What is it?
The term ‘VUCA’ is an acronym that stands for ‘Volatility, Uncertainty, Complexity and Ambiguity’. It was first used by the United States Army War College to describe conditions resulting from the Cold War. The VUCA concept has since been adopted throughout businesses and organisations in many industries and sectors to guide Leadership and Strategy Planning.

The meaning and relevance of VUCA often relates to how individuals view the conditions under which they make decisions, plan forward, manage risks, foster change and solve problems. In general, the premises of VUCA tend to shape an organisation’s capacity to:

- Anticipate the issues that shape conditions
- Understand the consequences of issues and actions
- Appreciate the interdependence of variables
- Prepare for alternative realities and challenges
- Interpret and address relevant opportunities

How does it work?
By reflecting upon each of the four core areas, it allows Leaders to review strategic significance/insights, along with the behaviours of groups and individuals who may be contributing to the organisation’s success or otherwise and then plan for the future, by counteracting VUCA with an alternative acronym: ‘Vision, Understanding, Clarity & Agility’ (see below).

<table>
<thead>
<tr>
<th>From:</th>
<th>To:</th>
</tr>
</thead>
</table>
| **Volatile:**                | **Vision:**
| Fast change without a clear predictable trend or pattern. | Track trends & imminent change; Plan for and take SMART actions by investing in resource to match the level of risk. |
| **Uncertain:**               | **Understanding:**
| Frequently disruptive changes, unpredictability, unknown outcomes or durations. | Consider and take a view from different perspectives; research your market/evolving needs & plan for desired outcomes. |
| **Complex:**                 | **Clarity:**
| Multifaceted effects, interdependent causes; sometimes unknown elements. Overwhelming to process. | Be flexible, creative & clear of potential outcomes; break down complex into manageable chunks. Be clear on process. |
| **Ambiguous:**               | **Agility:**
| Misrepresentation; assumptions & little clarity about what is real and true. | Considered & innovative decision making based on fact or experiments, by appropriately represented groups. |

Cont’d overleaf

It can be helpful to plot where a department/business feels it is now in relation to the ‘From’ factors, (either in general or in relation to a specific department, change, process etc). Support any reasoning with real-life examples to help frame the current issues/challenge.
Then move on to the ‘To’ factors’ by predicting what the new vision could/needs to look like. Finally, by comparing the current to the future state, you can plan how you practically intend to get from A to B, whilst anticipating and mitigating risk and maximising considered challenge.