

VUCA² - Responding to VUCA with VUCA²

The concept (borne out of the US Army War College*) in emerging strategic settings of V.U.C.A – Volatile, Uncertain, Complex and Ambiguous 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

It could be argued whether VUCA is in reality a collection of spheres of influence, or a mere 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. 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:

Viability V² – 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.

Useful U² – 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?

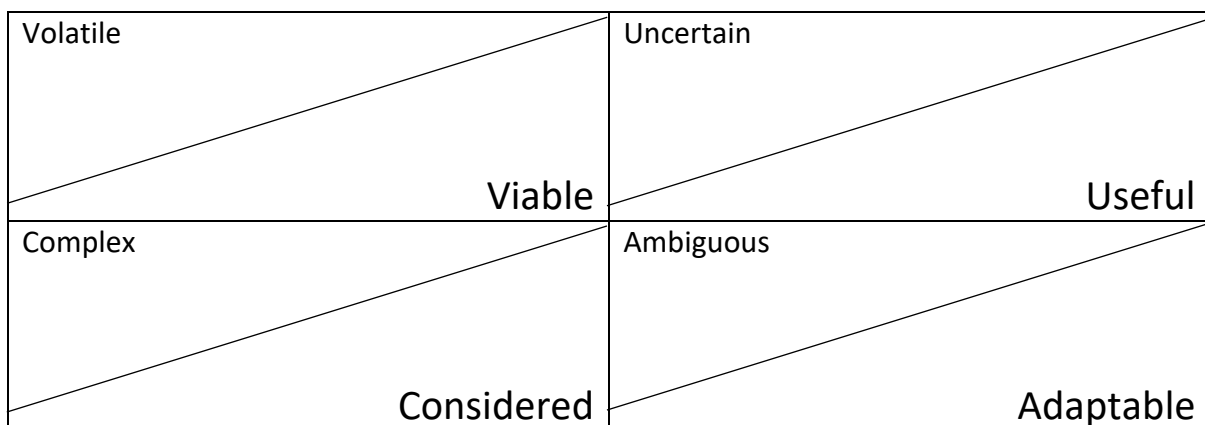
Considered C² – is this idea for action considered – have you captured as many alternative courses of potential action or is this a rapid knee-jerk response to current conditions and a singular fixed path?

Adaptable A² – does this idea afford us a degree of flexibility if our operating environment changes rapidly or overtime? Will it allow us to adapt or pivot directions 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 Org-Ev 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 VSTEPP (Values, Social, Technological, Economic, Environmental, Political) as a means to stay well informed across an array of domains. It's 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 and yet all too common risk is perceived as merely 'financial' in nature. The VUCA framework exposes that as a short term and narrow-minded mythology.

Exploration of a VUCA setting through development of scenarios can also expand the embedded strategic awareness needed at the senior manager and board level to maximise the chance for VUCA² concepts to form in fertile ground.

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