

Warning

If you are here because you were hoping to watch more John Oliver clips: there won't be any.

You are welcome to leave now, without consequence. Maybe.

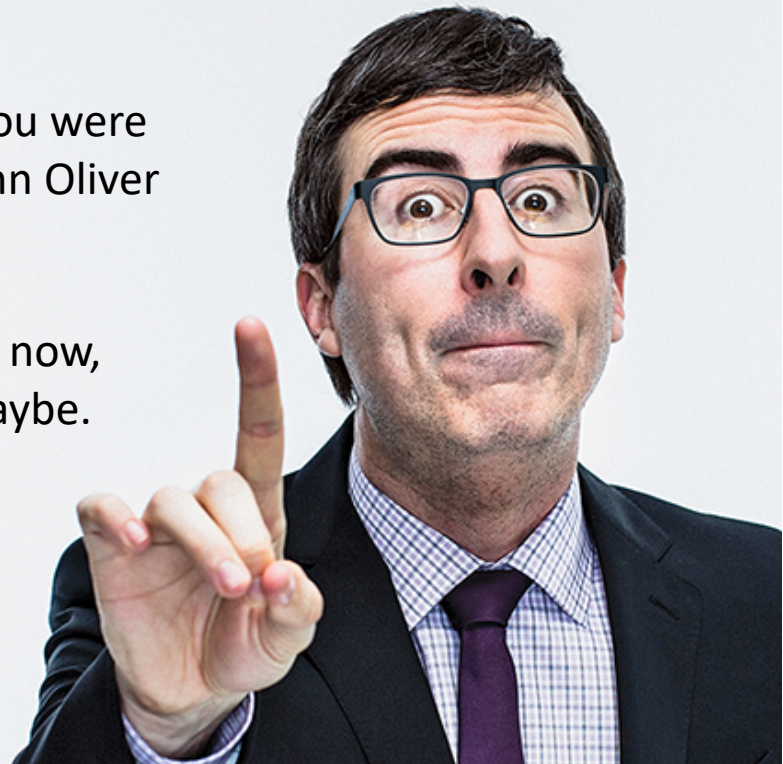


Photo Credit: CHAD BATKA/The New York Times Syndicate/Redux

In Theory or In Practice?

The Optimistic World of Pessimistic Cost Estimators

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VP, ICEAA Canada Chapter

Today's Agenda

- A fairy tale
- A review of our thinking on optimism bias
- A complementary theory

Why a fairy tale?

- For the curious:
 - Richardson’s and St. Pierre’s “Writing: A Method of Inquiry”
- For the very interested:
 - Sherry, John F., Jr. and John W. Schouten (2002), “A Role for Poetry in Consumer Research,” *Journal of Consumer Research*, 29 (September), 218-234.
 - Holbrook, Morris B. (1990), “Presidential Address. The Role of Lyricism in Research on Consumer Emotions: Skylark, Have You Anything to Say to Me?” in *Advances in Consumer Research*, Vol. 17, eds. Marvin E. Goldberg, Gerald Gorn and Richard W. Pollay, 1-18. Association for Consumer Research.
- **Universality of storytelling**

Once upon a time in midwinter...

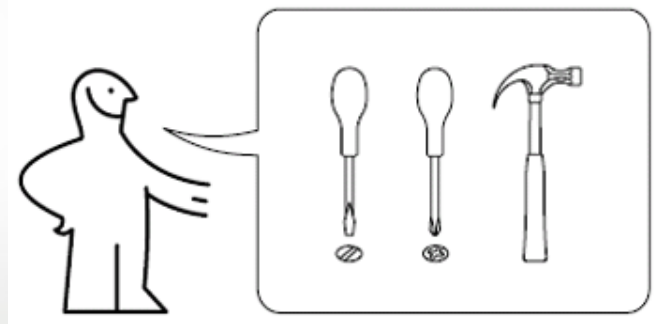


In Projectlandia there lived...

The Queen of the Estimators



Snow White of the PMO



Mirror, mirror, on the wall,

Who in Projectlandia is the
right-est of all?

The mirror answered:

You, my queen, are right-ish; it is true.
But Dr. Dan says that the only certain thing
about a cost estimate is that it is wrong.

Mirror, mirror, on the wall,

Who in Projectlandia is the
right-er of all?

The mirror answered:

You, my queen, are right-ish; it is true.
But Prince Andy
has some interesting ideas about cognitive
biases that you may want to read.

Mirror, mirror, on the wall,

Who in Projectlandia is the
smartest of all?

The mirror answered again:

You, my queen, are smart; it is true.
But what is smart if the PMO won't listen
to you?

Mirror, mirror, on the wall,

Who in this land is the
persuasive-est of all?

The mirror answered once again:



You, my queen, are persuasive-ish; it is true.
But the PMO still isn't believing you.

Mirror, mirror, on the wall,

Super helpful. Any other
suggestions?

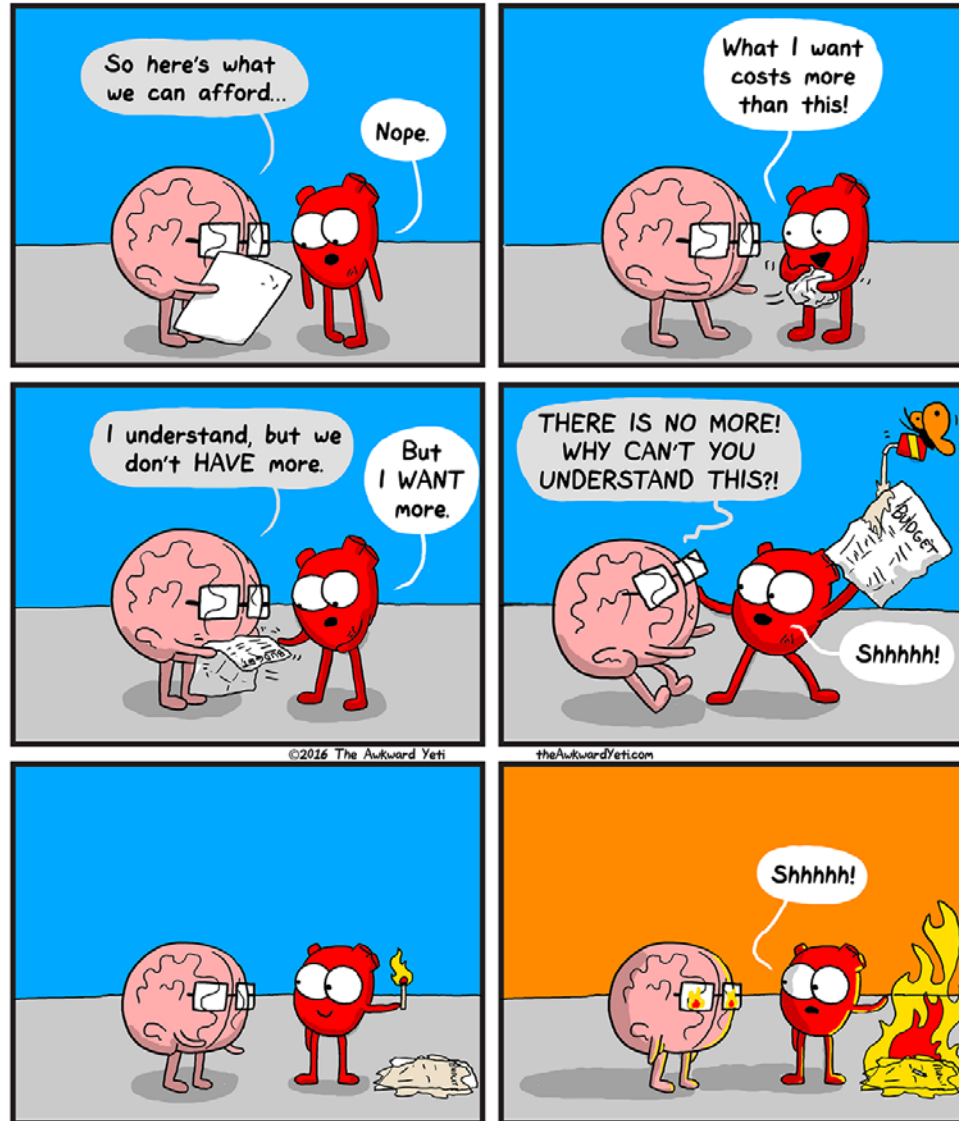
The mirror answered one last time:

I don't know, maybe stop talking to a mirror and try using Google Scholar like a normal person?

And they lived happily ever after...

The Beginning

What it feels like to be a cost estimator

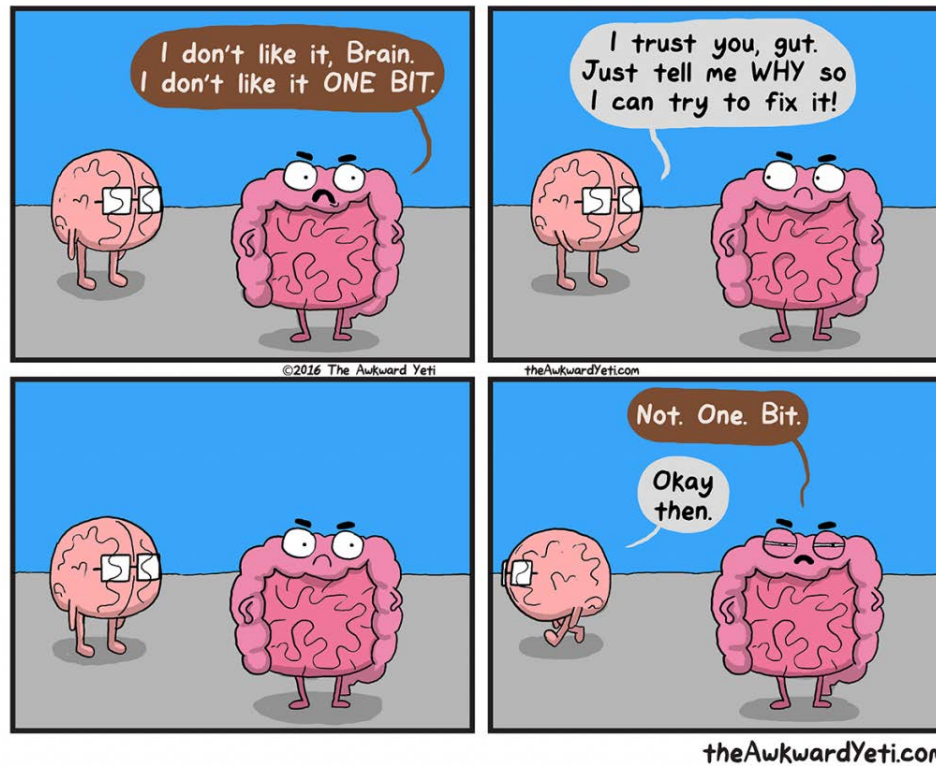


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What the neuroscience says



Obsessed with “believability”

- Let’s look at optimism bias from a marketing perspective.
- Finding: optimism bias isn’t a really a marketing thing.
- Marketing literature focuses on how negativity, pessimism, and “contamination” impact consumer behaviour

— FOR —
FROST BITES
CHILL BLAINS
BRUISES
SORE THROAT
BITES OF
ANIMALS
INSECTS AND
REPTILES.

GOOD FOR
MAN AND BEAST

IT GIVES
IMMEDIATE
RELIEF.

IS GOOD
FOR
EVERYTHING
A LINIMENT
OUGHT
TO BE
GOOD FOR.

Manufactured by
CLARK STANLEY
Snake Oil Liniment
Company
Providence, R. I.

Snake Oil Liniment

THE
STRONGEST AND
BEST LINIMENT
KNOWN FOR PAIN
AND LAMENESS.

USED EXTERNAL
ONLY

FOR
RHEUMATISM
NEURALGIA
SCIATICA
LAME BACK
LUMBAGO
CONTRACTED
CORDS
TOOTHACHE
SPRAINS
SWELLINGS
ETC.

**CLARK
STANLEY'S**

**Snake Oil
Liniment**

TRADE MARK REGISTERED

Clark Stanley's Snake Oil Liniment

Is for sale by all druggists. If your druggist fails to have it, tell him he can get it for you from any wholesale druggist or it will be sent to you to any part of the United States or Canada upon the receipt of fifty cents in stamps by addressing the

Clark Stanley Snake Oil Liniment Co.

PROVIDENCE, R. I.

Contamination

Good

- Patina
- Provenance
- Sacred

Bad

- Used
 - Previously owned
 - Death, crime, murder
- Old
 - Technology
 - Style
- Not for me
 - Utility
 - Age
 - Gender
 - Ethnicity
- Defective

Brand Contamination



Why focus on brand contamination?

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Samsung stops making Galaxy Note 7s as more ignite

Company struggling to regain consumer trust after first round of recalls

The Associated Press Posted: Oct 11, 2016 5:58 AM ET | Last Updated: Oct 11, 2016 9:04 AM ET

Galaxy Note 7 Phone dropped
The National



00:00 / 02:11

Galaxy Note 7 Phone dropped 2:11

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Related Stories

- Samsung halts

Samsung Electronics said Tuesday that it is ending production of Galaxy Note 7 smartphones permanently, a day after it **halted global sales** of the star-crossed devices.

The South Korean company said in a regulatory filing that it decided to stop manufacturing Note 7s for the sake of consumer safety.

- **Samsung halts sales of Galaxy Note 7**

Samsung is struggling to regain consumer trust after a first round of recalls that prompted criticism both for the faulty devices and for the company's handling of the problem.

After the earlier recall, the company said it had identified a manufacturing defect in the batteries of its top-of-the-line smartphone.

It started shipping new Note 7 phones that were supposed to be safer. But reports that even the replacements were catching fire led Samsung to announce it was stopping sales of the devices.

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How does this apply to cost estimators and cost estimates?

Good

- Patina
- Provenance
- Sacred

Bad

- Used
 - Previously owned
 - Death, crime, murder
- Old
 - Technology
 - Style
- Not for me
 - Utility
 - Age
 - Gender
 - Ethnicity
- Defective

We know that brands can be redeemed



- <https://www.youtube.com/watch?v=Hkmp8SmtXSg>



- <https://www.youtube.com/watch?v=I7F8IKxuWpQ>

**What are you willing to do to
redeem our brand?**

Look in the mirror

And they all lived happily ever after...

The End

Credits

- ❖ Ung Drill (Oval Mirror, available for \$39.99 at Ikea)
- ❖ Jacob and Wilhelm Grimm
- ❖ Dr. Leighann Neilson
- ❖ Monique Manatch
- ❖ Dr. Dan Nussbaum
- ❖ Andy Prince