LEADING IN A VUCA WORLD

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We live in a world of constant change and amazing opportunity…

The organisations and leaders who are brave enough to adapt and change the way they lead will be well placed for success in the future.

The challenge is that we live in a world where the **pace of change is faster than our ability to keep up with it** and the fact that we weren't trained or educated for that!

Speed, strength, fitness, flexibility, resiliency and agility are used to describe a world-class athlete; today we need l**eadership athletes** with those qualities driving our business.

We are in the midst of a digital revolution and amazing opportunities for those leaders brave enough to change the way they lead.

Our current environment of accelerated uncertainty and change is not going to blow over and settle down. It could get even faster!

The term VUCA, coined by the military, describes the dynamic and exciting nature of our world today.

What does VUCA mean?

It describes a world where the pace of change is so fast we struggle to keep up and learn faster than it.

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 the chaos that surround any organisation

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

The challenge we have is that leaders are struggling with how best to lead in a VUCA world. Most of the old rules do not apply now. People connections matter as much or more than solid structures.

Boundaries around companies are shifting, forming networks of complex stakeholder relationships is vital. Breaking down silos and collaborative working is crucial.

Let's explore the impact the **rate of change** and **digital revolution** is having on us.

And look at how that impacts on **leading self, leading others and driving the business.**

And more importantly what we as leaders can do about it!

OUR WORLD HAS CHANGED...

"Firstly let me set the record straight. I firmly believe that there is no separation between a digital and a traditional business – there's just operating a business in a digital age. Which is what we're doing here at L'Oréal Canada."

Stéphane Bérubé
Chief Marketing Officer,
L'Oréal Canada

"At Starbucks we are totally committed to being the best moment in every customer's day. It's a perfect environment for a marketer to play. I am very lucky."

Lisa Mazurkewich
Director of Marketing and Digital Experience at Starbucks Canada

"In some ways that notion of constant transformation is baked into our credo and our culture here at Klick which is this idea of "The Relentless Pursuit of Awesome." For us that means, each day you're striving to be more awesome than you were yesterday."

Jay Goldman
Author of The Decoded Company, and a member of the Klick Executive team and Managing Director of Klick's latest business venture, Sensei Labs

DIGITAL IS BUSINESS AND BUSINESS IS DIGITAL

Our world is changing fast. There's a digital tidal wave sweeping through organisations and it's driving massive change and chaos. It's bringing massive ambiguity and confusion of how best to lead and drive for success.

My leadership work is an attempt to decode what GREAT leadership looks like going forward and teach new ways of leading in today's digital world. I'm more interested in what will work now and in the future.

Sure, there are many lessons from the past but to be successful we need to work out what will work going into the unknown!

In this short article I share what I've discovered about GREAT leadership in our digital world. I go deeper into the subject in Leadership Laid Bare! – well worth a read after this!

Use my learning to challenge your thinking and develop YOUR way of leading in our exciting and opportunistic times.

Leadership is contextual so it's important to look at leadership through the lens of the world we live in today. It's also important to develop your way of leading. There's no cookie cutter answers, it's all about a lifetime of learning and applying!

For now, let's explore the big picture and the world we live in.

What do we actually mean by the 'digital age?'

A great starting point would be to explore the context in which we are leading in today. Here's an interesting question to think about, "Was the environment in which we were educated the same as the environment we work in today?"

I'm sure you'll agree with me that we were all educated for a world that doesn't exist anymore! So, what does this mean?

If you asked leaders ten to fifteen years ago what 'digital' meant to them they would probably say something like websites, social media and perhaps a bit of online Ecommerce.

Today, it might be Cyber Attacks, Artificial Intelligence, the Internet of Things, Apps, Big Data, 3D printing, Augmented Reality, or 'The Cloud.'

Great answers but do they really describe our digital age?

What they are describing are the tools we can now exploit and use to create business models and propositions that are far different than before.

What I feel they are missing is the impact that the digital revolution is having on the way we need to think, behave and carry out our day to day rituals and routines. The way we need to lead our organisations has changed. It's like someone flicked a switch without telling us and changed all the rules!

In most large organisations digital is owned by the CIO or IT Functions rather than taking an organisation wide approach. This tends to focus on old ways of thinking, functional mentality, efficiencies, cost saving and improved ways of working.

Today the pace of change and scale of opportunities digital brings is impacting on all areas of business and how we need to unleash innovation in all that we do.

The worrying thing, and one of the reasons for writing this article, is that many board members and senior leaders lack the knowledge and awareness necessary to lead a digital transformation.

We now need to work on efficiencies AND effectiveness.

We need leaders who can understand and anticipate the external business environment, the organisation itself and what strategy really looks like in today's world and then choose to use the right behaviours to achieve success. Here's some thoughts I've had and discoveries I've made:

- The digital revolution is not really a technology problem it is a cultural opportunity.

- Digitisation requires new business models and propositions.

- Our digital world requires a redefining of purpose and mission.

- Leaders need to be educated to understand the impact digital has on their organisation and be able to articulate it to inspire action and ensure people feel safe.

- Digital understanding and capabilities are required across the organisation, not just in the digital team or IT function.

- Digitalisation must be supported by the firm's corporate culture and be at the heart of what they do.

- Digitalisation demands a greater level of collaboration.

- Digitalisation requires greater engagement with the public, partnership working and full integration of open innovation.

- Business strategy in the digital age becomes a continuous learning process of evolving strategies.

- We need to evolve or die.

- Gone are the days when companies had the luxury to think in terms of ten year or five-year strategic plans. With major business trends shifting constantly as they are today, strategy formulation and execution need to happen simultaneously and ideally in a seamless feedback loop.

- Decision-making in the digital age is increasingly data-driven and needs to be fast and effective.

- How organisations collect and manage data is becoming crucial to their success.

- It's not possible as leaders that we have all the answers.

- Partnership working is moving to Collaborative Working and Open Innovation.

- We need to lead from the front rather than from the top.

- Customers don't always know what they need.

- Digitisation requires firms to enter unknown foggy situations where the problems are unknown and the solutions unclear.

- Leaders need to be comfortable with ambiguity.

- Leaders need to be resilient.

- Leaders need to innovate in many areas other than just product and service.

- We need to break down silos.

- We need to keep control AND create an agile empowered organisation.

What does this mean for us as leaders?

Leaders need to craft solutions and create a high-performance culture where success is inevitable.

Leaders need to develop teams who can launch ambitious experiments and quickly take learnings on board. For their part, boards and executives must raise their comfort level as regards to uncertainty, ambiguity and risk.

It means that Digitalisation is about continuous leadership of change not change management.

In the pre-digital world, a one-off change management programme could pay dividends for years if not decades. Not anymore. Directors and executives must ensure that the will and ability to continuously change are built into the very fabric of the organisation.

Many organisations have realised that employee engagement is key. Even more so in our digital world. Digitisation is all about people in the end.

People want more empowerment, autonomy and ownership rather than to follow instructions. Customers want to participate in the marketing and development process; and leaders are finding that open and agile organisations are able to manoeuvre more effectively than organisations where all insight and direction comes from the top.

The autocratic command and control structure is just too slow and will not be tolerated by the younger generations. The puzzle is that we still need control but in a different way – a way that we weren't educated or developed in.

According to Roffey Park, an internationally renowned leadership institute, organisations will need to shift from old command and control leadership styles to become more:
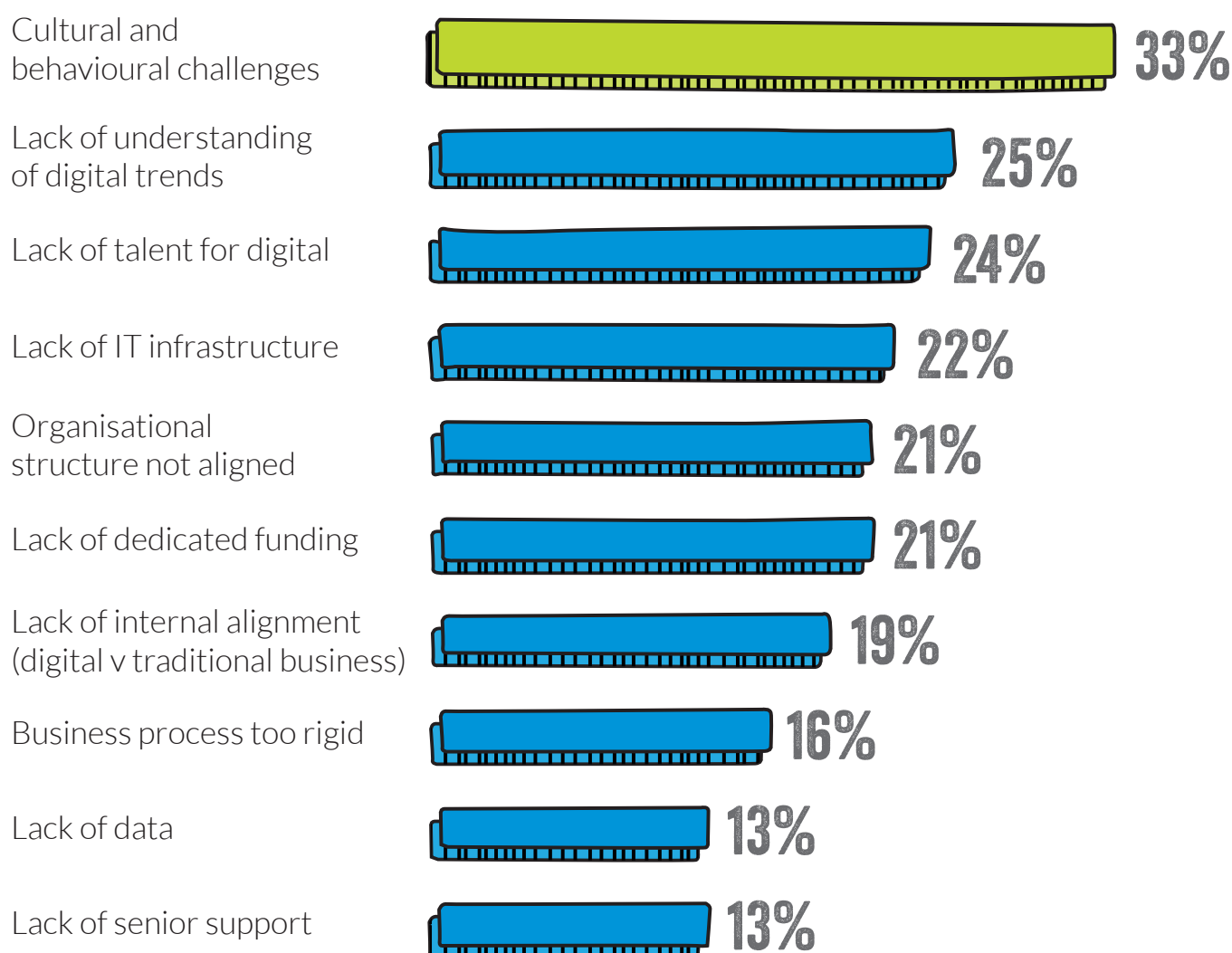
- user-centred, in the sense that all customers using your products and services can be defined as users;

- collaborative, which means not just good team-working, but also allowing yourself and others to challenge each other and engage in robust dialogue regardless of their position or status;

- supportive of innovative ways of working, which implies more experimentation and risk-taking and a willingness to learn from mistakes;

- agile and able to adapt to changing contexts, rather than being wedded to long-term plans; and

- willing to let teams become autonomous in order to drive change and transformation.

Culture is the most significant self-reported barrier to digital effectiveness

Which are the most significant challenges to meeting digital priorities?
% of respondents

■ Cultural barrier　　■ Other barrier

Cultural and behavioural challenges	33%
Lack of understanding of digital trends	25%
Lack of talent for digital	24%
Lack of IT infrastructure	22%
Organisational structure not aligned	21%
Lack of dedicated funding	21%
Lack of internal alignment (digital v traditional business)	19%
Business process too rigid	16%
Lack of data	13%
Lack of senior support	13%

Source: 2016 McKinsey Digital Survey of 2,135 respondents

I totally agree and would go further by saying we need to define what leaders should behave like, be focussed on and doing.

Let's explore what I've discovered about GREAT leadership …

THE NEW
LEADERSHIP
MANIFESTO

"THE ROLE OF A LEADER IN TODAY'S WORLD IS TO CREATE A HIGH PERFORMANCE ENVIRONMENT WHERE SUCCESS IS INEVITABLE."
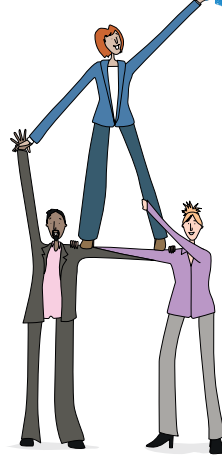
GRAHAM WILSON

I CREATE A HIGH PERFORMANCE ENVIRONMENT WHERE SUCCESS IS INEVITABLE
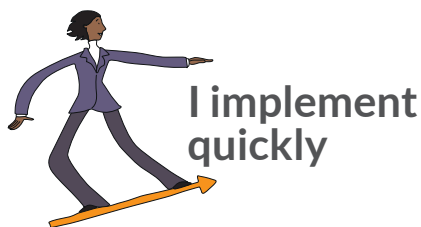
I educate, coach and develop people

100% AUTHENTIC

TEAMWORK

I build **awesome** teams

I MANAGE AMBIGUITY AND RISK

RISK

I OPERATE WITH BOLDNESS, SIMPLICITY AND SPEED

I AM A PURPOSE MAXIMISER

PURPOSE

I implement quickly

INNOVATION

I UNLEASH INNOVATION

I JOIN THE **DOTS**

I AWAKEN POSSIBILITY IN PEOPLE TO DELIVER EXTRAORDINARY RESULTS

I AM A LEADER

Based on the best selling book Leadership Laid Bare!
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"IMAGINE A WORLD WHERE PEOPLE WAKE UP AND FEEL INSPIRED TO GO TO WORK."

SIMON SINEK

The 10 Dysfunctions of a Leader

DYSFUNCTIONAL LEADERSHIP

Focusses purely on tasks and operates in a tactical way

Destroys confidence in people by always pointing out faults and mistakes

Complicates things, is too slow and is too risk adverse to make the necessary changes

Is inauthentic by hiding their fears with pretend behaviour

Uses coercive power to force people to follow

Builds low trust working groups

Micro manages the status quo

Uses 'hero' behaviour by being reactive

Saves people by telling and informing

Line manages in silos

SUCCESSFUL LEADERSHIP

Creates a high performance environment where success is inevitable

Awakens possibility in people to deliver extraordinary results

Operates with boldness, simplicity and speed

Is 100% authentic and brings their real self to work

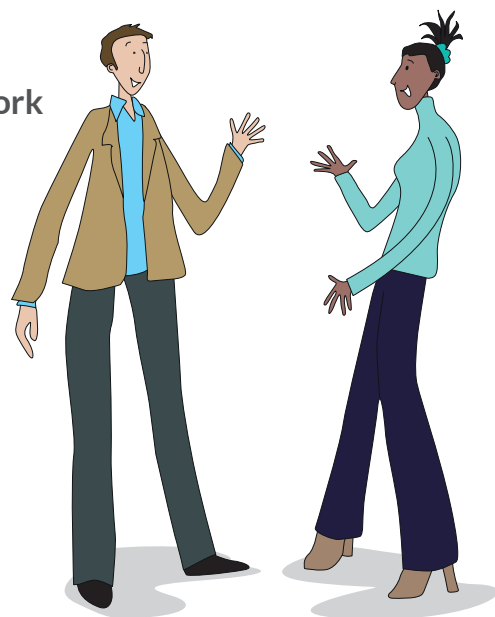Inspires a movement by being purpose led and a great story teller.

Builds high performance teams; quickly

Innovates in all that they do

Manages ambiguity and risk by being proactive

Educates and develops people

Executes with speed

"SIMPLICITY IS THE ULTIMATE SOPHISTICATION"

LEONARDO DA VINCI