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## ***The resilient organisation: a book by Liisa Välikangas - we are in greatest danger when we are most successful***

**Against a less predictable future, business success will not be driven by strategy, planning and a focus on short-term performance, but by agility, responsiveness and resilience.**

This book from the Californian-Finnish professor is flawed, but at its heart is a powerful idea. Today, business success will not be driven by strategy, planning and a focus on short term performance, but by the capability to respond and adapt fast to events and opportunities. She repeats the military lesson that no plan survives contact with the enemy, and it is not the plan, but the planning, which prepares you to win.

Välikangas describes 'strategic resilience' as the ability to be aware and adapt before a crisis is upon you: to take advantage of unpredictable events. It is being able to thrive in the long term in an unpredictable world (not sacrifice survival for short term gains, which some of the banks have done).

She argues we need resilience in a world of 'fallen eagles', which she defines as absolute wisdom from the past which we now understand is not always true, including: "Planning is enough preparation for the future"; "Good strategy is the key to success"; and "Copying best practice is always good".

She outlines the 'traps' that prevent resilience in a business:

- *The success trap* – failure often comes from being unable to stop pursuing a long-successful strategy. We are at our most dangerous point, in terms of resilience, when we are at our most successful. It is when we stop thinking so hard.
- *The failure trap* – a business can be so scarred by past innovation failure that new strategies are never given a chance. Sun, for example, developed an internet-based PC that could have revolutionised their market. Because Sun had been burnt by a recent innovation failure they hesitated, lacked belief and withdrew at the first hiccup.
- *The commitment trap* – a business can continually experiment and pilot but fail to invest in a new direction. Leadership teams are much better at assessing risks than new potential, and prefer success built on previous success.
- *The business model trap* – built-in assumptions about the current business model can make leaders neglect emerging indicators that suggest the model will no longer work.

The book proposes four building blocks for organisational resilience:

- *Create organisational intelligence*: ensure multiple voices and sources of data. Never take your own answers for granted. Välikangas says look for 'data bombs' (with disturbing implications for the future), 'freight trains' (trends that will knock you flat) and 'canaries' (scouts at the front line, and in the market, that detect danger).
- *Turn resourcing on its head*: turn resource scarcity to advantage. Instead of saying "we can't do that because we haven't got X", say "How can we do that without X?"
- *Design for resilience*: include more modular design where lines of business or dimensions of the matrix can be changed while keeping teams intact.
- *Adaptiveness*: rehearse change and be ready to move quickly when threats or opportunities arise. Leadership must thrive on asking people to rise to big challenges and to never give up.