



Finding Advantage in Uncertainty

"Is uncertainty a springboard to opportunities or a pitfall to performance?"

by Dan Norenberg

Leaders that recognize, embrace and create meaningful results from uncertainty change faster, innovate more readily and stimulate high performance cultures. The competence and capability to navigate successfully through uncertainty is a clear and distinct advantage. Companies with a "wait and see" strategy or those who simply refuse to address uncertainty within their businesses and around their business will eventually run out of

rope. Blockbuster, Eastman Kodak and Sun Microsystems were former frontrunners whose leaders stumbled and ultimately were defeated because they did not, or could not, find advantage in the uncertainty that surrounded them.

The uncertainty index is on the rise. Changing attitudes in the workplace, increased organizational complexity and the VUCA marketplace (volatile, uncertain,

complex and ambiguous) present today's leaders with uncertainty on many different levels. Today it doesn't matter what industry or business you are in, as uncertainty plays no favorites.

How do you and your business leaders recognize and transform uncertainty into advantage for your employees, customers and stakeholders?



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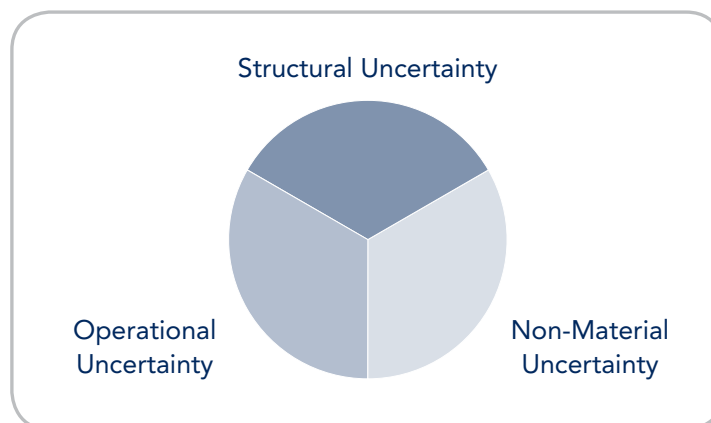
This question lies at the heart of many of my coaching and consulting conversations. Sometimes the question is met with silence and other times with a quick, automated response, that most often comes from leaders flying too low above the trees. Yet there are a growing number of leaders who recognize that within the abstractness of uncertainty lie valuable opportunities.

Executive leaders can guide and encourage such activities. Acknowledging the unknowns through “uncertainty field mapping” is an important first step into developing opportunities and strategies to win in the uncertainty space. Here are three fields where advantages in uncertainty lie:

Three Fields of Uncertainty

Operational Uncertainty. This field often resides within company boundaries (it can also show up between alliance partners) and is often triggered by a business transformation, such as introducing strategic business units (SBUs) and matrix structures into the function-

al organization. The benefits of these business changes often take too long to materialize because too much energy is invested in organizational clarity and too little in helping people develop new mindsets and competencies (influencing without authority, for example)



The uncertainty prevents people from capitalizing on the benefits that the matrix has to offer.

Non-Material Uncertainty. This field can be seen in poor engagement survey results or in the unspoken, yet felt negative energies before, during and after a business integration. In some instances, senior leaders speak about a completed business integration or merger, yet the rank and file remain divided and disappointed as unaddressed emotional needs and misaligned perceptions between key

players prevent the “integrated” business from moving forward in a meaningful and productive way. In this non-material uncertainty, it can look “systems go” above the iceberg, but tensions, hidden agendas and emotional viruses under the iceberg sap the energy and potential out of high performance.

Structural Uncertainty.

This type of uncertainty is caused by an unanticipated event that disrupts the status quo order of the economic or market systems that a company competes in. While operational and non-material

uncertainty can be troublesome and cause companies to struggle, the inability to foresee structure uncertainty and prepare to play in new conditions can be devastating for many companies.

Successful leaders eager to stay ahead of the game know that a portion of their time and the time of senior leadership teams must have a hand in the fields of uncertainty.



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Here are five recommendations to help your senior leaders and their teams actively embrace uncertainty:

1. Set the example you expect to see in others.

Ask your leaders to share where they are experiencing uncertainty. Stimulate this exchange with the right questions, questions that are dear to you and that really get them thinking and looking at the business in a different way. Resist the temptation to say, “That should be clear!” as this will shut down exploration into uncertainty very quickly.

2. Help your senior leaders recognize that they cannot plan their way through many types of uncertainty. Fantasy forecasting (beyond 18-24 months) encourages denial – outside of this timeframe the assumptions that we hold are no longer valid, thus the forecasting becomes an unrealistic exercise. **Conventional planning does not help address structural uncertainty in a meaningful way.**

3. **Develop “uncertainty agility” through scenario planning and strategic visioning practices.** While you do not always come up with the “solution of the century”, you do help people develop competence and confidence to address uncertainty. This work should be reserved for strategic and executive leadership levels that need a farther view of the future than your operational leaders who are more focused on execution.

4. Encourage senior leaders and leadership teams to complete and **share the results of their comfort, stretch and panic zone template.** Ask your senior leaders to look back over the past six months and identify which of their activities fall into which of the three zones. You will stimulate a constructive conversation and understand to what degree your leaders challenge the status quo. Leaders will learn a great deal about their personal beliefs and mind-sets toward uncertainty in this exercise.

5. Make uncertainty a priority by giving it space and attention on the leadership agenda. Discussions on business results and sales figures are valuable when they lead to new insights and strategic actions, however if they are simply show and tell sessions this time could be used to address uncertainty. **Uncertainty Mapping & Transformation Sessions (UMT Sessions)** encourage people to identify anomalies, contradictions, oddities and constraints. Are there patterns, trends or connections between these points, and if so, what advantages could be developed? If Kodak had rigorously implemented UMT sessions, would they have recognized the significance of digital photography sooner?

There are valuable opportunities waiting to be uncovered in uncertainty. They will not become advantages for you and your company if you don’t explore the fields with rigor and positive anticipation.



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Developing a positive anticipation towards uncertainty is something we can learn. It is something senior leaders can and must do with their teams and talents. (Remember the rising uncertainty index!)

When I reflect back to one of my deepest dives into uncertainty (arriving in Europe with no work papers, no company sponsored job, not knowing anyone), I will honestly admit that I struggled in the beginning. I had spots of positive anticipation that were, at times, clouded by doubts and fear.

It wasn't until I moved my “knowing mindset” (I already knew how to do business and perform in the USA) to a finding out mindset

(things are done differently here and I don't need to have all the answers) did I begin to make progress and come to terms with the uncertainty that surrounded me. Tuning into my emotions enabled me to adjust my knowing mindset to a finding out mindset. This set the wheels in motion and then, and only then, was I able to welcome uncertainty as an opportunity or advantage.

While the uncertainty I encountered is not exactly like the uncertainty leaders face running a large enterprise, the lesson I learned can be transferred. We are capable of constructively working with and finding advantages in uncertainty. Think about this for a moment and I am sure you have positive exam-

ples of your own. We must help others develop this capability. We needn't look far to see what happens to those that don't or can't.

The advantage now goes to those who create change, not just learn to live with it, Ram Charan reminds us. Looking at uncertainty with positive anticipation and deliberate process enables us to create our future through the advantages of uncertainty, rather than wait and follow others.

How are you preparing yourself and your senior leaders to find real advantages in uncertainty?

Start the conversation and find the advantages that uncertainty has to offer.



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