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LEADING THROUGH STRATEGIC UNCERTAINTY

From uncertainty to clarity and confidence in the path ahead

NORMAL | ABNORMAL | NOT-NORMAL!

By Bryan Whitefield

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WHEN NORMAL ISN'T NORMAL ANYMORE

As a leader, you have always had to lead through complex and uncertain times. That is nothing new. What is new is the accumulation of geopolitical, economic and societal pressures, combined with the juggernaut that is AI, which for some is creating unprecedented levels of uncertainty.

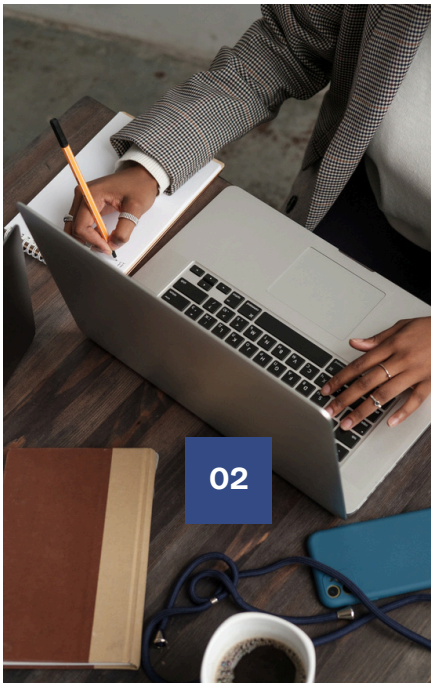
What matters now is twofold: matching your response to the kind of uncertainty you actually face, and making sure you and your leadership team agree on what that is.

In this paper I introduce the three conditions of uncertainty at the heart of my Strategic Uncertainty Diagnostic: Normal, Abnormal and Not-Normal!. For each, I explain the implications for your strategy, the response required and what you and your team should focus on as you lead your organisation in fulfilling its purpose.

> ***Great leaders don't wait for conditions to settle. They keep navigating as conditions change.***

The Diagnostic is designed to help you cut through the noise, which in my experience is around 80% of what competes for leaders' attention, to find the 20% of strategic choices that will carry the day. It brings clarity, eases the tension that comes with competing priorities, and gives your team the confidence to move forward together.





The same technology. Three different diagnoses.

The conversations I am having with executive teams are remarkably similar. They share with me their observations on the familiar global uncertainties and then emphasise the phenomenal impact of AI. Planning is difficult when the landscape can shift as much in six weeks as it once did in a year or more, and the need to adapt is constant. And in adapting, they are finding they have many competing priorities and not enough clarity on which to act on first.

THE CHALLENGE IS NOT UNCERTAINTY ITSELF. THE CHALLENGE IS DIAGNOSIS OF THE STRATEGIC LANDSCAPE.

I am also sensing what goes unstated: higher levels of anxiety amongst leaders. Leaders know they need to show strength and maintain the trust of those they lead, and in these uncharted waters, many are finding that difficult.

Compounding the angst, when you ask an executive team what AI means for their organisation, you may hear very different answers. One leader sees a technology issue. Another sees a productivity opportunity. A third sees a strategic threat. Each view may be reasonable, but each reflects a different reading of how the landscape is changing, and a different reading leads to a different response.

The challenge is not uncertainty itself. The challenge is diagnosis of the strategic landscape. Get the diagnosis wrong and you risk implementing yesterday's strategy harder, launching a transformation that is not needed or making incremental changes when the organisation needs a different future. In each case, effort and investment follow the wrong strategic response.

The first leadership question is therefore not, “What should we do about AI?” It is, “What kind of uncertainty is AI creating for our organisation?”.

Before responding, determine what has changed.

A DIFFERENT WAY TO THINK ABOUT UNCERTAINTY

My background in engineering, strategy and risk has taught me that not all uncertainty is the same. I find it useful to separate three strategic conditions: Normal, Abnormal and Not-Normal! (Refer to **Figure 1** below). The labels are simple. The conversation they provoke is not.



Figure 1: Strategic Uncertainty Diagnostic by Bryan Whitefield and Dr John Burgin

Normal uncertainty

Your strategy remains valid. Conditions still change, sometimes considerably, but the assumptions underpinning the strategy hold and the principal challenge is execution. The response is to implement the strategy with discipline rather than redesign it unnecessarily. The focus is operations, improving cost and quality so the organisation delivers on what it has already committed to.

Abnormal uncertainty

Important assumptions are under pressure. Your purpose and strategic destination remain valid, but the pathway to get there must change. The response is to adjust the strategy, whether that be priorities, capabilities or the operating model, without losing sight of the destination. The focus shifts to competition, developing new products and services that hold and strengthen your position as the market moves.

Not-Normal! uncertainty

The validity of the strategy itself is in question. The basis of competition, customer value or business logic may be changing, and incremental adjustment may no longer be enough. The response is to test whether the strategy remains valid and, where necessary, re-cast it. The focus becomes survival, redesigning the business model so the organisation remains relevant in a very different future.

These conditions are not a neat ladder. Different parts of the same organisation may experience all three at once, each calling for a different response and a different focus, and different leaders may read the same situation in different ways. The value of the Strategic Uncertainty Diagnostic is that it makes these differences visible before major commitments are made.

THE SAME FORCE CAN DEMAND THREE DIFFERENT RESPONSES

AI makes the distinction practical. While the technology may be common, its strategic implications are not.

A regulatory body: implement

AI may materially improve research, drafting, service and productivity without changing why the organisation exists. The strategy remains valid. The challenge is execution.

An established insurer: adjust

Customers still need risk transfer, but AI changes underwriting, claims, customer interaction, workforce configuration, fraud detection and cost structures. The destination remains valid. The route changes.

A knowledge-based business: re-cast

If much of the value proposition is knowledge, analysis or content that AI can produce at negligible marginal cost, the central question changes. It is no longer simply, “How should we implement AI?” It becomes, “What value can we deliver that customers will pay for?”

Continuing to implement a strategy designed for a world that no longer exists is a costly misdiagnosis.



DIFFERENT DIAGNOSES PRODUCE COMPETING SOLUTIONS

As I noted earlier, executives can read the same change in very different ways. Put in terms of the three conditions, one treats the situation as an execution issue, another sees changed conditions requiring adjustment and a third sees a fundamental shift. Yet leadership teams often rush to new initiatives, restructures, transformation programs and capability investments before agreeing on which it is.

Until those differences are surfaced, leaders can argue about solutions until they are blue in the face. Without a shared view of what is changing in the landscape, there is only misunderstanding and frustration. More information may not resolve the debate because people are interpreting the same information through different lenses.

That is why strategic uncertainty is first and foremost a diagnosis challenge. The task is to establish what has changed, what remains true and what the change means for the organisation's strategy. Only then can the team determine whether to implement, adjust or re-cast.

A PATH TOWARDS CLARITY AND STRATEGIC CONFIDENCE



A PATH TOWARDS CLARITY AND STRATEGIC CONFIDENCE

So how does a leadership team reach a shared diagnosis and act on it together? Strategic clarity and confidence are not certainty about the future. They are confidence that the leadership team understands the situation well enough to choose and act together. **Figure 2** sets out the pathway.

Clarity and confidence are built through three things: **illuminating insights, crucial conversations** and **robust decisions**. The sequence is rarely neat or linear, and new information often causes assumptions to be revisited and decisions to be reconsidered.

Illuminating Insights: *What has actually changed?* Bring together evidence, signals, customer behaviour, technology, competitors and economics. The analysis must be specific to your organisation and industry.

Crucial Conversations: *What do we believe it means?* Expose assumptions and disagreements. Test which strategic assumptions remain valid and which are under pressure.

Robust Decisions: *What are we going to do?* Decide whether to implement, adjust or re-cast, then make the priorities, trade-offs and ownership clear.

When these elements come together, a shared diagnosis can emerge. Priorities become clearer, resources become better aligned and confidence grows because the team knows what it intends to do and why.

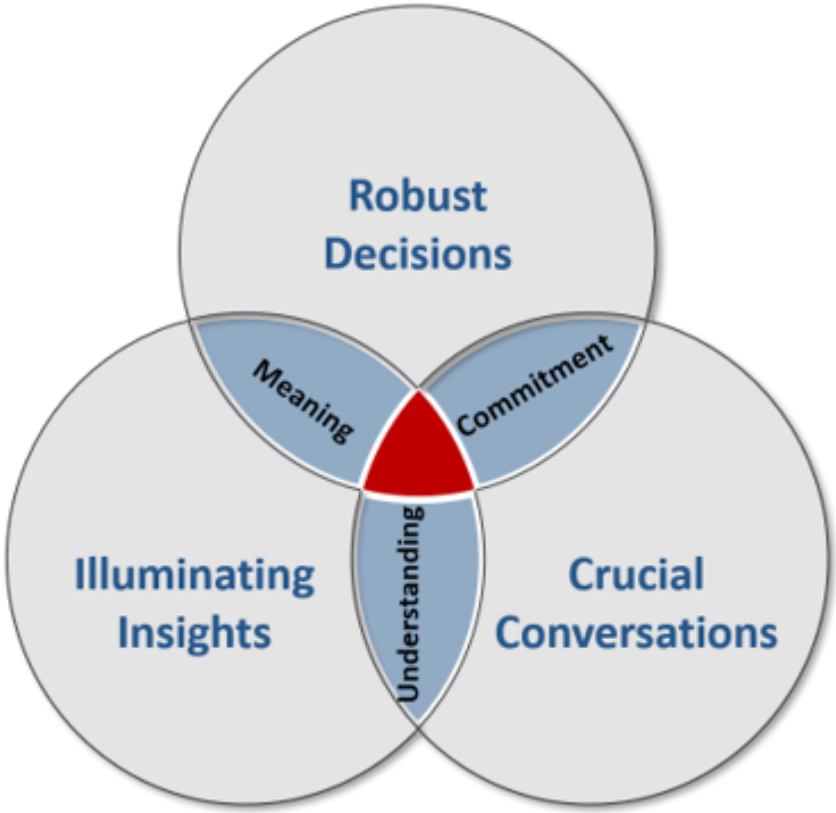


Figure 2: The Pathway to Clarity and Confidence

The enduring advantage is the capability to respond together?

Uncertainty will keep changing shape. Leadership teams need the collective capability to recognise when assumptions are under pressure, discuss different interpretations constructively and make decisions with incomplete information.

When leaders jointly confront a difficult situation, something else can happen, and it speaks directly to the unstated anxiety I described at the outset. Respect for each other's capabilities grows. Trust becomes practical. The team develops confidence not only in the chosen direction, but also in its ability to adjust as conditions change.

Shared diagnosis ➤ Shared confidence ➤ Aligned action





START WITH THE DIAGNOSIS

Before committing to another strategy review, transformation program or major portfolio of initiatives, ask three questions:

- **What has changed around our organisation?**

- **Does the leadership team genuinely share the same diagnosis of Normal, Abnormal or Not-Normal!?**

- **Should we implement, adjust or re-cast?**

This is the work of my Strategic Uncertainty Diagnostic. The starting point is analysis specific to your organisation and industry. The next step is a facilitated conversation that challenges assumptions and clarifies the strategic questions requiring leadership judgement. From there, the team can make robust decisions and move with confidence.

What kind of uncertainty are you leading through right now, and are you responding in the right way?

BRYAN WHITEFIELD

ABOUT BRYAN WHITEFIELD



I help boards and executive teams make the difficult and complex doable.

Drawing on my decades in engineering, risk, strategy, decision-making and facilitation, I bring the research, process, questions and decision discipline that help leadership teams develop clarity, make choices and act together.

I am at my best when they are at theirs - working confidently through different views, consequential choices and uncertainty about what happens next.

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