



[www.lufg.com.au](http://www.lufg.com.au)

## **VUCA2 - Responding to VUCA with VUCA2**

The concept of VUCA (borne out of the US Army War College\*) created a thinking framework for current and emerging operational conditions. Those conditions are given four labels - of V.U.C.A – Volatile, Uncertain, Complex and Ambiguous

VUCA as a concept has now found its way into more 'mundane' applications like Business and Government where, it could be argued, it remains completely misunderstood.

Indeed the raft of consultants who've brought the term to the fore in their consulting work in more recent times has done little to unpack the implications of the VUCA mantra for a business or a Government.

In an attempt to therefore make VUCA more strategically useful for Business and Government decision makers, I'm introducing 'VUCA Squared' or VUCA2

The framing of VUCA suggests that a Business, Government or really any organisation will find themselves operating in an environment that is:

- increasingly *Volatile* in that sudden high energy issues can emerge from seemingly nothing or even disconnected events;
- increasingly *Uncertain* and that planning for consistency in operating conditions that you expect to remain stable is a high risk play;
- increasingly *Complex* in that understanding the machinations of interactions and influencing factors requires an ever increasingly level of brain power and thinking capability before understanding can be achieved; and
- increasingly *Ambiguous* in that the ability to discern meaning, with any degree of comfort or certainty is difficult as A can mean B and 1 can mean 5 and vice versa or not at all

I'd suggest that VUCA is in reality a collection of spheres of influence, or a useful framing of a larger core concept. For instance it might be fair to posit that Uncertainty and Volatility and Ambiguity are one in the same and ultimately mean the same thing: 'Change'.

What we see far too little of in my opinion are the 'so what?' implication discussions that will help senior leadership teams make more effective decisions. Where VUCA allows an assessment of operational conditions, completely missing is the most important phase of that framework prompted by the following question:

'Given the existence of a VUCA environment, what are the *Strategic* decisions we need to make, to maximise the outcomes we now need or want?'

Hence VUCA2

The next time you read of a VUCA situation or a consultant runs their presentation and up pops a VUCA slide I suggest you consider doing the following quick mind-shift:

- a) See VUCA as 'Change in a more Complex Environment'
- b) Ask 'what are the specific implications for my business or Unit'?
- c) Shift to the VUCA2 thinking

### **From VUCA to VUCA2**

VUCA as a framework demands that you deal with change and likely in ways that you have not previously considered or had to consider.

Making effective decisions in a more complex environment such that they maximise benefit to your organisation or Department means you seek the VUCA2 components:

**V2: Viability** – can an idea we have for coping/surviving/maximising an outcome, actually be executed by us? Do we have the skills and capabilities needed to take action in this way?

For an idea to be Viable, you **MUST** have the resources or capabilities needed to execute.

**U2: Useful** – is this idea Useful for our needs. Just because we could take action in a particular way (Viability) does not make the idea automatically Useful to you. Does your idea for action also move you



forward in your strategic setting?

If an idea does NOT move you closer to your intended goal do NOT waste your organisation's precious resources running with that idea.

**C2: Considered** – is this idea for action considered – have you captured as many alternative courses of potential action or is this a rapid knee-jerk response to current conditions and a singular fixed path?

Have you tested beyond your existing assumptions and biases for preferred modes of action?

**A2: Adaptable** – does this idea afford us a degree of flexibility if our operating environment changes rapidly or overtime? Will this strategy allow us to adapt or pivot direction if there is more Volatility, or more Ambiguity for instance Or do we risk locking ourselves into an operational black hole from which we have little understanding of where it might take us?

Of course there's a whole raft of approaches that can be utilised for assessing the VUCA2 ideas (the *Organisational Evolution* framework being but one of them). You should note that you can significantly lower the degree of initial VUCA if you are conducting ongoing and well developed *Environmental Scanning* (ES) using frameworks such as *VSTEEP* (Values, Social, Technological, Economic, Environmental, Political) as a means to stay well informed across an array of domains.

VSTEEP is not the only scanning model and without ongoing ES you are almost ALWAYS experiencing VUCA on a near weekly basis. That is too high a risk especially where the only concept of risk is perceived as merely 'financial' in nature. The VUCA framework exposes that thinking as a short term and narrow-minded mythology with significant down-side because risk domains exist well beyond mere financial implications.

This piece will not offer an assessment or recommendations for the array of decision making methods that are available to you. The important thing is not HOW you arrived at your decision but that any decision you arrived at, consider the Viable, Useful, Considered and Adaptable requirements for more effective strategic decisions.

Exploration of a VUCA setting through development of *scenarios* can also expand the strategic awareness needed at the senior manager and board



level. This then leads to maximise the VUCA2 concepts to form in fertile ground for enhanced decision making.

Volatile	Uncertain
<b>Viable</b>	<b>Useful</b>
Complex	Ambiguous
<b>Considered</b>	<b>Adaptable</b>

So there you have it – to deal with VUCA, go VUCA2

\* First used in 1987 - see <http://www.usawc.libanswers.com/faq/84869> for an overview

#### About the Author:

Utilising a wealth of process methods, Marcus Barber's world class facilitation & consulting skills enable Boards, Senior Management teams and diverse stakeholder groups to gather insights aimed at answering a core question:

**'What do you want to achieve, and by when?'**

Marcus is a Strategic Futurist specialising in strategy development foresight for innovation & risk profiling and employee engagement programs.

You can find out more about him here: [www.lufg.com.au/marcusbarber](http://www.lufg.com.au/marcusbarber)