



VUCA – A world of Volatility, Uncertainty, Complexity & Ambiguity

Executives have taken to using the military acronym VUCA – Volatility, Uncertainty, Complexity, Ambiguity – to describe the crazy world in which they operate. The term originated at the U.S. Army War College in Carlisle, PA and describes the new environment and context of today’s business world.

Business leaders face a rapidly increasing rate of change, which

*“The illiterate of the 21st Century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.”
- Alvin Toffler*

creates turbulence and the need to create organizations that are swift to deal with the unexpected disruptions in the market.

THE VUCA WORLD

Volatility – The nature, speed, volume, magnitude, and dynamics of change

Uncertainty – The lack of predictability of issues and events

Complexity – The confounding of issues and chaos that surrounds any organization

Ambiguity – The haziness of reality and the mixed meanings of conditions!

Paul Kinsinger, Clinical Professor at the Thunderbird School of Global Management has been studying turbulence and VUCA for many years and gives us some tips on dealing with each aspect of VUCA:



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- Snack Food
- Packaging
- Aluminum Siding
- Glass and Glazing
- Industrial and Automotive Tools



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For Volatile Situations...

- Communicate clearly
- Ensure your intent is understood

For Uncertain Situations...

- Get a fresh perspective
- Be flexible

For Complex Situations...

- Develop collaborative leaders
- Stop seeking permanent solutions

For Ambiguous Situations...

- Listen well
- Think divergently
- Set up incremental dividends

Many executives resist the adaptability and flexibility that VUCA requires and will need to be open to a new way of doing business. Kinsinger recommends that managers adapt to leading in a VUCA world by following these steps:

1. Letting go of what

defined success meant in the past. Becoming an effective leader in a VUCA world requires a new set of success metrics that will be different than prior roles and organizational models.

2. Keeping one's ego in

check. VUCA requires collaboration and adaptability and the ability to check one's ego at the door.

3. Have a keen desire

to keep learning. In a turbulent, rapidly changing world the ability to continue to hone one's skills, embrace new business models and systems, be a life-long learning is mandatory. No one can rest on their laurels in VUCA land.

4. Be open to everyone

in the organization. VUCA's impact reverberates throughout an organization and good leaders and managers consider the impact on all levels of the business.

5. Work with contradictions and paradoxes.

In navigating the VUCA world, complexity is the new normal. Leaders must expand their ability to deal with situations that are increasingly complex and yet be able to get to the heart of the matter and see their solutions through a

JEFF BLEACHER

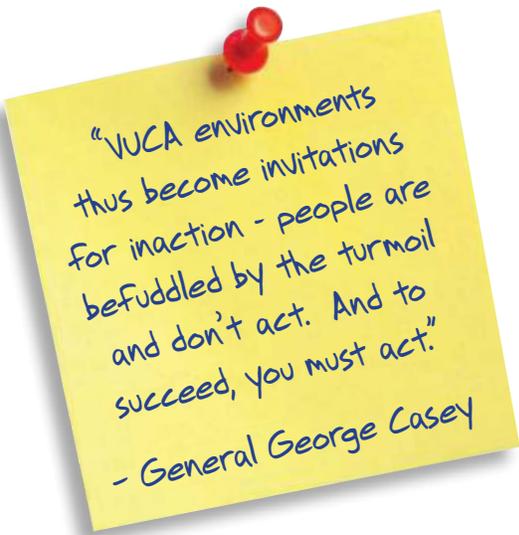


"In a VUCA world you have to be able to adapt quickly. Many leaders are focused on the immediate future but VUCA requires the ability to anticipate what is coming around the corner. By continually scanning the horizon for game-changing market moves and building a wide network, leaders can gather better information to inform their decisions and change directions as needed."

KEN FALK (on the right)



"The ability to think quickly and make strategic decisions that will drive a change in action is imperative in a VUCA world. Our clients who are good decision makers, who don't get caught in "analysis paralysis" are the ones who are successful when the turbulence of VUCA gets really bad."





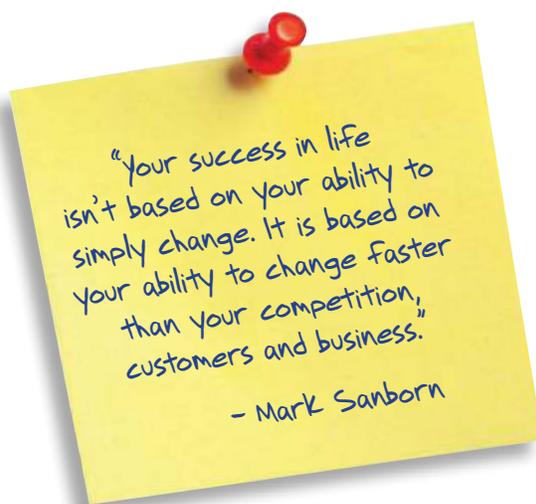
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view of “both, and” instead of “either, or.”

As Kinsinger notes in [his case study](#), “We are moving from a **world of problems**, which demand speed, analysis and elimination of uncertainty to solve, to a **world of dilemmas**, which demand patience, sense-making, and an engagement of uncertainty.”

Countering VUCA requires:

Vision - an intent that seeks to create a future



Understanding - the ability to stop, look, and listen

Clarity - the ability to help make sense of the chaos

Agility - organizations in which “wirearchy” is rewarded over hierarchy



To more fully understand VUCA and how to operate more efficiently in a world of Volatility, Uncertainty, Complexity and Ambiguity, watch **“Complexity Management: The VUCA World.”**

JEFF GROFF



“Companies that are open and honest and have a culture of transparency are more likely to be successful in dealing with the VUCA “tornado.” When an executive team can make decisions quickly, based on good data and not caught in internal politics, then VUCA is not as disruptive as when leaders languish in indecision.”

PATRICK GENDRUE (on the left)



“The challenge for leaders is to learn to respond to VUCA more effectively. They can do that if they don’t get overwhelmed, stressed, and are unprepared for the whirlwind changes in the marketplace. Fast change and complexity often make it difficult to see the real situation and make decisions that create effective solutions. The leaders in a VUCA world need to expand their capabilities to handle complexity.”

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