What is a VUCA environment?

Graph from: https://hbr.org/2014/01/what-vuca-really-means-for-you

VUCA - short for *volatility, uncertainty, complexity and ambiguity* - seems to be the word du jour, thrown around whenever we don't know what to make of a situation. Overhyped? Perhaps, but if we look at data (arguably the only thing that matters for solid business decisions), we notice there is something unusual happening for the past decade: companies, previously known to be in a specific industry (most often, software), are suddenly branching out in completely unrelated fields, with great success:

- We live times in which Google competes with Ford and Toyota.
- We live times in which Uber entered courier and food delivery markets.
- We live in times in which private companies manage to launch rockets into space - 10 times more efficiently than NASA.
- We live times in which DNA sequencing costs less than 1,000 USD (down from 10 million USD 9 years ago)
- We live in times in which Google's DeepMind AI won the Go World Champion. Lee Sedol - the the Korean-born, 9-dan Go player, rated the best in the world - predicted it to happen in 2030.

So what does this mean for your business?

The technology has grown exponentially and it impacts the entire planet tremendously. In essence, VUCA means a very messy situation for leadership. It requires a new type of thinking - like:

- *building company slack* (difficult to master since the prevailing thinking is that sitting on tons of cash are

a sign of mismanagement and wasted opportunities),
- developing *an experimental mindset* (again, difficult since failure is frowned upon) or
- *crowdsourcing* information and resources (complicated for companies used to sign NDAs even for the smallest outsourcing jobs)

As a consequence, the leadership model has to change to adapt to this new world. But what is the new leadership model? What could be so different from the 10 years ago model? We will try provide some of our research results in the following posts and newsletters.

Closely related to VUCA environments are the Unicorns...particular type of companies, usually a startup with no definite business model, that manages to achieve a valuation of over 1bn USD within 1-2 years since launch. Yes, we're talking about Uber, Instagram, Waze, Airbnb, Palantir, Snapchat, Space X and many others, in every imaginable industry. How did these companies managed to outsmart and even bankrupt long standing corporations such as Kodak (Instagram), Nokia's Navteq (Waze)?

To put it simply, by employing a different kind of thinking about how businesses are built.

It is around this thinking that our programme - Values Driven Exponential Leadership (VDEL) is built.

This post is part of a series explaining concepts that our VDEL programme tackles, in order to make you a better leader for this deeply-changing technological world.