergency medicine—and extracted five principles that distinguish them: preoccupation with failure, reluctance to simplify, sensitivity to operations, commitment to resilience, and deference to expertise [7]. The first three fall under what the authors call *anticipation*; the last two under *containment*. Anticipation is what before-the-fact behavior looks like at the organizational level: not a personality trait of individual leaders, but a disciplined, collective habit of attention.

Grove and Collins: the executive disposition

Andy Grove's *Only the Paranoid Survive* is the canonical CEO-level statement of before-the-fact behavior [8]. Grove argued that the leaders who navigate strategic inflection points successfully are the ones who treat every signal as potentially the early warning of a fundamental shift, and who accept the psychological discomfort of questioning their own dominant hypotheses. Jim Collins, from the other side of the data, found the same pattern in his good-to-great study: every company that made the leap had leaders who combined unwavering faith in eventual success with disciplined willingness to confront the most brutal facts of their current reality [9]. Optimism without discipline kills companies. Discipline without optimism paralyzes them. The two must be held together.

The convergence. Five independent research streams—operations research at MIT, cognitive psychology in the HBR literature, organizational behavior at HBS, high-reliability studies in nuclear and aviation contexts, and executive-level strategic management—reach the same core finding. Anticipation is trainable, structural, and decisive. Companies that institutionalize it outperform. Companies that suppress it end up in predictable, expensive crises.

Mapping the research to the lateralworks practice

The streams converge, but they do not each address every dimension of the anticipation problem. The table below maps each stream to the lateralworks FTTM practice it most directly supports, so a CEO can see where the evidence is deepest for each intervention.

Research stream	Core finding	lateralworks practice
Repenning & Sterman	Firefighting is a structurally stable trap that consumes prevention capacity on each cycle.	Protect upstream capacity. Fence concept and early-risk work from current-program demand.
Klein (pre-mortem)	Prospective hindsight surfaces ~30% more risks than forward brainstorming.	Pre-mortem every major commitment. Make dissent the assignment.
Edmondson (safety)	Speaking up is a team-level property; silence is individually rational absent a leadership signal.	Reward early warning publicly. Never shoot the messenger. Model fallibility from the top.
Weick & Sutcliffe (HRO)	Five principles of anticipation and containment; treat near-misses as signals.	Preoccupation with failure in reviews. Reluctance to simplify. Deference to the expert closest to the work.
Grove (inflection)	Winners treat weak signals as the early warning of fundamental change.	Disciplined paranoia in strategy. Constructive challenge of dominant hypotheses.
Collins / Stockdale	Unwavering faith combined with disciplined confrontation of the brutal facts.	Publish the gap. Reality-based schedules on the first slide of every review.
Powell (40/70 rule)	Act on 40–70% of the information; above 70% the opportunity has passed.	Default to action. UNIDIR communication. Freedom Level 1 for qualified leaders.
Oncken (freedom scale)	Five levels of initiative map directly onto the timing of control.	Structural delegation framework for the CEO's operating model.

Table 3. Mapping each research stream to the lateralworks FTTM practice it most directly supports. The convergence of eight independent lines of work is what gives the framework its durability.

05

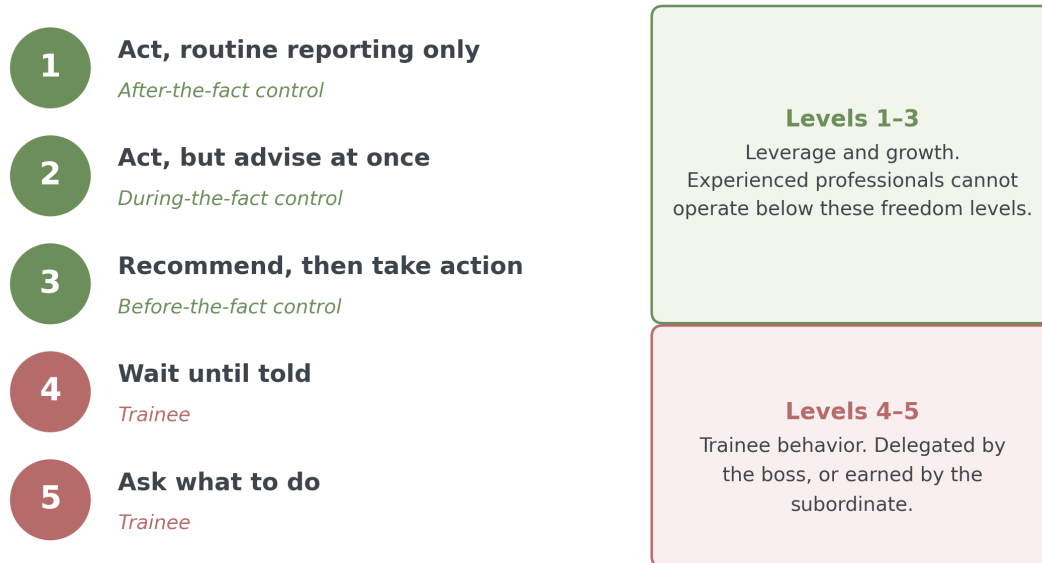
Section five

Freedom Level 1

Culture and process are necessary but not sufficient. A before-the-fact leader surrounded by a hierarchy that requires before-the-fact approval for every action cannot actually act before the fact. The structural condition for anticipation is delegation that lets experienced people move without waiting. lateralworks calls this structure the Freedom Scale, adapted from William Oncken's management work [11].

Section five

Freedom Level 1: the delegation condition



adapted from Bill Oncken

Figure 4. The Freedom Scale. Levels 1–3 are the operating range for experienced professionals. Levels 4 and 5 are training states. A person held below Level 3 for an extended period is being deliberately trained or, more often, quietly disempowered.

Why Freedom Level 1 is the anticipation level

The freedom levels map directly onto the timing of control. Level 3, recommend then take action, gives the boss *before-the-fact* control: the subordinate proposes, the boss signs off, and only then does the work proceed. Level 2, act but advise at once, gives the boss *during-the-fact* control: the work starts, the boss is informed in real time, and intervention is possible if required. Level 1, act with routine reporting only, gives the boss *after-the-fact* control: the subordinate acts, reports on a routine cadence, and the boss reviews outcomes rather than pre-approving actions.

The paradox is direct: to build a before-the-fact organization, CEOs must delegate at the level that gives them only after-the-fact control. The leader who must seek approval before acting cannot pull pain forward, because pulling pain forward requires uncomfortable conversations that the approver has an incentive to postpone. The leader who can act and report can surface the problem, take the first step, and bring the evidence back to the executive team ready for the trade-off decision that matters. The CEO does not lose control; the CEO trades visible, slow control over inputs for outcome-based control over results.

The trust asymmetry

Freedom Level 1 requires trust, and trust runs in both directions. The CEO trusts the leader to act on the company's behalf without prior approval. The leader trusts the CEO to judge actions fairly after the fact,

including actions that turned out, in hindsight, to be wrong. If either side of the trust breaks, the leader retreats to Level 3 or lower—asking before acting, defaulting to safety, waiting for explicit direction. The firefighting organization is full of experienced people operating at Level 4, not because they lack judgment, but because the last time they used their judgment it cost them.

Practical consequence. A CEO who says “I want anticipatory leaders” while approving every significant action before it happens is running a contradiction. Anticipation requires delegation at Freedom Level 1 for the leaders capable of operating there, and a deliberate training path—Level 3, then 2, then 1—for the rest. Without that structure the best anticipatory leaders in the company will either disempower themselves or leave.

What it costs to hold leaders below Level 3

CEOs underestimate the cost of holding experienced leaders at Freedom Levels 3, 4, or 5. The cost does not appear as a line item; it appears as missed windows, delayed decisions, disengaged talent, and the slow accretion of firefighting. The table below makes the cost visible by Freedom Level, so the operating level is chosen deliberately, not by default.

Level	Control mode	What it costs the organization
Level 1	After-the-fact	Almost nothing, if the person is qualified. Maximum leverage for the boss, maximum growth for the leader, highest speed.
Level 2	During-the-fact	Small real-time coordination overhead. Appropriate for most experienced leaders; collaborative and fast.
Level 3	Before-the-fact	Decision cycles lengthened by days or weeks. Acceptable for advanced trainees and for decisions of unusually high strategic consequence.
Level 4	Trainee	Leader is disempowered. Problems go unraised because raising them invites more supervision, not more support. Best people retreat or leave.
Level 5	Trainee	Complete passivity. The leader’s judgment is no longer engaged. The CEO is doing the leader’s job while still paying leader-level compensation.

Table 4. The cost of each Freedom Level. The cost of holding experienced leaders below Level 3 is rarely visible on any dashboard, which is exactly why it accumulates.

06

Section six

The CEO's six levers

CEOs who want to build a before-the-fact organization have six levers available. None works alone; together they reshape the incentive landscape that Table 2 described. The order matters. The first two levers establish safety for the behavior, the next two make the behavior visible and actionable, and the last two protect the capacity to sustain it.

Section six

The CEO's six levers

01

Reward early warning

Never shoot the messenger.

02

Mandate pre-mortems

On every major commitment.

03

Publish the gap

Reality-based plans visible.

04

Delegate at Freedom Level 1

Accept after-the-fact control.

05

Protect prevention capacity

Isolate from firefighting load.

06

Measure outcomes

Not activity. Not optics.

Figure 5. Six systemic levers the CEO can pull to shift the organization from after-the-fact to before-the-fact behavior. Levers 1–2 establish safety. Levers 3–4 make anticipation visible. Levers 5–6 protect the capacity to sustain it.

1. Reward early warning, never shoot the messenger

Name, in public, the leader who surfaces an uncomfortable truth. Do it within the first ninety days of the new culture so the signal is unambiguous. Conversely: the first time a leader is penalized, even subtly, for delivering bad news early, the entire program resets to zero. People watch what the CEO actually rewards, not what the CEO says on the all-hands call. Edmondson's research is specific on this point: a single punitive response to good-faith early warning can undo months of cultural investment [6].

2. Mandate pre-mortems at every major commitment

Require a thirty-minute pre-mortem before every major program commitment, capital allocation above a threshold, or strategic decision. The agenda is fixed: imagine the decision has failed eighteen months from now; write down every plausible cause for the failure; rank by likelihood and impact; decide which risks to mitigate now and which to accept. The discipline is structurally safer than speaking up in an ordinary review, because finding problems is the assignment, not the deviation. Teams that adopt the discipline surface roughly 30 percent more actionable risks than teams that rely on traditional review alone [4].

3. Publish the gap

Every program review begins with one number on the first slide: the gap between the current reality-based schedule and the committed date. If the gap is zero, say so. If the gap is fourteen months, say so. The gap is never buried. The gap is never softened. The gap, once made public, forces the trade-off conversation the happy schedule was designed to avoid: do we cut scope, change the plan, add resources, buy rather than build, or commit to a new date? Making the gap visible is the single most powerful operating change a CEO

can make in the first ninety days.

4. Delegate at Freedom Level 1 for qualified leaders

Identify the leaders already operating at Freedom Level 2 successfully—acting, advising at once, delivering—and move them explicitly to Level 1. Document the move. Tell the executive team. Accept after-the-fact control, including the control of reviewing a decision that turned out to be wrong and treating it as a learning event rather than a punishable offense. Leaders not yet at Level 2 get a visible training path through Level 3. Everyone knows where they sit on the scale and what it would take to move.

5. Protect prevention capacity from firefighting

In an organization already running hot, the prevention work will be devoured by the next crisis unless it is structurally separated. That is Repenning's central recommendation [2]. Practical forms vary: a concept-development team with its own funding and staffing that cannot be raided, a weekly calendar block on the CEO's time protected for anticipation work, a dedicated early-warning function with a direct line to the executive committee. The form matters less than the firewall. Without it, the gravity of the current fire will always pull attention away from the next one.

6. Measure outcomes, not activity or optics

The performance review system is the silent teacher. If bonuses attach to activity (emails sent, meetings run, hours worked) or to optics (programs that looked fine at the end of the quarter), the organization will optimize for activity and optics. Tie performance review explicitly to outcomes over time: the product that shipped on schedule with the committed quality and cost, the problem that was surfaced early and resolved without a crisis, the decision that, in hindsight, was the right one. Outcomes lag activity by months or years; review systems must be built to wait.

The sequence matters

CEOs who try to pull all six levers at once usually succeed at none. The levers interact, and some must be in place before others will land. The sequencing rule is: safety first, visibility second, capacity third. Pulling lever 3 (publish the gap) before lever 1 (reward early warning) will simply expose the people willing to tell the truth and punish them for it. Pulling lever 4 (Freedom Level 1) before lever 6 (outcome-based measurement) will create decisions that look reckless because the review system is still rewarding activity and optics. Work the levers in order.

The first 90 days

A CEO who agrees with the argument of this paper will be tempted to announce a cultural transformation program. Do not. Anticipation is built by demonstrated behavior, not by announcement. The ninety-day plan below focuses on a small number of visible, concrete acts that teach the organization what the new rules are. Each act is deliberately public, deliberately uncomfortable, and deliberately irreversible.

Window	Action	Signal sent
Days 1–30	Ask for the single worst piece of news in the company. Reward the person who brings it, publicly. Do it again the following week.	Messengers are safe, even valued. Silence is no longer the defensive posture.
Days 1–30	Identify three leaders operating at Freedom Level 2 and move them explicitly to Level 1. Announce the moves with the rationale.	Trust is delegated. Anticipation is rewarded with autonomy.
Days 15–45	Institute the reality-based schedule review: every major program review opens with the gap on slide one. No exceptions.	The truth is the starting point of the meeting, not the destination.
Days 30–60	Run a pre-mortem on the CEO’s single largest commitment of the year. Publish the risks and the mitigations.	The CEO lives the practice before asking the company to.
Days 30–60	Fence the prevention capacity. Name the team, fund it, publish the rule that it cannot be raided for the current fire.	Tomorrow’s work is as real as today’s work.
Days 60–90	Change the performance-review template to measure outcomes over time, including preventions. Pay the first bonus against the new template.	The compensation system now reinforces the stated culture.
Days 60–90	Hire or promote one C-suite leader using the interview framework in this paper. Make the decision and the reasoning visible to the top team.	The company sees the CEO’s standard for the people around them.

Table 5. A 90-day plan for CEOs committing to a before-the-fact operating model. Each action is deliberately concrete, public, and irreversible. The signal sent matters more than the specific action.

07

Section seven **Hiring the C-suite**

CEOs change culture only with the leaders around them. A C-suite whose default disposition is after-the-fact will return to firefighting the moment the CEO looks away. Finding before-the-fact thinkers is therefore the single most leveraged hiring decision a CEO makes. The difficulty is that every serious candidate has rehearsed the right-sounding answers to the obvious questions. The interviewer who asks “do you anticipate problems?” will hear “absolutely” every time.

Section seven

Hiring the C-suite

The questions below are structured to defeat the rehearsal. They ask for specific past behavior in specific situations, and they probe for the uncomfortable details that separate a before-the-fact thinker from a polished after-the-fact rescuer. Each question has a preferred form of answer and a set of red flags that indicate the candidate is describing themselves more flatteringly than the record supports. Use them as a starting point, not a script—the follow-up questions matter more than the opening ones.

Category A — Confronting reality

These questions test whether the candidate can look at unflattering facts without defending, rationalizing, or reframing them. Before-the-fact leaders speak about reality plainly; after-the-fact leaders speak about reality diplomatically.

#	Question	What to listen for
A1	Tell me about a time you knew a program was in serious trouble months before the rest of the leadership team was willing to see it. What did you do, and what was the personal cost?	Specific early signal, specific action taken, explicit acknowledgement of political cost. Red flag: the candidate frames it as a story about how they were right and everyone else was wrong.
A2	Describe the last decision you made that turned out to be clearly wrong. How did you know? What did you do next?	Concrete example, within the last 12–18 months, with honest ownership. Red flag: “I cannot think of one” or examples more than five years old.
A3	When your board or CEO has asked a question you did not want to answer, what did you say?	Specific exchange, plain language, willingness to have delivered unwelcome news. Red flag: abstract answers about “always being transparent.”

Category B — Anticipating and pulling pain forward

These questions test whether the candidate has the practiced habit of looking forward, and whether they will raise problems that cost them politically in the moment.

#	Question	What to listen for
B1	Walk me through a pre-mortem or equivalent risk exercise you have personally run on a major program. What did it surface that you would otherwise have missed?	Structured method, specific risk surfaced, change to the plan as a result. Red flag: “we always talk about risks in our reviews” without a specific example.
B2	Give me an example of a problem you raised 6–12 months before it would have hit. How did you raise it, and how was it received?	Time gap is real, the raise was uncomfortable, resolution took meaningful intervention. Red flag: all examples are “things I fixed” rather than “things I prevented.”
B3	What is your early-warning system? How do you learn about problems in your organization before they appear in the metrics?	Concrete practice—skip-level meetings, specific reports, informal channels. Red flag: generic language about “open door” or “culture of transparency.”

Category C — Default to action

These questions test whether the candidate operates at Freedom Level 1 under their own authority and extends that freedom to the leaders they manage.

#	Question	What to listen for
C1	Describe a decision you made without prior approval that, in hindsight, should have required it. What happened?	Willingness to act under ambiguity, honest reflection on the cost. Red flag: “I have always cleared decisions first”—describes a Level 3 or lower operator.
C2	How much of your current team operates at the “act and report” level versus the “ask first” level? How do you move people up?	Specific named examples, explicit training path, language aligned with the freedom scale concept. Red flag: “I empower everyone” without mechanism.
C3	Tell me about a time you let a direct report make a decision you thought was wrong. What was the outcome, and what did you do about it afterward?	Willingness to accept after-the-fact control, separation of the decision from the person. Red flag: the candidate either never allows this or always overrides.

Category D — Response to early warning

These questions test how the candidate actually receives bad news from below. It is the most diagnostic category, because it predicts what the candidate’s organization will dare to tell them.

#	Question	What to listen for
D1	Tell me about the last time someone on your team brought you a problem you really did not want to hear. How did you respond in the room, and what did you do in the 48 hours after?	Explicit memory of the emotional response (which is always there), deliberate follow-up action. Red flag: only talks about what they said, not what they felt.
D2	Can you name someone currently reporting to you who has told you you were wrong in the last ninety days? What did they say?	Named person, specific topic, evidence the person is still employed and in good standing. Red flag: inability to name one.
D3	How do you know when your team is hiding a problem from you?	Specific signals—meetings that go silent on a topic, metrics that stop being volunteered, people who avoid your calendar. Red flag: “my team does not hide problems.”

The single best diagnostic question. “When was the last time you delivered news to your CEO or board that made you uncomfortable to deliver—news that cost you something in the moment?” A candidate who cannot answer this question specifically, with a recent example and an honest acknowledgement of the cost, is almost certainly an after-the-fact rescuer, no matter how impressive the rest of the resume reads.

A scoring rubric for the conversation

The twelve questions generate a lot of signal. To keep the signal from washing out in a long interview loop, score each category red, amber, or green, and require consensus across the interview panel before advancing the candidate. A single red in any category is usually enough to decline; two ambers is usually enough to pause and re-interview; all green across the panel is the bar for a C-suite hire in a before-the-fact organization.

Category	Green (hire)	Amber (explore)	Red (decline)
A. Confronting reality	Specific recent examples of uncomfortable truths named in public. Plain language. Acknowledges cost.	Examples exist but are old, softened, or framed as wins. Diplomatic language dominates.	Cannot produce a specific example. Reframes every brutal fact as a positive learning.
B. Anticipating and pulling pain forward	Describes a structured method (pre-mortem or equivalent) used routinely. Names specific preventions.	Intent is right but practice is ad hoc. Examples mostly about risks caught, not risks prevented.	All examples are rescues. No structured anticipation in the operating rhythm.
C. Default to action	Operates at Freedom Level 1 or 2 under own authority. Actively moves direct reports up the scale.	Operates at Level 2 but holds team at Level 3. Unclear about the distinction.	Seeks approval before most consequential decisions. Team is at Level 4 or below.
D. Response to early warning	Can name the last person who told them they were wrong. Describes emotional response honestly. Changed behavior.	Remembers the event but narrates only the professional response. Emotional content flattened.	Cannot name anyone. Or: the person who raised the issue is no longer on the team.

Table 6. Scoring rubric for the four interview categories. Require consensus across the interview panel on each category; the panel conversation is often more diagnostic than the candidate's own answers.

A

Synthesis

How the layers reinforce each other

Read separately, the three layers—culture, process, delegation—look like three different management topics. Read together, they describe one decision made three times: whether the organization is built to make the truth speakable, fast, and rewarded.

Synthesis

How the layers reinforce each other

Start with culture. The cultural layer is what tells the leader who sees the problem in month two whether to speak now or wait until month nine. If raising the problem is dangerous, the leader keeps quiet and the organization discovers the slip when it can no longer be fixed. If raising the problem is rewarded, the leader speaks, and the organization gets seven months of options it would otherwise have lost. Culture sets the price of honesty. Get the price wrong and no process or delegation change can compensate.

Process makes the cultural permission concrete. Pre-mortems, reality-based schedules, and the public gap on slide one are not rituals—they are the mechanisms by which a safe culture produces decisions. A culture that allows bad news but provides no structured forum for it surfaces problems unevenly: brave people speak, quiet people do not, and the organization sees a fraction of what it should. Process levels the field. It makes anticipation the standing assignment, not the personal risk.

Delegation closes the loop. Even a safe culture with strong process will produce bottlenecked decisions if every action of consequence has to be approved before it happens. Freedom Level 1—act with routine reporting only—is the structural condition under which the leader who saw the problem can take the first step toward fixing it without waiting for permission. The CEO who delegates at Level 1 trades visible, slow control over inputs for outcome-based control over results, and gets the speed and ownership the other two layers were designed to produce.

The three layers reinforce each other and fail together. Culture without process produces uneven anticipation. Process without delegation produces visible risks no one is empowered to mitigate. Delegation without culture produces fast decisions in the wrong direction. A CEO who pulls only one lever—launches a pre-mortem program, declares an open-door policy, hands out autonomy—will see the change fade within a year. A CEO who builds all three together changes the operating model of the company, and the change holds.

The through-line. Anticipation is not a property of leaders in isolation. It is a property of the environment leaders work inside. The CEO that rewards early warning, mandates pre-mortems, publishes the gap, delegates at Freedom Level 1, protects prevention capacity, and measures outcomes over time will get anticipatory leaders by default. The CEO that does none of these things cannot buy anticipation back later with pressure, because pressure applied to a firefighting culture only produces a more confident firefighting culture.

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