

Calculated risks and agility can help avoid the rocks and shipwrecks of a VUCA world, allowing us to see things from a different view. What new opportunities exist in the wide, deep and unexplored blue oceans?

# Chapter 5: The Proactive Organisation

# 5

## THE PROACTIVE ORGANISATION

*“On such a full sea are we now afloat, and we must take the current when it serves, or lose our ventures” Shakespeare*

The proactive organisation has a bias for action, is flexible and creative, learns fast through experiment and is thirsty for information and ideas. This chapter focuses on the way in which future organisations must have proactive strategies that pay attention to culture in order to navigate change effectively in a Volatile, Uncertain, Complex and Ambiguous (VUCA) world. We provide two useful tools, the Voyage Board and the Caplor Islands, as frameworks for proactively leading strategic change.

### The External Environment

Jane looked out of her window in Manchester on a hailstorm in July. Her Monday morning was not turning out as expected. The meeting with her Senior Management Team had to be postponed as Arjun and Monique were on a train from London, delayed by software problems. That was just as well as the morning’s emails sprang a host of surprises:

- Her NGO’s Country Director in India requested her urgent approval of a strangely worded press release on inter-faith cooperation that was needed for unspecified political reasons.
- Could their logo be used by a corporate sponsor which was part-owned by an international food company which was a target for climate change activists?
- One of the main partners in Kenya asked for help in organising a delivery of much-needed medicines in South Sudan by a route that was threatened by ethnic conflict and possibly illegal under South Sudanese law.

## CHAPTER 5: THE PROACTIVE ORGANISATION

- Charity Finance had just reported that the organisation was one of those most likely to be hit by a Government change in pension policy, owing to the way it had been formed through NGO mergers. The Finance Director was away on a week's leave.

Jane's world seemed to be ever more volatile, uncertain, complex and ambiguous. How could her organisation hope to do more than respond to crises as they emerged? How could it become better at seizing opportunities as they appeared, learning fast and coping with challenges without being deflected from its mission? In other words, how could it become a proactive organisation? We shall explore some answers in this chapter.

Our Thought Leadership paper "Leading our way through change in the coronavirus world" by Sharon Turnbull describes why today's world is changing faster than ever, and why the challenges we face are becoming even more complex than those we have faced in the past. In this, she talks about living in a "VUCA world". VUCA means Volatility, Uncertainty, Complexity and Ambiguity.

Some of the key organisational responses to the VUCA world are as follows:

- The speed and scale of change in a volatile world require organisations to have a bias for action, getting on with things rather than standing back to analyse for too long.
- Uncertainty requires organisations to be flexible, adaptable, creative and innovative.
- Complexity makes it hard to plan, so organisations need to be comfortable with an experimental approach, taking risks, seeking feedback, learning fast and being willing to change plans frequently.
- The ambiguity of information in a complex and fast-changing world puts a premium on finding ways to gather and present information quickly and clearly.

This may sound unsettling and demanding but there are great rewards as well. The world's changes and complexity present opportunities for new ways of working, new partners and greater organisational impact. "Blue oceans" may open up. These are unknown market spaces, unaffected by competition, with ample opportunity for profitable and rapid growth, where the rules of the game are waiting to be set (Kim and Mauborgne, 2005).

This may also mean becoming what Joseph Bower (2003) calls a “Velcro organisation”: one that can be arranged and rearranged rapidly to meet multiple changing needs and opportunities. Like a garment held together by Velcro, they operate effectively in one configuration but can be pulled apart and rearranged to a very different shape when the sun comes out – or a hailstorm arrives.

## The Observatory

*“The optimism of the action is better than the pessimism of the thought.”* Harald Zindler

The people of a proactive organisation are always seeking information and ideas about the big picture and long-term trends. As a result, the proactive organisation has an Observatory-style approach to strategy. It sees strategy as a matter of deciding an overall direction rather than attempting to write down a detailed plan.

A VUCA world makes detailed long-term strategies a waste of time. For example, as a result of the coronavirus pandemic, many organisations have had to discard or adapt their existing strategies as they have quickly become outdated and irrelevant in such a rapidly evolving landscape. Proactive organisations recognise the fruits of going beyond the normal data gathering and assumptions of a 3-5-year horizon. Instead they develop strategy at a higher level, looking 10-30 years into the future, for example for a “Big Hairy Audacious Goal” (BHAG) as described by Jim Collins and Jerry Porras (1994). This is more about compelling dreams than rational analysis.

Coupled with this visionary approach to strategy is the recognition that plans need to be reviewed frequently, perhaps every six months, because changes in the world throw up opportunities and new ideas. It is only the overall purpose and values that can remain steady in a fast-changing world.

As a way of holding fast to the overall direction amidst the buffeting of a VUCA world, it may be helpful to use Caplor Horizons’ Voyage metaphor and materials.

The Voyage Board, pictured below, provides a creative way to explore past events, notice patterns and to strategise and plan for the future. It uses the metaphor of a voyage to explore, articulate and understand significant events and incidents which have shaped your



## CHAPTER 5: THE PROACTIVE ORGANISATION

experience to date and also creatively consider where you might “sail” in the future. The Voyage board encourages individuals or teams to consider their ultimate destination (the horizons) and the benchmarks along the way (the islands).

The icons on the right of the board each relate to important elements that organisations should consider when planning for the future. For example, the lighthouse represents your organisation’s envisaged future, the diver represents the value of learning and reflection on your journey, the crocodiles represent the challenges and threats you may face along the way, the flying geese represent how you might collaborate with others, and the whale represents how you will communicate your vision and strategy to others. For more insights into each of the icons, read our “Voyaging to New Horizons” paper.



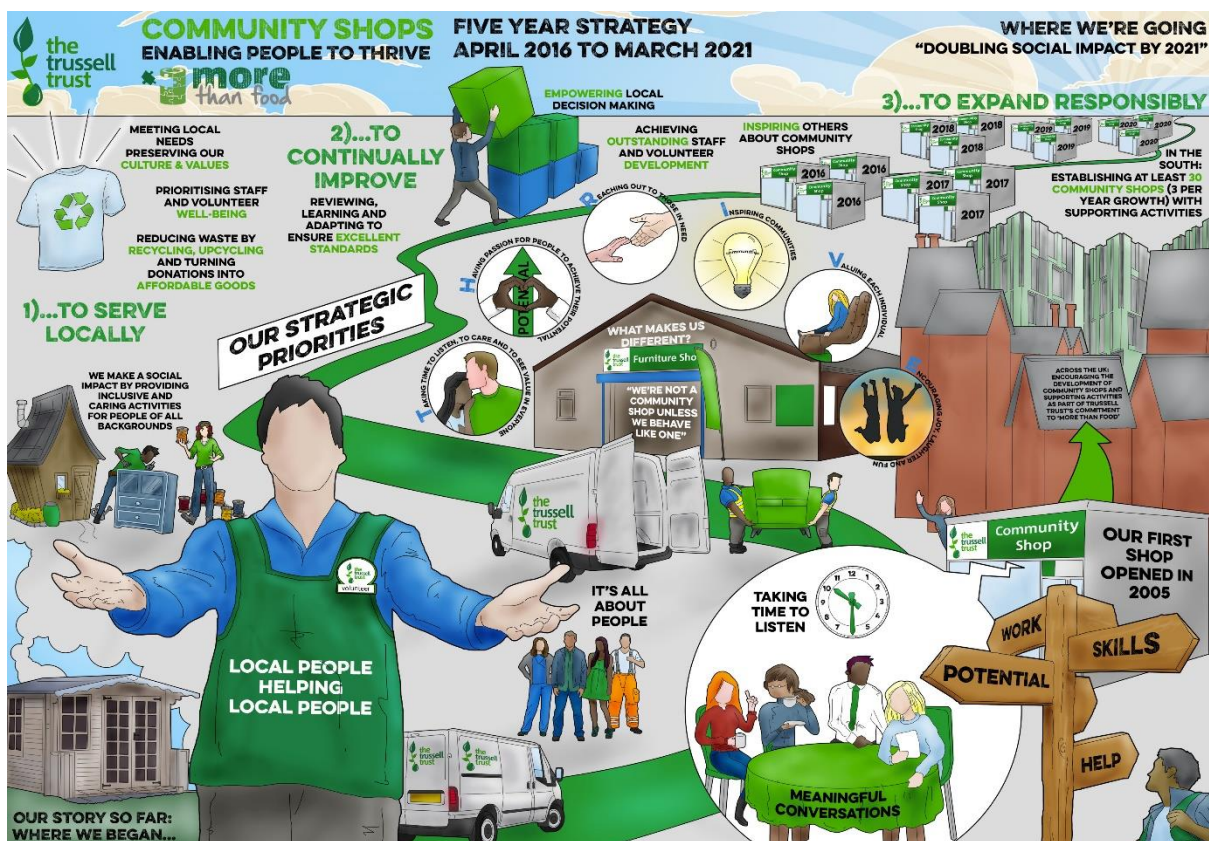
***Caplor Horizons Voyage Board***

This visual exercise can be adapted for different contexts, for example, some of our clients working in the hills of Maharashtra in India have used the metaphor of climbing a mountain instead. As well as using this tool to review and develop strategy, it can be used for one to

one coaching or mentoring, or alternatively for team work to address a specific issue common to everyone.

Another key component of staying on track is clear and simple communication of your direction and envisaged future. Research has shown that strategies fail far more often through failures of communication than because the strategies are themselves weak. Distilling the message down to a single page is a helpful discipline as it forces those involved to concentrate on what matters most. Developing a “strategy on a page” through a process that involves broad participation in the organisation is itself a powerful means of communication and source of commitment.

At Caplor Horizons we enable organisations to develop creative and compelling images to tell their story, including about their strategic direction. An example from the Trussell Trust, a food bank charity in the UK, can be seen below:



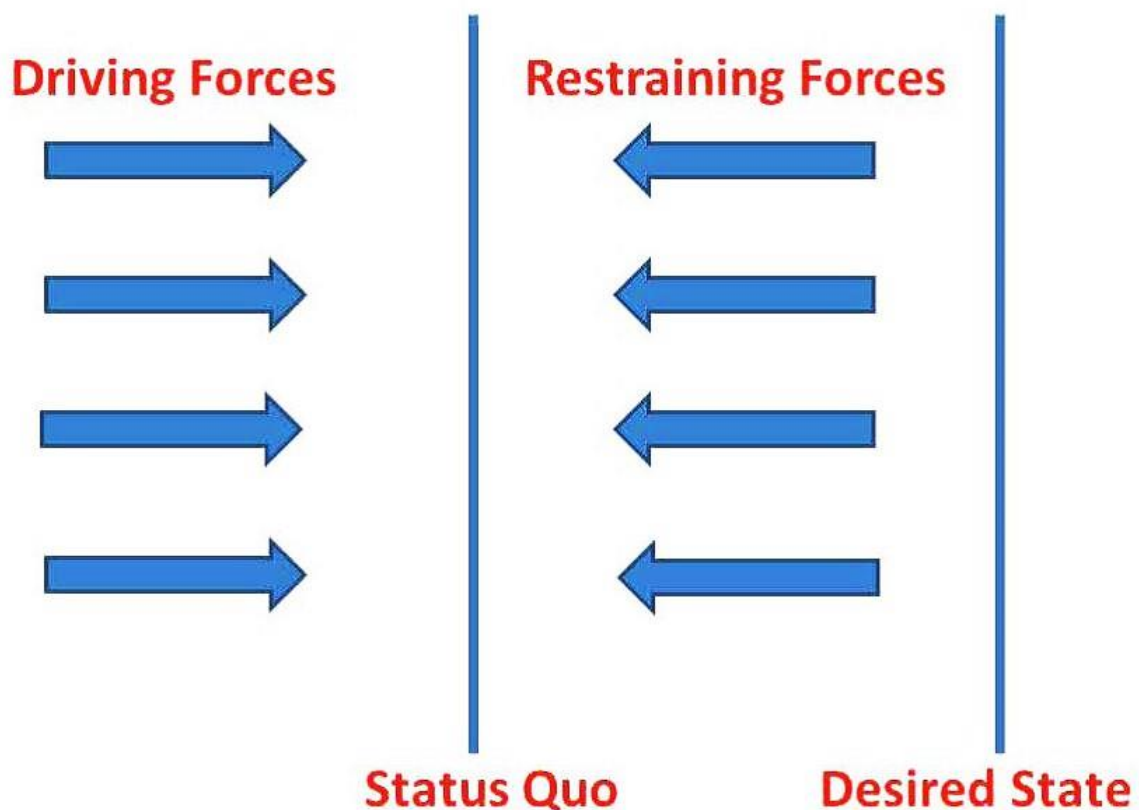
*The Trussell Trust “Strategy on a Page”*

## The Library

*“Life is like riding a bicycle. To keep your balance, you must keep moving.”* Albert Einstein

Members of a proactive organisation are constantly in the Library, seeking and recording information and ideas at all levels to maximise the chances of success amid so much change, complexity and uncertainty. One way to understand what’s needed for a sustainable future is to conduct a “force field analysis”. This powerful strategic tool (seen below) was originally developed by Kurt Lewin (1951) and can be used to help understand change processes in organisations. In order to reach your “desired state”, you must ensure that the “driving forces” outweigh the “restraining forces”. Successful change is achieved by either strengthening the driving forces or weakening the restraining forces. When using this tool it is important to consider both the internal and external driving and restraining forces.

## Force Field Analysis



*Kurt Lewin's Force Field Analysis*



## The Family Room

*"When the winds of change blow, some people build walls whilst others build windmills."*

Chinese Proverb

No matter what strategy you try to implement with your team, its success and efficacy are going to be held back by the people implementing the plan if the culture does not support it. It means that if the people driving the strategy aren't passionate about the change, or worse, are apathetic to their job and to the organisation, then you stand no chance of implementing a plan. The Family Room fosters the culture that enables the organisation to be proactive.



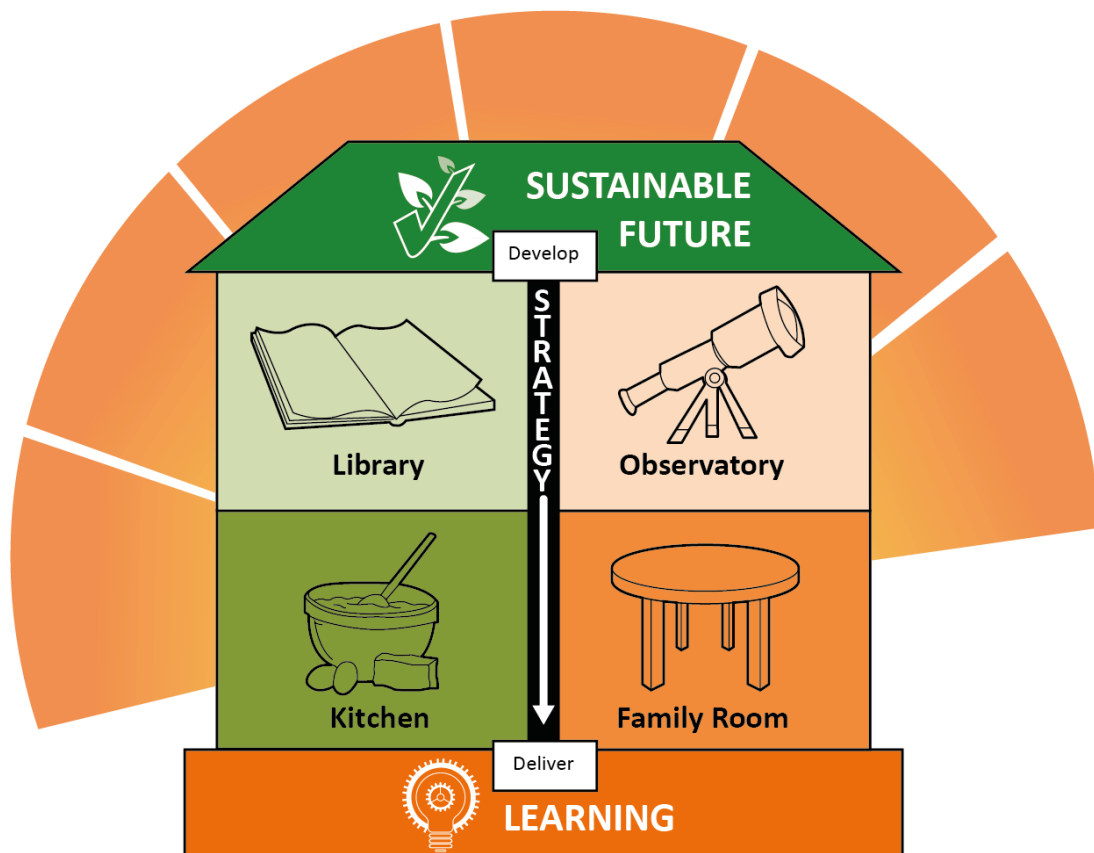
**Caplor Horizons "Culture Eats Strategy For Breakfast" poster**



## CHAPTER 5: THE PROACTIVE ORGANISATION

The importance of culture can be seen by looking at strategy within the framework of the Caplor House (to understand more about the Caplor House, read Chapter 3). Strategy development tends to happen upstairs: in the Observatory where fresh ideas happen in a context of reflection and seeing the big picture and in the Library where ideas are tested and evaluated.

Strategy, once developed, must be delivered by people. Thus, strategy delivery tends to happen downstairs. Even if a good idea generated in the Observatory has been analysed with data to support it in the Library, it will not actually happen without good systems, policies and operations in the Kitchen. And even a great idea, well assessed with great operational attention to detail, will come to nothing unless people actually want to deliver it, which takes us to the Family Room. Experiences in the Family Room help us to build motivation, confidence and self-awareness, as well as the ability to coach, develop and train others. There is a big emphasis on communication as a core skill in building influence.



*The central pillar of the Caplor House*

The culture, more than anything else, is what distinguishes the proactive organisation. Some of the features of the distinctive culture of a proactive organisation are as follows:

- An external orientation, eager to gather the perspectives of beneficiaries, supporters, customers or partners
- Enthusiasm for learning, questioning, challenging and constructive debate and feedback
- Not being overawed by seniority and status but recognising that new information, ideas and insights can come from everyone
- Willingness to take risks, feeling able to try something and fail without being penalised for taking the risk
- If you want to reach a desired destination, you sometimes have to act first and make any necessary adjustments and corrections as you go along.
- An openness to the collaboration that is an important part of learning, working with beneficiaries, supporters, customers, partners and even competitors through benchmarking, joint research, alliances and secondments.

## The Foundations

*“Try a lot of stuff and keep what works.” Jim Collins*

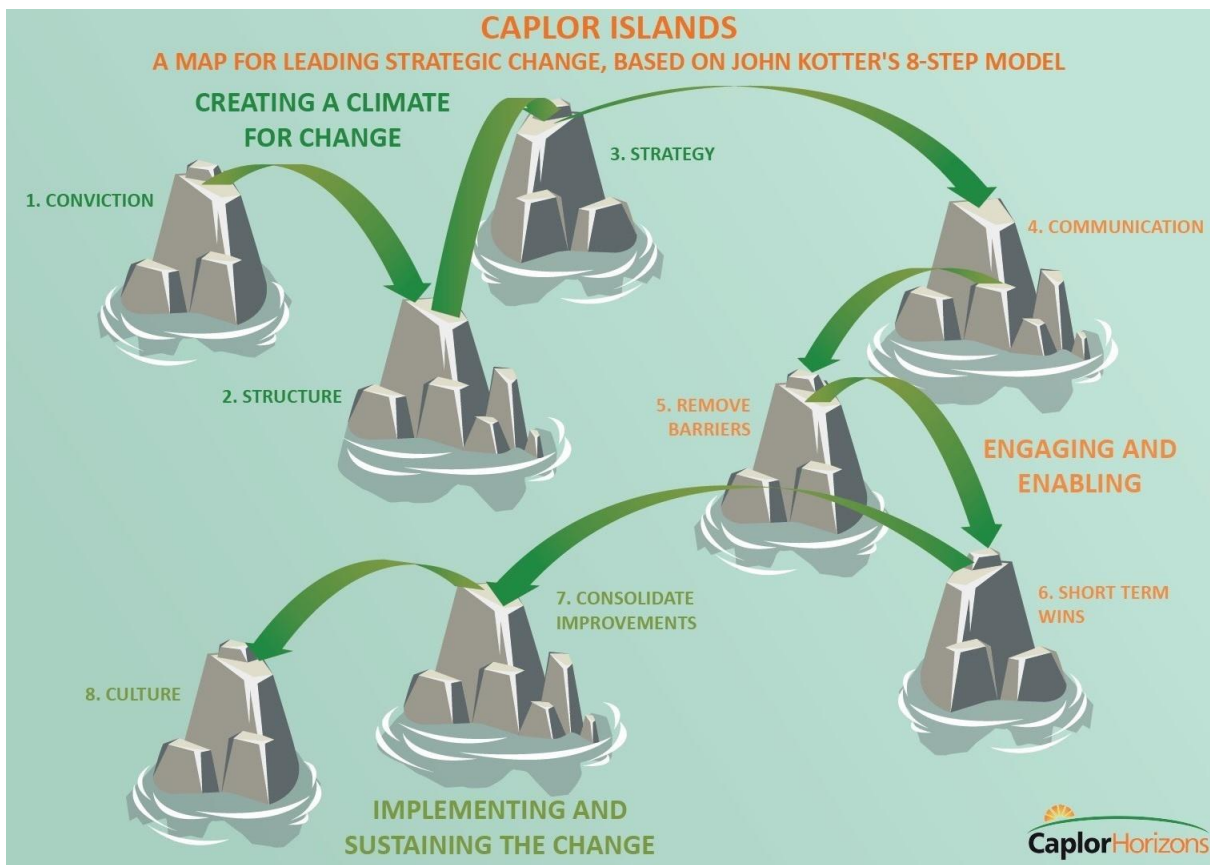
The proactive organisation is truly based on the Foundations of learning. A culture that values, seeks and rewards learning, especially learning from trying and sometimes failing, is the central feature of a proactive organisation. This learning comes partly from outside the organisation, from research done by others, and experiences and data reported by others. It also comes from inside the organisation, based on experiments, suggestions, reflection and collective processes aimed at improvement. The success of a proactive organisation is based on learning within a continuous loop (see Kolb’s learning cycle in Chapter 4).

Progress in leading strategic change to implement a strategy rarely follows a simple path. Our Caplor Islands model (depicted below) illustrates this and links the key components of strategic change as islands to visit. It provides a map for hopping consciously between the

## CHAPTER 5: THE PROACTIVE ORGANISATION

islands during processes of learning and reflection. It is based on the 8-Step Process of John Kotter (1995).

An awareness of the eight islands enables leaders and teams to develop a deeper understanding of what is involved in delivering change. The islands can also act as an audit tool to facilitate the delivery of change – identifying strengths, opportunities and potential barriers. Three of the islands relate to “creating a climate for change”, another three are about “engaging and enabling” the change to happen, and the final two islands are about “implementing and sustaining the change”.



*Caplor Islands*

# The Roof

*“How wonderful it is that nobody need wait a single moment before starting to improve the world.” Anne Frank*

The sustainability of a proactive organisation comes not from detailed strategies and fixed ideas but from a well-informed, responsive, proactive and learning culture. The people of a proactive organisation think long term, beyond conventional strategy cycles of 3 or 5 years to 10 years or more. They are therefore led to deliver a sustainable future at the same time as, paradoxically, responding to a fast-changing and complex world by being open to changes of short-term plans every six months or so.

In terms of the 4Ps of sustainability in the Roof of the Caplor House (for background read Chapter 2), the culture of a proactive organisation, with its emphasis on scanning the external environment and seeing the big picture, is more likely to be fast in picking up emerging damage or opportunities. People are better placed to see the signs and implications of, for example, climate change and to develop the organisation’s response as part of its contribution to the environment.

## **Epilogue**

The suggestions in this chapter may not solve Jane’s immediate problems, but they will help her and her colleagues to build an organisation better fitted to respond to fast-changing reality and the opportunities it creates in the mid- and longer term. The ideas about learning opportunities, flexible budgets and so on may sound impractical to hard-pressed leaders, however, our contention is that if an organisation takes the various steps recommended in this chapter then its individuals, teams and the organisation as a whole will be better able to deal with the challenges of a VUCA world and make progress towards their long-term goals.



# The Kitchen

## Practical steps to becoming a proactive organisation

- **Develop a strategy that can be put on one page** – It is key that your strategy is responsive and adaptable to the external environment. It should remain higher level, looking 10-30 years into the future, and be open to short-term changes every six months or so. Use Caplor Horizons' Voyage mapping exercise as a useful framework to strategise and plan.
- **Foster a proactive culture by leading by example** – The behaviour of leaders has a strong influence on culture. Leaders, therefore, need to consider carefully the messages they send by the following: what you measure – are you focused on innovation or just the money; what you ask about and are curious about, for example when visiting work sites or programmes; how you respond to failure; your openness to training yourself; how successfully you seek and value diversity to stimulate challenge and gain new perspectives; and what you communicate and celebrate within your organisation.
- **Facilitate and encourage sharing within your organisation** – Sharing within and between teams in the organisation is key to spreading and benefiting from new ideas and information. Ways to do this include team meetings and awaydays, events for the whole organisation, and IT tools such as intranet, social media etc. Furthermore, the physical layout of spaces makes a great difference to behaviour, such as shared coffee machines and nearby seating, and flipcharts or whiteboards to scribble on.
- **Be willing to take risks** – It is important that leaders feel able to try something and fail without being penalised for taking the risk. If you want to reach a goal quickly, you sometimes need to act first and make any necessary adjustments and corrections later. Furthermore, leaders should be willing not only to take risks, but also to get comfortable with others taking risks as part of creating a proactive culture.
- **Remain receptive to the changing external environment** – Some possible ways of doing this include: talking with experts in universities, think tanks and consultancies through contacts and conferences; following blogs and Twitter and studying books and papers; collaborating with organisations in other sectors; or appointing individuals to thought leading roles to roam freely as part or all of their jobs.

## Key messages

- Successful organisations must be proactive in order to navigate change effectively in a VUCA world. This means taking a visionary approach to strategy, looking 10-30 years into the future, while recognising that plans need to be reviewed frequently, perhaps every six months. Changes in the world throw up opportunities and new ideas as well as new threats. The Caplor Horizons “Voyage Board” provides a tool for reviewing plans and progress in the context of the long-term vision.
- Remember: culture eats strategy for breakfast! It is the culture that distinguishes the proactive organisation: enthusiasm for learning, taking risks and a desire to innovate.
- Proactive organisations respond promptly to the changing external environment through analysis of barriers and drivers, communication networks, collaborating with partners, and flexibility within their processes and structures. Awareness of the eight islands in the “Caplor Islands” tool enables managers and teams to develop a deeper understanding of what is involved in delivering change.

## Reflection questions

- Are changes in our context seen as interesting prompts to a new approach or annoying disruptions of what we had planned?
- Do our people feel able to question their leaders, presenting a different view of what is happening or suggesting a new approach to what should be done?
- Are people praised or penalised for taking considered risks and failing?

## Action and impact questions

- How can the senior team encourage a proactive culture by their example?
- Does our strategy enable us to review plans every 6 months while holding on to our long-term vision?
- How can busy people be encouraged to search the world for new ideas, tools and contacts?

## Further reading

- **Turnbull, S. (2020)** *Leading our way through change in the coronavirus world*. Caplor Horizons: Thought Leadership paper. Online.
- **Collins, J. and Porras, J. (1994)** *Built to Last: Successful Habits of Visionary Companies*. New York: HarperBusiness.
- **Caplor Horizons (2020)** *Caplor Islands model: a map for leading strategic change, based on John Kotter's 8-step model*. Online.

## Chapter Five: The Proactive Organisation

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**Kim, W.C. and Mauborgne, R. (2005)** *Blue Ocean Strategy: How To Create Uncontested Market Space And Make The Competition Irrelevant*. Boston: Harvard Business School Press.

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**Laloux, F. (2014)** *Reinventing Organizations*. Nelson Parker.

**Lewin, K. (1951)** *Field Theory in Social Science*. New York: Harper and Row.

**Caplor Horizons (2020)** *The Essentials of Strategy*. Caplor Horizons: Thought Leadership Paper. Available from <https://voyage.caplorhorizons.org/>