

## Developing Nonprofit Strategy in a “VUCA” World

This essay by David La Piana is an excerpt adapted from the new 10<sup>th</sup> Anniversary edition of *The Nonprofit Strategy Revolution*, which will be published in August 2018. This download is being made available exclusively to readers who have preordered the book. We thank Turner Publishing for their cooperation in sharing this with you. Enjoy!

Today, leaders of many—if not most—nonprofits face a “VUCA” world. First coined by the U.S. military to describe the situation they faced in Iraq and Afghanistan, VUCA stands for Volatile, Uncertain, Complex and Ambiguous.

- Volatility signifies rapid change, a world where nothing long remains static;
- Uncertainty describes the unpredictability of our world, we don’t know what will come next;
- Complexity indicates that the causes of change are many and interwoven;
- Ambiguity acknowledges that we often don’t even know the terms of the struggle, which levers will affect which outcomes, and if we are seeing the whole picture before making decisions.

From the battlefield to Wall Street to Main Street, to the nonprofit board room, leaders have begun to realize that their organizations now face not only *problems*, in the traditional sense of situations which can be planned for and—at least theoretically—solved, but also *dilemmas*, new and unclear situations that by their very nature cannot be solved. There are many causes of increasing VUCA in the nonprofit world, most of which will be familiar: political polarization, the breakdown of democratic institutions and the rebirth of a new Far Right at home and abroad, the rise of social media as a means of interacting with the world, historic levels of economic inequality, corporate capture of our politics (elected officials responding to the interests of wealth ahead of constituents), the breakdown of trust in mainstream media as people on the political left and the right choose an echo chamber over a shared reality, and hastily-devised changes to the tax code which were not vetted for their impact on the economy, or anything else.

Long-term strategic planning, which rose to prominence in the American-dominated global economy of the 1960s, assumes a knowable world where problems can be identified, quantified, and solved, reducing future uncertainty. But increasingly, this worldview and the periodic (every three to five years) planning schedule it suggests, are giving way to a new paradigm where progress is made through deliberate, ongoing, active engagement with the VUCA environment. This shift requires a different kind of leader: in place of *The Planner* of old, today’s nonprofit needs *The Strategist*.

▪ **Planners** look for linear solutions to knowable challenges.

▪ **Strategists** excel at moving from one moment to the next with a clear vision of priorities but flexible, evolving strategy.

<ul style="list-style-type: none"> <li>▪ <b>Planners</b> solve problems using tried-and-true tools and approaches.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Strategists</b> augment the imperfect available data by relying more on their own and their team’s intuition and experience.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Planners</b> try to simplify a complex, uncertain world.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Strategists</b> take advantage of the chaos to find new opportunities before others see them.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Planning</b> is top-down (with a nod to internal consultation).</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Strategy</b> requires a horizontal process and networked relationships, even embracing “coopetition” with peer organizations.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Planners</b> ask their staffs for feedback on their developing plans.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Strategists</b> engage colleagues in the sense-making struggle every day.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Planners</b> look forward to the conclusion of a time-limited process resulting in a specific outcome: a written strategic plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Strategists</b> know there is no destination, only the unknowable journey, so the crucial decision is who you bring along (talent management).</li> </ul>

Our Real-Time Strategic Planning methodology, detailed in *The Nonprofit Strategy Revolution*, was developed for the VUCA world, offering a new way for organizations to respond to ever-emerging opportunities and challenges. Beyond the methodology, however, today’s nonprofit leader needs to understand and embrace the CEO’s role as Strategist-in-Chief and boundary-spanner, the person who ensures data—especially unwelcome data, new ideas, and creative people from outside the organization—are regularly brought in. Forming and executing strategy in a VUCA world isn’t easy, and long-term plans have a way of either blowing up or becoming irrelevant as circumstances develop unpredictably. Thus, our emphasis on real-time strategy.

Clearly, nonprofits need a new paradigm of strategy formation now more than ever. The rapid-response (or, if you like, VUCA) world in which we live requires nonprofits to identify, understand, and act upon new information and dynamically changing situations in real time; that means now, not in six months when the plan is finished. Making the shift to a new and faster approach to strategy is not easy, but it is increasingly gaining traction across the sector. Funders who had been accustomed to seeing a traditional strategic planning document from prospective grantees; consultants (including us) that had built successful strategic planning practices; and the available written resources on the subject emphasizing the importance, indeed the indispensability, of strategic planning, have begun to look at the value of ongoing strategy development and adaptability in a new light. The sector is learning that the words strategy and planning, unlike other famous pairs such as peanut butter and jelly, stars and stripes, or Batman and Robin, need not always travel together. I like to think that Real-Time Strategic Planning helped to loosen the grasp of traditional strategic planning on the sector, and in so doing, launched a nonprofit strategy revolution—an altogether different way of thinking about strategy.



Today, that the revolution is well underway. Every nonprofit leader who breaks out of the three-year planning cycle to form strategies as opportunities and challenges arise is manning the strategy revolution barricades. Every graduate school instructor who introduces a more responsive approach to their class of aspiring young leaders, is seeding revolution. Every funder that asks its grantees to describe their strategy to combat a social problem rather than to simply submit a traditional strategic plan is storming the planning Bastille. And every consultant who, based on years of experience and accumulated wisdom, innovates, blows up the process, instinctively trying a nontraditional approach with a client, is a strategic planning maverick—true revolutionaries all. Welcome to the revolution.