

VUCA WORLD & OPERATIONAL EXCELLENCE

What does VUCA mean?

VUCA is a term that emerged from American military vocabulary after the Cold War. It has been adopted by businesses and strategy experts to characterize environments where it becomes difficult to predict, plan, or decide as before.

Volatility

Refers to the rapid instability of market or context conditions.



Gas prices tripled in Europe after the invasion of Ukraine, forcing ArcelorMittal to temporarily suspend some production lines.

V

Uncertainty

Reflects the impossibility of predicting events or their effects.



Tesla has had to reconfigure its factories to keep up with changing demand, while anticipating disruptions in its supply chains.

U

Complexity

Corresponds to the multiplicity of parameters to be taken into account.



The Schneider Electric group coordinates smart electrification projects, combining buildings, software, cloud, and energy performance.

C

Ambiguity

Refers to the lack of clarity or the multiplicity of possible interpretations.



Customer satisfaction data can give mixed signals: high NPS, but declining repeat purchase rates.

A

Operational Excellence, essential in the VUCA world



Abandon silo logic and move towards cross-functional collaboration.



Develop team autonomy.



Train massively in problem solving



Equip rapid decision-making, through short rituals

Agility = Essential Skill



Amazon is organized into "two-pizza teams": autonomous teams, responsible for a limited scope, but with strong power to act.

Spotify operates in "squads" (agile teams) around products, promoting alignment and innovation.



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