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# **Global Strategy Summit**

Virtual edition 4

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**Formulating Winning Strategies in VUCA World:  
An Integrated and Adaptable Approach**

**We hope you enjoy the presentation.**

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# **Formulating Winning Strategies in VUCA World: An Integrated and Adaptable Approach**

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# Understanding the VUCA World

The modern business environment is characterized by the acronym VUCA:

- ❑ **V - Volatility:** Rapid, unpredictable, and often dramatic changes in market conditions, technology, or global events.
    - *Example:* Sudden shifts in consumer demand or disruptive technological breakthroughs.
  - ❑ **U - Uncertainty:** Lack of predictability; the inability to forecast future events or outcomes with confidence, despite having information.
    - *Example:* Unclear market direction, or the long-term impact of new regulations.
  - ❑ **C - Complexity:** A multitude of interconnected factors and variables, making cause-and-effect relationships difficult to discern.
    - *Example:* Intricate global supply chains or multi-stakeholder ecosystems.
  - ❑ **A - Ambiguity:** Lack of clarity, with situations being vague, open to multiple interpretations, and information often incomplete or contradictory.
    - *Example:* Emerging business models or new market spaces with undefined rules.
- *In this environment rigid strategies fail. Organizations must embrace adaptability, flexibility, and strategic foresight to remain competitive.*

# VUCA's Impact on Strategy Formulation

The VUCA landscape renders traditional, static strategy formulation ineffective. It demands a new approach:

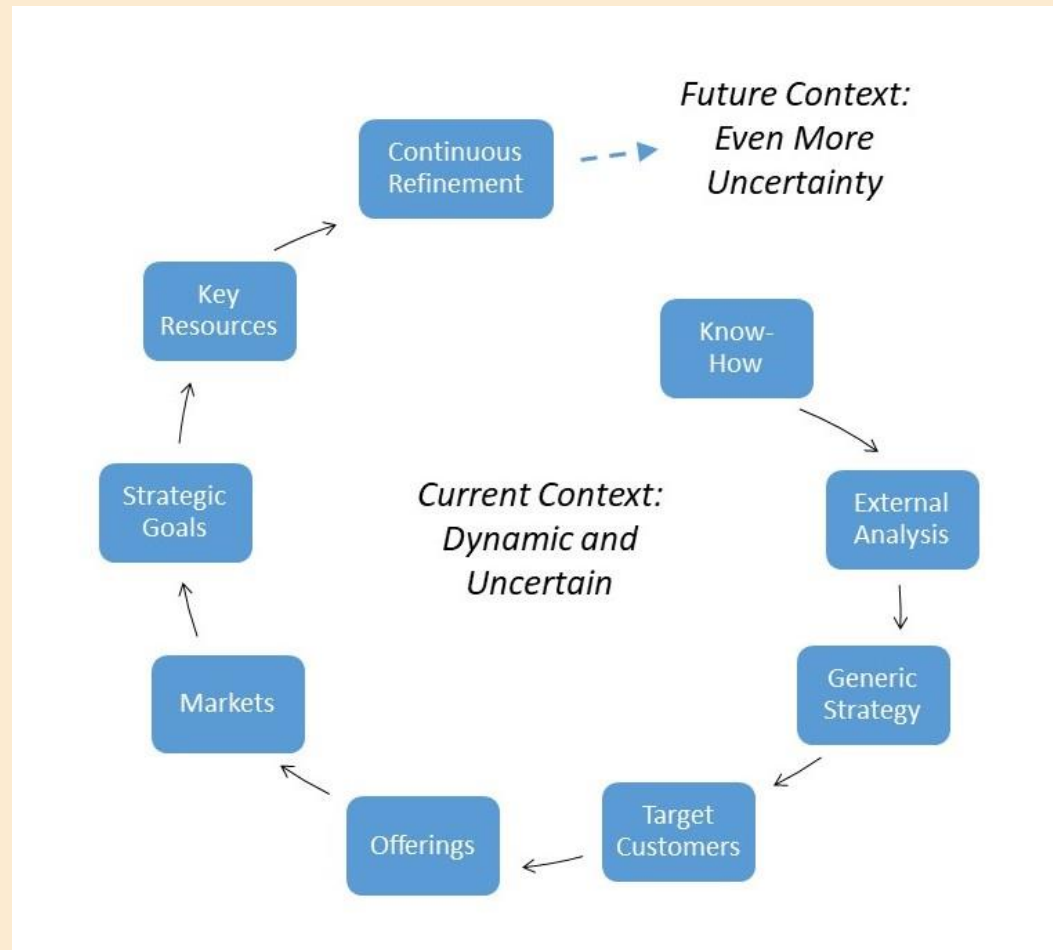
- ❑ **From Predict-and-Plan to Adapt-and-Learn:** Long-term, fixed plans quickly become obsolete. Strategy must be an ongoing, iterative process.
  - ❑ **Increased Need for Agility:** Organizations must rapidly respond to changing conditions and pivot strategic direction with speed.
  - ❑ **Emphasis on Continuous Sensing:** Constant monitoring of internal and external environments is crucial to identify shifts and inform decisions.
  - ❑ **Focus on Resilience & Responsiveness:** Strategies must be robust enough to withstand shocks and flexible enough to capitalize on new opportunities.
  - ❑ **Transparency and Clear Logic:** In uncertainty, transparent decision-making processes build trust and facilitate buy-in, making strategy easier to communicate and execute.
- *The need for an adaptable strategy formulation approach is greater than ever - one that balances structure with the ability to evolve dynamically.*

# Why This Method Wins in a VUCA World

**Dynamic Strategy Formulation Methodology** offers a robust approach by:

- **Integrative Thinking:** Combines the strengths of multiple established frameworks (e.g., Porter, Blue Ocean, VRIO, Playing to Win) into a single coherent flow, enabling richer insight under uncertainty.
- **Structured Clarity:** Breaks down complexity into nine logical, objective-driven steps - each anchored by a powerful questions that clarify intent and promote disciplined analysis.
- **Adaptability Built In:** Encourages iterative refinement at each step, making it responsive to fast-changing environments without losing strategic direction.
- **Opportunity-Focused:** Surfaces latent demand, unmet needs, and non-customers - helping organizations convert ambiguity into first-mover advantage.
- **AI-Ready Architecture:** Designed to integrate data, forecasts, and AI tools throughout the process - enhancing predictive power and reducing cognitive overload.
- **Practical + Theoretical:** Moves beyond abstract models by offering a tool that is both grounded in strategy theory and executable in real-world conditions.

# Strategy in Motion: The Evolving Spiral of Dynamic Formulation



## Dynamic Strategy Formulation Methodology

# Step 1: Know-How

### Objective

To define the organization's core strengths and unique expertise, ensuring that all strategic choices build upon a solid foundation of sustainable competitive advantage and value creation.

### Key Question(s) to Be Asked

- *What is our know-how, and do we possess any competitive advantages?*
- *Are these advantages sustainable?*
- *How can we create value for both our customers and ourselves, including innovative value?*

### Addressing VUCA Challenges

In volatile and uncertain environments, core capabilities serve as a strategic anchor. This step reinforces stability by focusing on what the organization does best—providing a compass amid ambiguity and enabling more grounded decision-making throughout the strategy process.

## Dynamic Strategy Formulation Methodology

# Step 2: External Analysis

### Objective

To assess external forces that influence the organization's success, identify emerging opportunities, and potential threats to align the strategy with broader market dynamics and uncover new market spaces by recognizing non-customers and latent demand.

### Key Question(s) to Be Asked

- *What trends, forces, or disruptions are shaping the external environment?*
- *What opportunities can we proactively seize before competitors do?*
- *What risks or threats are emerging, and how can we prepare or respond?*
- *Are there adjacent or entirely new markets we can explore?*

### Addressing VUCA Challenges

By continuously monitoring external trends and disruptions, this step enables early detection of volatility and market shifts. It fosters a **proactive mindset**, helping organizations respond to uncertainty with foresight and agility - rather than react after the fact.



## Dynamic Strategy Formulation Methodology

# Step 3: Generic Strategy

### Objective

Define the organization's competitive approach to guide the organization's resource allocation and market positioning, whether through low-cost leadership, differentiation, focus strategy, or an innovative alternative.

### Key Question(s) to Be Asked

- *What type of value will we deliver—and how will it stand out from competitors?*
- *Will we lead through cost efficiency, differentiation, niche focus, or a new strategic logic?*
- *How does this approach align with our capabilities and market dynamics?*

### Addressing VUCA Challenges

In an ambiguous and complex environment, choosing a clear competitive approach (e.g., low-cost, differentiation, or innovative alternative) provides a vital anchor, reducing ambiguity in decision-making and guiding focused resource allocation. In volatile and uncertain environments,

## Dynamic Strategy Formulation Methodology

# Step 4: Target Customers

### Objective

Identify customer segments and their specific needs to ensure alignment with the organization's strategy, maximizing market impact and positioning.

### Key Question(s) to Be Asked

- *Who are our most strategically relevant current and potential customer segments?*
- *What unmet needs or pain points do they face?*
- *How do our capabilities align with the needs of these segments?*

### Addressing VUCA Challenges

By focusing on identifying specific customer segments and their needs, this step helps organizations cut through market ambiguity and complexity. It enables targeted decision-making in volatile environments by clarifying *who* the strategy is for and *what* matters most to them - reducing noise and sharpening value propositions in uncertain and fast-changing markets.

## Dynamic Strategy Formulation Methodology

# Step 5: Offerings

### Objective

Define the products and services that effectively meet customer needs, ensuring customer satisfaction, value creation, and sustainable growth.

### Key Question(s) to Be Asked

- *What are we offering to our target segments, and how does this align with and reinforce our chosen generic strategy?*
- *How do our products and services align with identified customer needs?*
- *Are our offerings scalable, adaptable, or positioned for long-term relevance?*

### Addressing VUCA Challenges

This step drives adaptability by focusing on solutions that are flexible and responsive to evolving customer needs. It ensures the organization remains relevant in times of change by grounding offerings in real demand. By clarifying why the strategy works - through the lens of customer value - it reduces ambiguity and builds resilience amid shifting market dynamics.

## Dynamic Strategy Formulation Methodology

# Step 6: Markets

### Objective

Identify the most strategic locations and markets for operations and competition, ensuring optimal resource allocation and value capture.

### Key Question(s) to Be Asked

- *What geographic markets offer the best strategic fit for our offerings and target customers?*
- *What are the entry barriers and regulatory landscapes in these markets?*
- *What is the competitive intensity and growth potential within these markets?*
- *How can we tailor our approach to each selected market?*

### Addressing VUCA Challenges

This step supports diversification and adaptability by anchoring operations in environments with the highest potential - and mitigates risk by distributing exposure across different regions or segments. Choosing markets wisely directly hedges against unpredictability and builds resilience.

## Dynamic Strategy Formulation Methodology

# Step 7: Strategic Goals

### Objective

Establish clear, measurable goals that provide direction, create accountability, and ensure progress toward strategic success.

### Key Question(s) to Be Asked

- *What specific and measurable goals will define our success?*
- *Are our goals achievable and do they accurately reflect the intent of our overall strategy?*

### Addressing VUCA Challenges

This step promotes clarity and focus by defining concrete targets - yet retains adaptability by allowing for periodic re-evaluation. In fast-changing environments, strategic goals serve as directional beacons, while their measurability enables timely adjustments, helping organizations stay aligned even as conditions evolve.

## Dynamic Strategy Formulation Methodology

# Step 8: Key Resources

### Objective

Identify, align and allocate efficiently the necessary assets, human resources, knowledge, and technology to successfully execute the strategy.

### Key Question(s) to Be Asked

- *What resources and capabilities are essential for delivering on our strategic goals?*
- *Which assets should we build, acquire, partner for, or divest?*
- *How do we ensure that our resources remain flexible, scalable, and aligned with evolving priorities?*

### Addressing VUCA Challenges

This step ensures strategic execution remains resilient by aligning assets with shifting conditions. Through dynamic resource allocation - whether resizing, relocating, or reconfiguring - it promotes agility in volatile environments. By identifying and mobilizing the right resources, organizations enhance efficiency while remaining ready to pivot as challenges or opportunities emerge.

## Dynamic Strategy Formulation Methodology

# Step 9 - final: Continuous Refinement

### Objective

Establish a process for ongoing monitoring, evaluation, and adaptation of the strategy, ensuring continued relevance and responsiveness to evolving market dynamics.

### Key Question(s) to Be Asked

- *How will we continuously evaluate the performance and validity of our strategy?*
- *What mechanisms do we have in place for learning and rapid adjustment?*
- *How do we integrate new information, insights, or disruptions into our strategic process?*

### Addressing VUCA Challenges

Establishing a dynamic, iterative approach to strategy that replaces static planning with continuous monitoring, evaluation, and adjustment. This enables organizations to absorb new information, reduce the impact of unforeseen disruptions, and pivot quickly when needed. In volatile and uncertain environments, the ability to adapt - rather than rigidly follow fixed plans - becomes a key source of resilience and long-term success.

# Is the Strategy Sound? Key Criteria for Evaluation

- ✓ **Clarity & Conciseness** – Is the strategy easy to understand and communicate? A strong strategy avoids ambiguity and can be succinctly articulated.
- ✓ **Logical Coherence** – Does the strategy follow a clear, logical structure? It should connect objectives, actions, and expected outcomes in a way that makes sense.
- ✓ **Assumption-Driven** – Every strategy rests on assumptions (market trends, customer behavior, competitive dynamics, etc.). Are these assumptions explicitly stated, and are they valid?
- ✓ **Adaptability** – What happens if key assumptions prove wrong? A robust strategy has built-in flexibility - contingencies, feedback loops, or pivots - to adjust when reality diverges from expectations.
- ✓ **Clear Goals & Success Metrics** – Does the strategy define what success looks like? Measurable outcomes and milestones help track progress and validate effectiveness.
- ✓ **Feasibility & Resource Alignment** – Even the best strategy fails if execution isn't realistic. Are resources (budget, talent, time) properly allocated to support it?
- ✓ **Stakeholder Buy-In** – A sound strategy must resonate with those responsible for execution. Do key stakeholders understand and support it?



# Questions & Discussion



**Let's explore your thoughts and insights.**