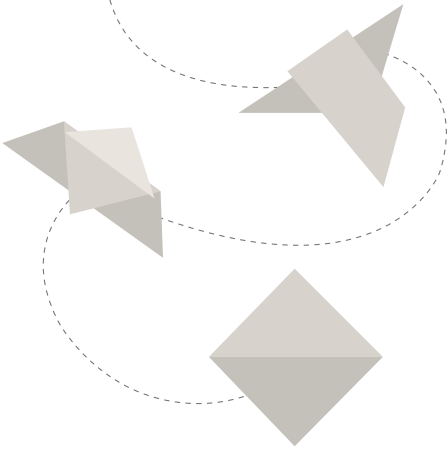




**Speed in a VUCA World:**  
How leaders of the future will  
execute strategy



# Speed in a VUCA World

*“How can we quickly execute our strategy while staying agile in our constantly changing and increasingly interconnected marketplace?”*

*This could very well be the business question of our time. In our book, *Strategic Speed: Mobilize People, Accelerate Execution*, we identified the four leadership practices that both reduce time to value and increase that value over time, amidst constant change.*

*But will those leadership practices be relevant in 5 years? 10 years?*

*Forum interviewed Bob Johansen, a Distinguished Fellow at the Institute for the Future, for his thoughts on the future business environment and the leadership practices required to navigate it.*



Bob Johansen

**Forum:** You've written extensively about the VUCA world in your book, *Leaders Make the Future: Ten New Leadership Skills for an Uncertain World*. Can you tell us a little bit about VUCA?

**Johansen:** This term was coined at the US Army War College, which is the graduate school for generals-to-be in Carlisle, Pennsylvania. I happened to be there the week before 9/11 on a business exchange with military leaders. The Army War College is kind of known as the most conservative, the slowest-moving, and the most hierarchical of the military graduate schools. And yet, after 9/11, they informally changed their name to VUCA University. And I found that really intriguing, this notion of assuming that the world is **volatile, uncertain, complex, and ambiguous**. In a VUCA world, the kind of strategy that works is to be very clear about where you're going, but very flexible in how you get there.

“ *The kind of strategy that works is to be very clear about where you're going, but very flexible in how you get there.* ”

**Forum:** I've heard you say there are flips to each of those. So, for example, the flip of volatility is vision. Can you expand on that?

**Johansen:** In a very volatile time, vision gets rewarded highly. Uncertainty yields to understanding, a deeper cultural understanding of the context within which all this uncertainty evolves. Complexity yields to clarity. But one of the ugly things about the VUCA world is, clarity gets rewarded, even if it's wrong, because people are so confused. Now, I don't recommend it. You get in trouble, often, if you're clear and wrong. But in the short run, it tends to get rewarded. And finally, ambiguity yields to agility.

So, the best leaders are characterized by vision, understanding, clarity, and agility. Some of the classic, enduring leadership skills are still important. But in the VUCA world, they get reframed. For example, clarity has always been important for leaders. But in the VUCA world, it's much harder to be clear without being simplistic.

“ *The best leaders are characterized by vision, understanding, clarity, and agility.* ”

Being a leader in this world is very, very challenging. Leadership is like fast, staccato steps through sharp rocks.



*Leadership is like fast, staccato steps through sharp rocks.*

**Forum:** Speaking of clarity and agility, we found these to be key in *Strategic Speed* as well. Can you share one or two things that leaders can do to increase clarity?

**Johansen:** You need statements of clarity that you can repeat over and over again. This is really hard for creative people, because they get tired of constant repetition. And yet, that kind of clarity is so important to keep people aligned, particularly if you're moving fast.

**Forum:** One of the other leadership practices that you talk about is "immersive learning ability." This seems similar to a practice we call "cultivating experience," which is to tap into our experiences and the patterns we see, and then apply the learnings to future initiatives and endeavors. Does that sound like what you're finding in immersive learning ability?

**Johansen:** Yes. In the VUCA world, immersive learning, experiential learning, is the pedagogy of choice, because it's not just a fixed body of knowledge that you want to transfer. It's a whole contextual set of lessons that you have to learn almost at the muscle memory level, to make them real. We talk a lot in the book about gaming in the new 10-year forecast, called "The Future Is a High-Resolution Game." That's where immersive learning comes in.

The good news is, our kids are growing up in a video gaming culture, and they're learning about the leadership skills I call dilemma flipping, smart mob organizing, and commons creating. They're learning that in an immersive learning environment that's far better than today's business system.

**Forum:** The next leadership practice for the future is quiet transparency. We discuss authenticity in our Leading Change sessions. It also came out in our strategic speed research. One leader we interviewed said, "I don't know how to make a tidal shift without constant communication built on frankness, transparency, and humbleness, because if you're like that enough, then you earn forgiveness with your staff and your customers when you make a mistake." Is this particularly important in the VUCA world?

**Johansen:** Definitely. You need to do the right thing, to be transparent about it, and then to be quiet about it. You need humble strength. You hope somebody else will notice. And in this media-rich world, they probably will. But if you do the right thing and you self-advertise, you become a big target.

The saddest story right now is BP. If you look back at BP when they first "changed their name" from British Petroleum to Beyond Petroleum, they did a lot of good things, and they're very focused on green, very focused on sustainability, very focused on alternative energy. But they were so self-advertising that people were quite critical of them, and they got very little value. And now, of course, the tragedy in the Gulf, it's BP. Ironically,

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they're one of the cleaner, one of the greener oil companies. And they're the one that is the source of the oil spill. It's just a very dangerous time to be self-congratulatory.

**Forum:** Your concept of rapid prototyping also came through loud and clear in our research.

**Johansen:** Rapid prototyping is the only way to develop strategy in the VUCA world, because you can't just straight line where you're going. It's going to be a zigzag path. You have to learn how to fail early, fail often, and fail cheaply, as a way of developing your strategy as you go. Again, that's where agility comes into it as well—being very clear about where you're going, but very flexible in how you get there.

**Forum:** It's fascinating to see the practices dovetail so much. It reminds me of that William Gibson quote, "The future is already here, it's just not evenly distributed." I wonder whether some of the faster companies in our research are a step ahead of other companies in developing these leadership practices.

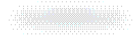
**Johansen:** I think that's right. We've used the Gibson quote several times in designing innovation centers. I think your focus, with strategic speed, is to figure out how to regulate your speed to play into that VUCA world in a positive way. You can't just run at your peak level all the time. What's going to win is not constant speed, it's variable speed. There will be times to reflect, and there will be times to run, there will be time to push, there will be times to pause.

I interviewed Bill Walsh when he was the coach of the San Francisco 49ers. His biggest challenge as a leader was deciding when to push and when to pull back. So he said he would consciously assess the mood of his organization, and if people were too comfortable, he would create a sense of tension and a sense of urgency. If they were too uptight, he would calm them and pull them back. So that's the kind of delicacy of speed. It's not just running fast all the time. Those that run fast all the time will wear out. It's variable speed and flexible speed that will win in the VUCA world.

*It's variable speed and flexible speed that will win in the VUCA world.*

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