By Sten Vesterli (sten@vesterli.com)
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Irrational Optimism

IT people are too optimistic. It is a natural consequence of our ability to build something from nothing. Our creations are not subject to gravity or other laws of physics. A builder cannot decide half-way through a construction project that he wants to swap out the foundation. But IT people think they can change their Object-Relational mapping framework in mid-project. Since it is technically possible - you only need to change some bits - that doesn't mean it's a good idea.

Similar optimism informs our project plans. For some reason, we assume that everything will go the way we plan it. More mature industries subject to the laws of physics know from experience that things don't always go according to plan. They expect it and plan for it. But in the IT industry, reserving time for unforeseen occurrences is considered "padding the estimate" and frowned upon.
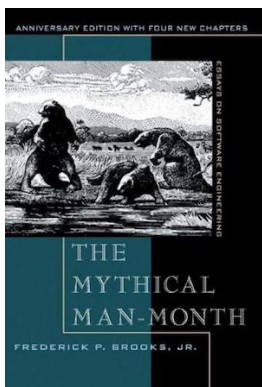
Fred Brooks first wrote about programmer optimism in his classic "The Mythical Man-Month" back in 1975. He points out that there is indeed a certain probability that each task will go be completed on schedule without unforeseen delays. But modern IT projects consist of hundreds or thousands of tasks. Even if we assume the probability of each task to finish on schedule is an unrealistic 99%, having only 100 tasks reduces the overall probability of all tasks to finish on schedule to just 37%.

Sadly, our irrational optimism also extends to the business cases we present to management for our projects. I was reminded of many IT business cases I have seen when I saw the investor presentation that WeWork just distributed. WeWork tried to go public in an IPO, but investors looked at their numbers and decided they were mainly in the business of selling hot air. After that debacle, WeWork is now trying again. This time, they are using a newly fashionable shortcut by

Revenue (Excluding ChinaCo)
($ in billions)

Year	Revenue
2019A	$3.2
2020A	$3.2
2021E	$3.2
2022E	$4.6
2023E	$5.8
2024E	$7.0
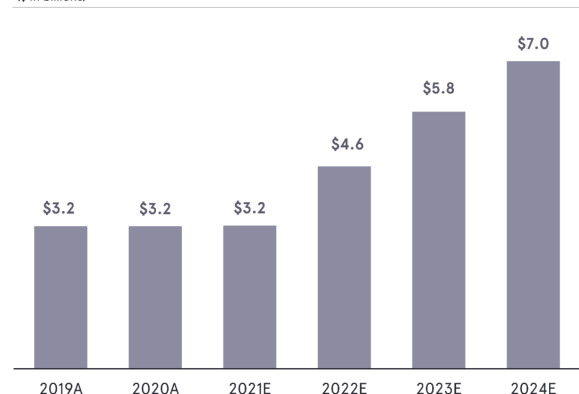
merging with a Special Purpose Acquisition Company (SPAC). They don't have to disclose as much about their business and are free to promise the moon. Which they do. Their revenue graph shows no growth at all, but next year, growth will take off and continue into the stratosphere.

I am regularly presented with drafts of investor presentations that hopeful startups want to pitch. The optimism is palpable, but there is never any realistic consideration of all the things that can go wrong. I'm a fan of supporting enthusiastic innovators, and I regularly support interesting projects on Kickstarter and similar platforms.

Some projects fail, and some soldier on for years and years. I am still waiting for my Mindset smart headphones with integrated EEG to register your brainwaves and concentration. It was expected to ship in 2017. Their latest update says they are confident they'll ship this month.

As a CIO or CTO, you need to make sure you have some pessimists on your team. Not the kind of pessimists you find in Legal and Compliance, who are fighting tooth and nail to ensure no new project ever gets off the ground.

Optimal Pessimism
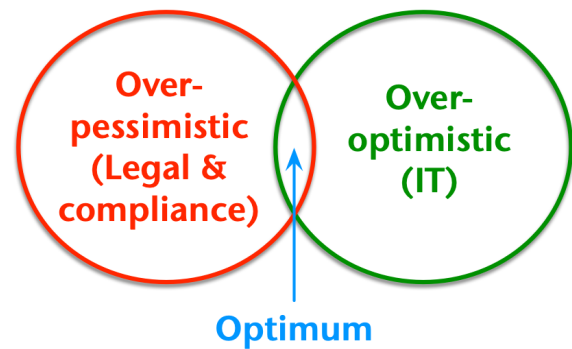
You need a kind of pragmatic pessimist who can look at your projects and business plans and tell you what might go wrong. These people are rather rare in IT organization, which is why this is one of the things I'm helping my customers with. Unless you add a counterweight to your IT organization, your projects will continue to fail due to irrational optimism.

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