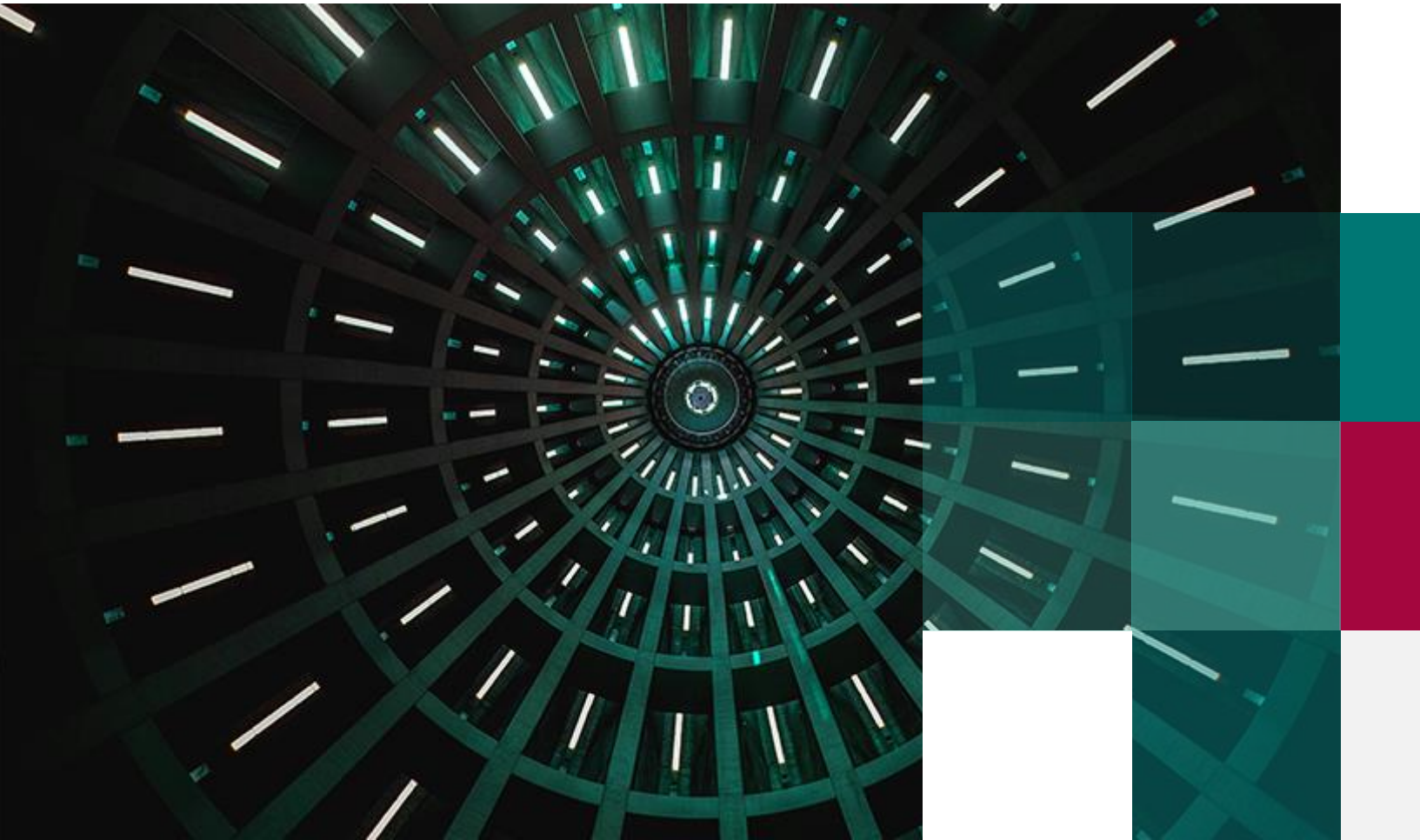


# Transforming Your Business with Tech in a VUCA World



The world hates  
change, yet it is the  
only thing that has  
brought progress.

Charles Kettering

Senior executives in businesses around the world today are faced with one fundamental challenge: how do we navigate the uncertain world around us?

Over the past several decades, in an increasingly globalised world, most businesses have been built on principles of steady, predictable operations and incremental growth. The 'Black Swan' events of the past 5 years - COVID-19, the Ukraine War, the Climate Crisis, the US-China Trade War, Brexit, and the Trump Presidency to name just a few – have rendered long-term planning almost meaningless. The unpredictability has challenged the foundational assumptions on which global corporations have been built and shaken them to the core.

One thing is for sure: for most organisations, the external pace of change is now far greater than the internal pace of change. That is something that has been true even before the latest phase of uncertainties descended upon us. HBO saw Netflix coming, but simply couldn't muster up the change muscles to respond to the phenomenon called 'streaming'. The last 5 years have now made this even more stark.

Most CEOs and leaders of businesses around the world now agree that "Sense and Respond" is the new mantra in a world where Black Swan events are increasingly more likely, not less. It is pointless to try and "Predict and Plan"; the focus is to build agile organisational networks to sense 'trigger events' as they emerge across the business span and develop the 'change muscles' to be able to respond with pace and precision.



The unpredictability has challenged the foundational assumptions on which global corporations have been built and shaken them to the core.

# How do we get ourselves ready to 'Sense & Respond'?

There is no 'right or wrong' way to do this. We believe the journey starts with decluttering and simplifying the way you think about your business capabilities.

In the new world where technology is the foremost driver towards transformational capabilities, it is useful to think of our business across these three simple, fundamental layers:

- **The Machine:** the 'system' that represents your enterprise, it's policies, procedures, processes, data and systems; in essence the 'capability' that your employees, collaborators and suppliers' access to create value for your customers and the communities you serve. Ideally this capability is on the 'cloud', is smart, scalable, and self-learning, fit for an AI powered era. Recent examples of such machines abound in 'born digital' companies such as Uber, Air B&B and Meta. Increasingly this is also where more traditional businesses are headed with their 'Hub & Spoke' system architectures and Data / AI transformation investments.
- **The Orchestrators:** The people that you trust to orchestrate your business and its capabilities and make decisions that are in the best interests of your stakeholders. These are executive teams, global function/capability owners, process and data champions and technology experts – together the 'Masters of the Machine', a thin team at the centre, ensuring the machine works in a way that is consistent with your core values and performance objectives.
- **The Local Heroes:** Your customer-facing agile teams in theatres (countries/regions/markets) where you operate. These are your 'human capital' – heroes who create value by transacting business and delivering products/services to your customer and/or to communities they serve in the context of the geopolitical, environmental, and social realities that prevail locally. They draw down capabilities from the Machine and have the necessary degrees of freedom to interpret them in their local context while staying within permissible limits of divergence set by the orchestrators. In an increasingly fragmented world where different regions move at different paces and in divergent directions, it is vital that the Local Heroes have access to capabilities that allow them to 'sense' locally and 'respond' with pace and precision in alignment with the global orchestrators.



We believe the journey starts with decluttering and simplifying the way you think about your business capabilities.

We have helped many of our clients think through these (admitted somewhat simplistic) capability layers and make decisions on how to define and build the right 'machine' and organise the right 'orchestrators' and suitably empower the 'local heroes'.

# The Journey to 'Sense and Respond' capabilities

For most organisations with rich history and legacy from earlier technological eras, the journey to shape the Machine and the Orchestrators is a multi-year, multi-step journey. We call it a 'Stepping Stone' journey map. Knowing where you are headed ('target state') and taking meaningful, modular steps that are increasingly convergent and take you directionally closer are key to achieving our objectives.

## Step 1: What problem are we trying to solve? What is our strategic intent?

Before embarking on the journey, it is important that the executive team is clear on the problem statement. This sounds simple in theory but isn't always easy and creates problems downstream.

## Step 2: How do we run a 'critical thread' from the 'strategic intent' to the scope of the transformation?

This is vital to define and control the scope and to ensure the various components of the transformation are suitably aligned and understand their interdependencies.

## Step 3: Which capabilities are we building/augmenting? And for what purpose/benefits?

A well-framed business capability model, heat-mapped with the impact areas that are being targeted by the transformation programme is vital to a well-articulated business case, be it qualitative, quantitative or a combination.

**"The rate of change is not going to slow down anytime soon. If anything, competition in most industries will probably speed up even more in the next few decades."**

**Step 4: What does the 'Rich Picture' of the target state look like? How will it feel like for our customers, suppliers and our people? How will it impact our ways of working?**

Bringing all this to life – often like a 'Show Home' that developers use to help us understand what we are buying when we place a booking for our future properties – is vital to energising and engaging the organisation to the executive vision. Use of Virtual Reality techniques, AI-driven simulations and good old story telling by Influencers are all vital to accelerating the internal pace of change.

**Step 5: The 'Architecture'**

The architecture of the target state 'machine' is something that often takes time and attracts much debate. What are the 'Hub & Spoke' elements of the cloud enabled digital backbone? What are the choices we have in terms of best-in-class cloud SaaS solutions around it? What is our data architecture – lakes, rivers, oceans, swamps?! How do we embed AI to make the machine self-healing and self-learning? The vital element across all of this is actually not technology, but having a clear business architecture in mind – how do we operate in future leveraging the capabilities that we are building? Are we planning to acquire or divest? Do we want to organise ourselves to launch new products/services? Or expand into new markets? What is likely to be the spine of our business going forward? Category-based P/Ls? Regions? Countries? Functions?

**Step 6: The Journey Map**

All this takes a lot of effort and money when we have a business to run in parallel (the 'incumbent's dilemma'). How can we break this down to modular consumable parts? How do we focus on the parts that create value? Can we be clear which decisions we make are 'one-way doors' vs 'two-way doors'? How do we 'Get Ready' as an organisation before we start burning money in mega programmes of tech transformation?

**Innoverv.advise** is helping many of our clients answer these questions for themselves and create a roadmap that allows them to navigate an increasingly uncertain world with clarity and purpose.



**“Change is hard because people overestimate the value of what they have and underestimate the value of what they may gain by giving that up.”**



