

EXTRAORDINARY CLAIMS & ORDINARY EVIDENCE

Carl Sagan's phrase "extraordinary claims require extraordinary evidence", has been applied many times to the potential Baylor-Rice Merger.

The context of the original quote and the context of this problem are sufficiently different that the claim for demanding extraordinary proof is unjustified. The quote referred to phenomena that have supposedly already occurred, not future events. For instance, if I claim to have seen aliens or met God, I need to offer extraordinary evidence for that for people to believe me. Mergers and many such organizational decisions are forward-looking decisions. The job of leadership is to consider all sides, and faculty should, of course, debate it. However, a strategy to demand analysis (extraordinary evidence) till we get paralysis may lead us, as an organization, to commit serious errors of omission.

Warren Buffet, the legendary investor, has commented that his errors of omission (not doing something) have cost Berkshire Hathaway far more than his errors of commission (doing something). For instance, he has talked how he did not buy shares in Wal Mart when he should've and this error of omission cost the shareholders several billion dollars. This does not show up anywhere in the balance sheet. Demands of extraordinary evidence for possible success, in the long run, can lead an organization to mediocrity. In successful organizations, extraordinary claims are not held to ransom because there is some potential for failure. Rather, organizations weigh the risk and reward of bold steps, implement processes to mitigate the downside and maximize the upside, and get to it.

What, in the current context, would qualify as extraordinary evidence? Because we are looking at future events, the evidence is probabilistic and involves judgment on the part of many experts. Thus,

extraordinary evidence may simply not exist. Demands of extraordinary evidence, when there is not clear bar (for what would qualify), seem unjustified.

As we look at the merger prospectively, what is our collective understanding? Are there risks? Yes. Is there a potential upside? Yes. Are we developing reasonable plans to manage and mitigate the risks? Yes. Do we all, as faculty, agree on all of these? No. We all agree the merger's success will rest on our ability to implement key aspects of our plans: the level of integration between two campuses, our ability to preserve the unique culture of both organizations, management of financial issues, and our ability to leverage the reputations of both organizations. Are these easy tasks? No. Do we need extraordinary plans to achieve these? I don't think so. We need ordinary plans, but we must execute extraordinarily well on them. Our energies may be better spent elucidating and refining the plans and their execution. This tack can improve both organizations and their collaborative efforts irrespective of the merger outcome.

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