The challenges facing business: digital transformation, uncertainty, complexity, acceleration – responses and dilemmas

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We live in a constantly changing world and are faced on a daily basis with what is referred to in the English-speaking world as the VUCA syndrome (volatility, uncertainty, complexity, ambiguity). As static forms of organization and linear thinking are stretched to their limits in a VUCA environment, systematic thinking, learning together, flexibility, agility and innovation become all the more important.

Firstly, it is important not to take too literally all the new theories and generalizations fed to us by certain analysts and experts. Let's not disown our critical faculties. This certainly applies to the acronym VUCA. On 29 May 2017, Philippe Silberzahn wrote an interesting article on this very subject: "The organization and its environment: the problem with the acronym VUCA" [translation].

This being the case, how do we find a simple, understandable and consistent way of managing these issues, of managing ourselves, our teams, our organization, be it a business or institution?

Although technology, computers and robotics are becoming increasingly important, human beings and their relationships are still central to organization and performance.

This is why over the last few years I have always been confident in making two points:

1. No one really knows what digitalization or, to use a better term, digital transformation really means or what impact it will have.
2. Only businesses that can foster cooperation among their teams, both internally and externally, hold the keys to future success. Their great strength will be their team spirit.

It is therefore important to develop this strength among leaders, within teams and, above all, between different teams and partners. If you can develop this strength within your enterprise, and indeed at regional level, you will be contributing to a sustainable economy and making the world a better place.

Let's begin with four responses or approaches we can develop in facing these challenges.

Response 1: **Vision / meaning**

I have spoken about this in several of my earlier articles. To instil confidence, it is essential to have a powerful, shared vision which gives meaning to one's work and to the efforts of individuals (in a common cause). To achieve this, you need to involve your employees in developing your vision. As well as analyses and the classical tools of management schools, I have formulated four questions to help you in this, to be discussed with your team, your colleagues:

1. Who are our customers?
2. How do we want to be perceived by our customers? What impact are we trying to achieve?
3. How do we want to work as a team? What do we see as important?
4. What trends, developments and changes are likely to affect our work in the next few years?

Don't forget to keep an ear to the ground. The classic error is to perceive things only from the inside out (in-out). Put yourself in your customers' shoes, take a look from the outside in or, even better, invite some of your customers to participate in the debate (out-in).

Response 2: **Common understanding / clarity (transparency)**

Make sure you are speaking the same language, i.e. that you have a common understanding at all levels of your business or organization. In my first article on the subject of impact, I make some points about understanding, ownership, coherence and consistency. If your colleagues, managers or employees do not understand your vision, they will be unable to own it and reluctant to commit themselves. Trust will depend on the extent to which you are coherent (at all levels of the hierarchy) and consistent in the messages you convey and in the tools you use.
So dare to be transparent. This is why I personally write a blog.

Response 3: **Decision–making (encouraging responsibility, autonomy) / collective intuition**

Facilitate decision-making within your business by delegating effectively, making sure that the people you delegate to have the necessary competences and room for manoeuvre. My articles on delegation and team spirit will provide you with additional pointers on how to do this. I particularly emphasize the notions of individual responsibility and autonomy.
Delegating "power" in this way leads to more rapid decision-making and therefore shorter reaction times. If your employees have confidence in themselves and their boss, and the framework (system) allows for it, they will dare to take independent decisions (see my article on courage).
Where autonomy is concerned, one of the competences you need to develop is adaptability. It is important that people want to learn and are capable of doing so.
By taking decisions and analysing any set-backs or mistakes (i.e. debriefings), your employees will grow in confidence and the ability to think intuitively. Undoubtedly, intuition is an important factor in decision-making.
So, if you insist on making time for reflection and, at the same time, strengthen cooperation within your teams, you will be developing collective intuition within the enterprise, which will lead to more effective decision-making.

Response 4: **Agility / simplicity**

This is on the one hand a question of managerial approach, on the other of creating a framework in which employees feel at ease and where agility (doing things quickly but unhurriedly) is possible. My article "The agile manager" gives some pointers on how to achieve this. To foster agility, set up teams which are small (four to seven members), flexible and have a large degree of autonomy. To optimize individual contributions, make sure that each member of the group has a clearly defined role and a perceptible impact. Success will therefore be the fruit of a collective effort and each member can take pride in work well done. Like a family in which pulling together and solidarity is the rule, your business will be able to draw on collective sources of energy and collective strength. Your employees will be fully committed.

Moreover, by adopting cooperative approaches – "scrum" methodology for example – you will save time and gain in efficiency. And, of course, you should also remember to involve your customers. By instituting a "right to make mistakes", and therefore to experiment, you will also be imparting energy and impetus to the whole enterprise and to the various teams. And you can consolidate all this with continuous improvement, self-reflection, debriefings and best-practice sessions.

There is nothing new about this. Chris Argyris, a professor at MIT, began talking about "learning organizations" many years ago, together with the principle of "double-loop learning" (1977). You might also benefit from another approach pioneered in the last century (1950): the Deming cycle (Plan-Do-Check-Act or PDCA), which provides an excellent basis for continuous improvement.

Agility, as described above, is reinforced by simplification. Commit resources to simplifying processes, performance and products. Lean management methods, Kaizen, Toyota, kata and others, can be extremely useful. But it is also important to broaden your horizons. One of the most relevant approaches, in my opinion, is the one developed by a trio of authors: Chris Brügger, Michael Hartschen and Jiri Scherrer. Their book, appropriately entitled "Simplicity", sets out five principles and 13 strategies for simplifying processes, products and performance. Having myself completed their training and as a certified "simplifier", I can assure you that their one-day workshop is highly effective:

Where simplicity is concerned, make sure that:
- you are speaking the same language at all levels.
- you take into account the customer's point of view (out-in).
- you are prepared to think outside the box in looking for new solutions. Don't stay within your comfort zone.
- you don't take on more and more tasks. You need to learn to say "no", which may mean dropping some of the things you do.
- that you set deadlines for achieving your goals, and stick to them. Make sure you have a cut-off point. The new ideas and additions that come after this point should be put on the waiting list for a later phase of development.

So far I have given you four brief responses to the issues raised by the challenges we are currently facing. Now I would like to relate these responses, or some elements of these responses, to the dilemmas that need to be taken into account.

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Dilemma 1: **Vision vs. Profit**
Emphasis on vision (medium and long term) does not mean that short-term considerations should be neglected. Good performance and good results are important to ensure adequate funding and liquidity.

Dilemma 2: **Hierarchy vs. Networking**
In my article entitled "Leadership: legitimate power", I pointed out that there will always be leaders, and there is nothing wrong in this. In businesses, there needs to be an appropriate balance between leadership, individual responsibility, autonomy and cooperation. My article on team spirit also gives indications on how this balance can best be achieved.

Dilemma 3: **Control vs. Autonomy (Trust)**
This is a matter of trust. Control and autonomy/trust are connected and interdependent. Schulz-von-Thun's 'balance of values' tool provides a very interesting basis for analysing trust as a value.
In doing so, we need to examine its positive counterpart and how this can be taken to an extreme. Thus, the positive counterpart of trust is control. The important thing is not to take it to extremes. If I take trust too far, I end up with blind trust, and if I go too far with control, I end up with policing. It is therefore important to juggle these values intelligently, without drifting to extremes.
Within companies, and especially among senior management, this is one of the challenges that needs careful handling.

Dilemma 4: **Data protection vs. Transparency**
Private life and personal data should of course be protected, though clarity and transparency are also important. It will always be difficult to achieve the right balance, and there will always be someone or some organization trying to take advantage of any information given to them. I cannot offer you any easy solution. My philosophy has always been to be as honest as possible, to have nothing to be ashamed of and to do as much good as possible for society, my fellow human beings and my family. All the good you do, everything you give for others, will eventually be repaid with interest. (Putting it the other way round, all the harm you do will eventually return to haunt you. Be warned.)

Dilemma 5: **Planning vs. Experimentation**
Obviously, experimentation is necessary. However, if you want to achieve anything, planning, organization and coordination will always be of vital importance. Here again, Schulz-von-Thun's principle of balance is helpful. Make sure that your teams include a good mix of characters and skills that will enable you to balance both sides of the equation.
It is important that the various members get to know one another intimately and respect one another. My article "Gaining in confidence through feedback" will point you in the right direction.

I hope that consideration of these four responses and five dilemmas will help you on your way to achieving success.

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