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MANAGEMENT

New Perspective

Role-playing can help you see the future through someone else's eyes.

[Entrepreneur magazine](#) - [September 2002](#)

By Mark Henricks

When Michelle Bruce wanted her [sales](#) team to know how prospects would respond to sales pitches, she set up a role-playing exercise. The co-founder of 75-person OutStart, a Boston training-software firm, cast herself and other executives as prospective clients. Salespeople played themselves, fielding questions and objections from the pseudo-prospects while trying to keep sales [presentations](#) on track.

Everybody learned, says Bruce, 34. Salespeople got an idea of how prospects would respond, while Bruce gained insight into how her salespeople looked to clients. "We'll be doing this again," she says.

Similar exercises have long been used in sales training to harden sales recruits to rejection and teach tools for overcoming it. Now new [research](#) suggests role-playing is a powerful tool for forecasting outcomes of negotiations, rivals' responses to competitive moves, and resolutions of [business](#) conflicts.

According to J. Scott Armstrong, a forecasting expert at the University of Pennsylvania's Wharton business school, "[Role-playing] has the potential to be one of the most valuable techniques ever used in forecasting."

Role-Playing Rules

New Zealand forecasting researcher Kesten

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Green compared the outcomes of six real-world conflicts to forecasts by people using unaided judgment, expert game theorists and a group of role-players. The group of role-players forecast the actual outcomes in 64 percent of the cases. The game theorists had 37 percent accuracy, and unaided judgment was right 28 percent of the time.

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Role-playing is most effective when a few players compete for high stakes. For instance, Green's research included negotiations between an employer and a labor union and between a company and its major customers. Another example might be a company forecasting rivals' responses to it entering a new market, Green says.

NEXT STEP: Pay a visit to J. Scott Armstrong's [Web site](#), or [Kesten Green's site](#), for more information on role-playing.

If you face such a conflict and you'd like to forecast its outcome, start by drafting a one-page description of the situation. Then recruit people to play the roles of key players in the situation. Use people whose backgrounds generally resemble the real-life players, but not anyone who is actually involved.

Run through the exercise numerous times using several teams. Green sometimes used two or more people to jointly decide how a single party would behave in a conflict. Have role-players read the description and assemble them in an environment similar to where the real conflict will occur, such as a boardroom.

The actual role-playing need not take more than an hour. Give role-players a deadline and prepare for a surprise. Role-players often produce forecasts that, while accurate, weren't considered likely or even plausible. If you don't get what you expected or wanted, Green says, modify the strategy you present to role-players until something works.

Role-Playing Risks

Role-playing with sizable teams acting out scenarios several times requires lots of people—Green used more than 100 for each scenario. He paid each role-player only about \$11 for the session. But when added up, role-playing isn't much if any less costly than [hiring](#) an expert forecaster. Also, if your description is inaccurate or biases participants, it may lead to a poor forecast.

Despite its costs and risks, however, role-playing demonstrates such a significant advantage over unaided judgment, expert advice and random chance, that it probably should be used more often in high-stakes situations. "The evidence we've put together is compelling," Green says. "And it shows huge improvements in accuracy over the methods people are currently using."

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