

# THE NEW LEADERSHIP LITERACIES

Thriving  
in a Future of  
Extreme Disruption  
and Distributed  
Everything

BOB JOHANSEN

*Institute for the Future*

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# THE NEW LEADERSHIP LITERACIES

## **VOLUNTARY FEAR ENGAGEMENT**

Leaders will need safe zones where they can use gaming, simulation, and immersive-learning experiences to develop their own grit in low-risk ways.

## **LEADERSHIP FOR SHAPE-SHIFTING ORGANIZATIONS**

The most successful organizations will have no center, will grow from the edges, and won't be controlled. Hierarchies will come and go as needs shift.

## **LOOKING BACK FROM THE FUTURE BUT ACTING NOW**

The future will reward clarity but punish certainty. Foresight, Insight, *and* Action will be required to thrive.

FORESIGHT

INSIGHT

ACTION

## **CREATING POSITIVE ENERGY**

Leaders will need to seed realistic hope for a future laced with fear. The strongest leaders will be body hackers who promote physical, mental, and spiritual well-being.

## **BEING THERE WHEN YOU'RE NOT THERE**

Leaders will need to bridge the uncanny valley (being too close) so they can create an organizational culture that goes beyond being there.

## **Praise for *The New Leadership Literacies***

“For leaders of the future everywhere, this is a vitally important book to prepare us all for a world where all can thrive.”

—**Chris Ernst, Global Head, Leadership and Organization Development, Bill & Melinda Gates Foundation, and coauthor of *Boundary Spanning Leadership***

“Bob Johansen is out in front of us again. In this book, Bob gives fair warning and great developmental guidance for those of us who aspire to lead into the future.”

—**Bob Anderson, CEO, and Bill Adams, Chairman and Chief Development Officer, The Leadership Circle, and authors of *Mastering Leadership***

“This book will be an important point of reference for what we all need to take into account as we try to find our place in the perpetually changing new world, and it will be especially relevant to those who will try to lead us in that world.”

—**Edgar H. Schein, Professor Emeritus, MIT Sloan School of Management, and author of *Humble Inquiry* and *Humble Consulting***

“I oversee talent for the San Francisco Giants. Bob’s book provides new literacies to help discover and nurture the next championship talent to be team leaders.”

—**John Barr, Vice President and Assistant General Manager, San Francisco Giants**

“To understand the gift that is Bob Johansen and *The New Leadership Literacies*, imagine twenty top CEOs in a workshop sharing their volatile, uncertain, complex, and ambiguous angst. Foresight yields to insight, which portends action. Hope is renewed. It is powerful and humbling. Years after Bob spoke to our roundtable, his concepts are still discussed at every meeting.”

—**Brenda C. Curiel, Managing Director, CCI, Inc.**

“I will be using this book in my Give.org work, and I urge others striving to produce social good to do so as well.”

—**H. Art Taylor, President and CEO, BBB Wise Giving Alliance**

“Now, as executive director of FRED Leadership, I plan to use Bob and *The New Leadership Literacies* to further the thinking on this critical topic with top leadership/executive development programs.”

—**David Small, Executive Director, FRED Leadership**

“Bob’s new book once again pushes me out of my comfort zone—but it helps me imagine what it will take to thrive in a future of extreme disruption.”

—**Carmen M. Allison, Vice President, Talent, Pottery Barn Brands and Global Talent Development, Williams-Sonoma, Inc.**

"This book offers thoughtful and practical literacies for leading rather than reacting. Our graduate students as well as our program partners in faith communities, social innovation, and values-based companies will learn ways to turn fear and uncertainty into vision and opportunity."

—David Vásquez-Levy, President, Pacific School of Religion

"*The New Leadership Literacies* is the perfect deep dive into preparing to thrive in this increasingly uncertain world."

—Kathy Mandato, Vice President, Human Resources, Snap, Inc.

"Bob is a master in making sense of what leaders will need to survive disruptive blasts from the future. We are aggressively using Bob's new literacies for immersive executive development."

—Jack McCarthy, Director, Executive Development Roundtable, and Associate Professor of Organizational Behavior, Questrom School of Business, Boston University

"I will personally use *The New Leadership Literacies* in my work at CCL to guide decisions about research we will undertake and how our solutions will develop leaders who are "future literate."

—Jennifer W. Martineau, Senior Vice President, Research, Evaluation, and Societal Advancement, Center for Creative Leadership

"Bob's leadership literacies are a natural and welcomed complement to our programs, in which we immerse executives in the leadership lessons from West Point and the US Army."

—Karen Kuhla, Executive Director, Thayer Leader Development Group

"In my role with the Foresight Council, I will be using the ideas in this book to guide corporate foresight leaders as they help shape the future."

—Rick Holman, Director, Foresight Council, and past leader, GM Global Foresight Network

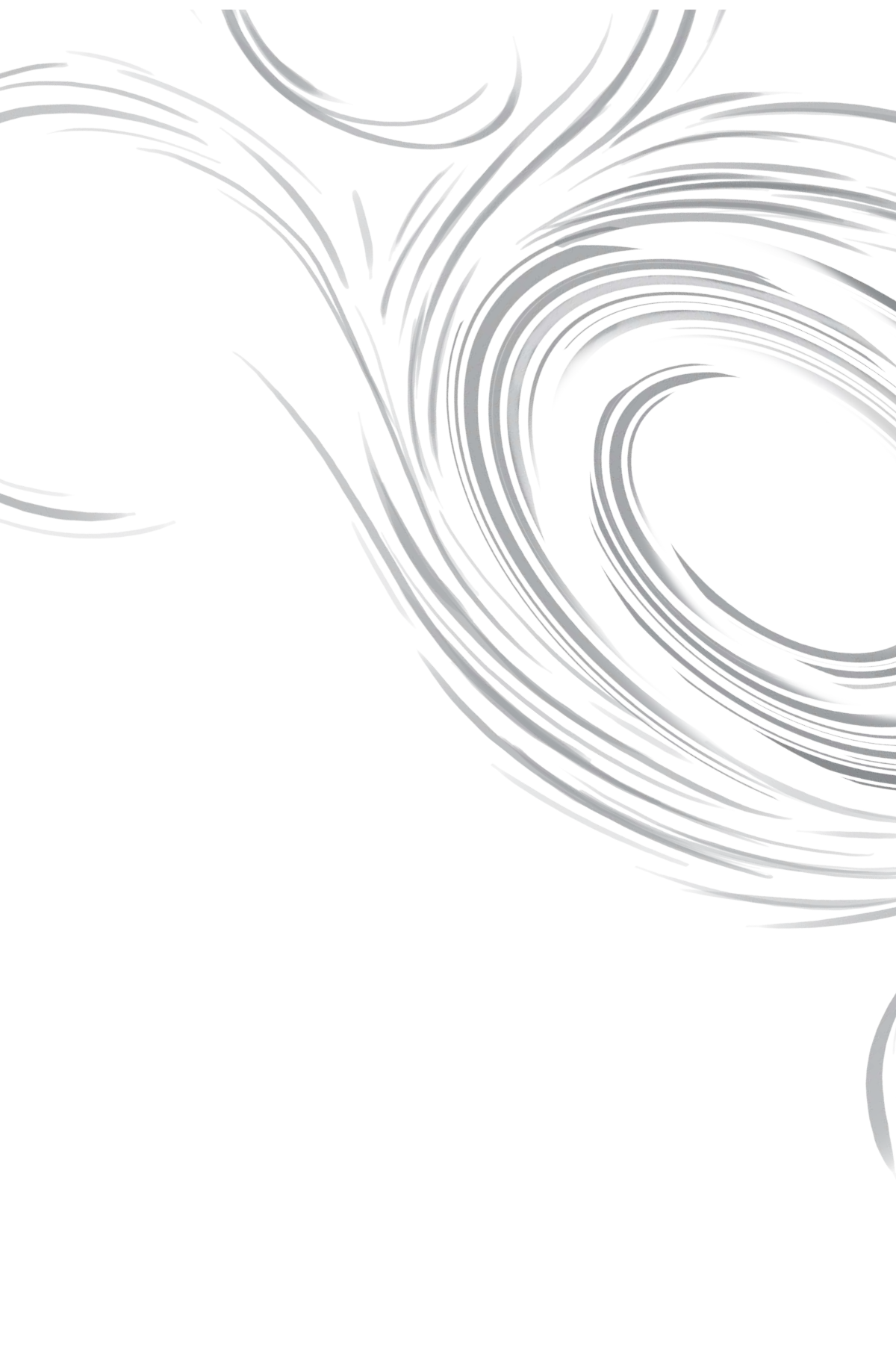
"Bob Johansen invites each generation to live on the edge of their competencies to read the future backward and grasp hold of the signs that beckon us forward. He invites us to transcend what we don't know with honesty. In so doing, he knows we will create curious leaders and curious communities who will resist the urge to freak out and instead leapfrog into our new awaiting future. Though we all face a dilemma-ridden world, Johansen offers *The New Leadership Literacies* to collaboratively hack the outskirts of a hope that awaits us."

—C. Andrew Doyle, IX Episcopal Bishop, Diocese of Texas

"Bob's work has been critical to developing our leaders to think in new ways and support an innovative culture. We are using *The New Leadership Literacies* to help develop visionary leadership."

—Leah Toney Podratz, Director, Organization Development, Cox Enterprises

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**BOB  
JOHANSEN**

*Institute for the Future*



Berrett-Koehler Publishers, Inc.  
*a BK Business book*

# The New Leadership Literacies

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## PREFACE

We think we are connected today, but the next ten years will be a period of explosive connectivity and asymmetric upheaval. In this future world of dramatically amplified digital connectivity, anything that can be distributed will be distributed. Most leaders—and most organizations—aren't ready for this future.

We are on a twisting path toward—but never quite reaching—a place where everything will be distributed. This path will be characterized by increasing speed, frequency, scope, and scale of disruption.

Younger leaders will be better prepared for this future than older leaders. Many young people are in a blended-reality world already with constant mobile online filters for the physical world. They are on online, unless they are off. For most adult leaders, we are offline—unless we are on. Quaintly, some leaders today still say they “log on” to the internet. And do we really need to capitalize the word *internet* any longer? I think not, and this is the first book I've written where I'm not capitalizing the word *internet*. It is pervasive already, but this is just the beginning.

Leadership will be much less centralized and much more distributed in

this future. The hierarchical practices of leadership for centralized organizations will be brittle in a future world that is not only decentralized but also distributed. Firm structures will give way to shape-shifting organizational forms that function like organisms. Enduring leadership qualities like strength, humility, and trust will still be foundational, but the future will require new literacies for leading.

It's too late to catch up, but it's a great time to leapfrog. I introduce in this book five ways for current and future leaders to take their own leap to the future.

- **Learn to look backward from the future.** The future will reward clarity—but punish certainty. Looking long will help differentiate between the waves of change that can be ridden and those that must be avoided. Judging too soon will be dangerous, but deciding too late will be even worse.
- **Voluntarily engage in fear.** Think of this as gaming for grit, creating readiness for an increasingly frightening and unpredictable world. Again, the kids will have a competitive advantage since many of them have grown up playing video games. I believe that gaming—emotionally laden first-person stories—will evolve into the most powerful learning medium in history. Most kids will be ready for this world; most adults will not.
- **Embrace shape-shifting organizations.** New organizational forms will become possible through distributed computing networks, which have no center, grow from the edges, and will be uncontrollable. Hierarchies will come and go, as they are needed. Economies of scale (where bigger is almost always better) will give way to economies of organizational structure, in which you are what you can organize. Authority will be much more distributed. Fluid shape-shifting organizations will win consistently over centralized hierarchies. Disturbingly, terrorists and criminals already make use of shape-shifting organizations better than most of the rest of us.
- **Be there even when you're not there.** Most of today's leaders are best in person, but they will not be able to be there in person all the time. Their ability to lead will be reduced dramatically if they cannot

continuously *feel* present even when they are not present. New digital tools will allow leaders to bridge the valley created by their absence in ways that move beyond being there. The best leaders will be close—but not too close—even when they are at a distance.

- **Create and sustain positive energy.** Leaders will need to radiate positive energy at all times, and that will require them to have physical, mental, and spiritual well-being. In this highly uncertain future, hope will be the key variable—particularly for young people. Young people who are hopeful and digitally connected will be inspiring. Young people who are hopeless and digitally connected will be dangerous. Leaders will need to seed realistic hope in a future that will be laced with fear.

I'm asking you as leaders to understand and practice these new leadership literacies, but also to open yourself to new leadership literacies, new practices for engaging with an increasingly uncertain world.

For at least the next decade, the world will be in a scramble: many things that have been stuck will become unstuck. A scramble is a ripe time for innovation, and leaders will see things they've never seen before. The new leadership literacies will provide a process for taking advantage of the scramble, enabling leaders to make the future in positive and practical ways.

The intended audiences for this book include

- **Current, rising star, and aspiring leaders**—of all ages—especially leaders who wonder about their readiness for the future. This book is a great pre-read before a leadership team retreat or conference on the future, for example. It also makes a great end-of-year gift to get people thinking about the future in creative ways. Boards of directors and top leadership teams will use this book to help them think about the future of their own organizations.
- **Human resources leaders** and others looking to hire leaders who will thrive in the world of the future. Anyone seeking to develop a talent profile for the future will find a rich collection of resources here. Before you post your next job description, read this book.
- **Innovation and organizational design leaders** who are imagining new ways to lead.

- **Designers and leaders of development programs** of any length. This book would be an excellent tool for those who are preparing leaders for external future forces, as it provides guidelines for imagining new approaches that will help leaders get ready for the future.
- **Executive coaches** seeking a fresh view of the future, who will be exploring how leaders will need to prepare. This book shows just what kind of coaching will work best, given the external future forces of the next decade.

The core of this book is five pairs of chapters, one pair for each future leadership literacy. The first chapter in each pair defines the literacy and how it differs from current leadership practices. The second chapter in each pair probes the future we are moving toward with that literacy.

The Table of Contents is a good overview, and you can read the chapters in any order—depending on your interests and priorities. My big-picture forecast (twisting toward distributed everything) introduces the book and it is a great place to start to get the gist of the future that leaders will be facing. I end the book with a call to action, a practical and future-oriented guide to leading with realistic hope.

This book is grounded in foresight. By looking ten or more years ahead and then coming back, leaders can see the subtle patterns of change that are not visible in the noisy present. My goal is to use my foresight to provoke your insight and your action. There is short-term value to long-term thinking.

My publisher, Berrett-Koehler, has created a companion product to this book: an online future readiness self-assessment (see link in the back of this book). This self-assessment includes the five future leadership literacies and the ten future leadership skills from my earlier book *Leaders Make the Future*, as well as advice for how to improve in each area. I suggest setting a goal for yourself one year from now. You can take the self-assessment up to five times over the next year. It is a great conversation starter for your own leadership development or for group experiences with your team. I will be using it before, during, and after my talks and workshops.



## INTRODUCTION

# Twisting Toward Distributed Everything

**THE SHIFT FROM CENTRALIZED TO DISTRIBUTED ORGANIZATIONS** has already begun, but the current leadership literacy—inherited from large centralized organizations—isn't ready for a future when anything that can be distributed will be distributed.

Centralized and decentralized organizations will give way to truly distributed organizations that have no center, grow from the edges, and cannot be controlled. Hierarchies will come and go in shape-shifting forms resembling a swirl. Rock-star leaders will be rare; networked leadership with strength and humility will work best. As centralized organizations become increasingly distributed, expect a cloudburst of disruption. In this future, leaders will see things they have never seen before.

My hope is that readers will allow themselves to be provoked by this book. It doesn't really matter if you agree with my forecasts or not; it matters only if they provoke you in useful ways. In fact, some of the best forecasts are those you don't like—forecasts that cause you to think and do things you would not have done otherwise.

This book will suggest a process for developing your own future leader-

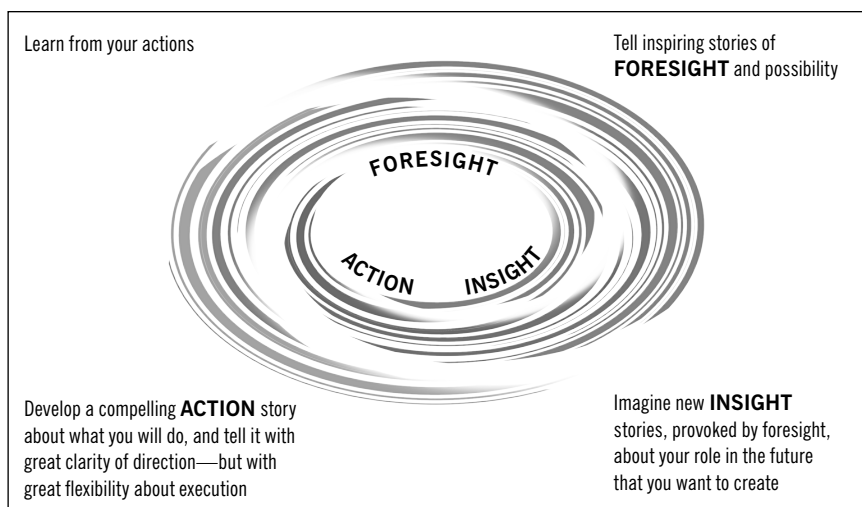


FIGURE 1 In the future, leaders will have to practice foresight, insight, and action.

ship literacies, a process that will cycle from foresight to insight to action—in a continuous and bidirectional flow (see Figure 1).

In simpler times, perhaps being action oriented was enough to make a great leader. Perhaps the future was clearer back then, the insights more obvious. In the past, consultants and business books preached *action* as the defining characteristic of great leaders. But even thousands of hours of action experience won't be enough for this future. Leaders will need to develop new literacies in new ways for new futures. Action will not be enough to win in the kind of future that is emerging. Action without foresight and insight will be dumb, dangerous, or both. Leaders will need to combine the practices of foresight, insight, and action in an ongoing cycle of learning.

The next decade will be extremely complex, messy, and threatening. Future leaders will be facing a VUCA world: Volatile, Uncertain, Complex, and Ambiguous. I learned this term at the Army War College in Carlisle, Pennsylvania, where I have done immersion experiences, workshops, and talks since 9/11. This book is about what's next in what I believe will be an increasingly VUCA world, a pothole-filled path winding toward—but never quite reaching—a future when everything is distributed.

The word that best characterizes the near future is *scramble*: lots of things that have been stuck will get unstuck. In the ensuing scramble, many creative things will happen—including shifts that are very different from what the scramblers intended. Those who are good at unsticking—the scramblers—are not likely to be very good at putting things back together again in new ways. This is a future that will be full of innovation that can be put to all kinds of uses—for good and for evil.

I'll be using the Foresight-Insight-Action Cycle to summarize how leaders can develop their own personal process of leading in the midst of the scramble.

## In Future Tense

In this book, I explore the external future forces most likely to disrupt leaders, give practical advice for how they can make the future a better place, and suggest an ideal talent profile for future leaders. *The New Leadership Literacies* has many signals from the future, but there are no facts about the future.

I propose five new leadership literacies, but I ask that you open yourself to others that go beyond what I am suggesting. The literacies I introduce here will give you a head start on the future, but there will be others to come. What we've been taught about leadership in the past won't be enough—even though each new literacy should be informed by enduring leadership wisdom from the past.

My views are based on working as a professional futurist in Silicon Valley for some forty years. My forecasts are plausible, internally consistent, and provocative. While nobody can predict the future, my forecast futures over the years have usually happened. While I don't claim to be an expert in the present, I have been pretty good at listening for and foreseeing the future. The best futurists I know don't quite fit in the present. I don't quite fit in the present either, and I think that is an advantage.

In 1973, Institute for the Future had new grants from the National Science Foundation (NSF) and Advanced Research Projects Agency (now called DARPA) to study the use of the emerging network for communication among scientists in the early 1970s, and I was able to join them shortly

after that and come to Silicon Valley. It was clear to me by then that being a professor of sociology was not my calling; I was—and still am—called by the future.

Institute for the Future (IFTF) was a spin-off of RAND Corporation and Stanford Research Institute (now called SRI International) in 1968. IFTF is one of the few futures research groups in the world that has outlived its forecasts. We look back every ten years and ask how we've done. Over those forty-plus years, 60 to 80 percent of our forecast futures have actually happened, depending on your definition of *happened*. Even though we're usually right, we don't use the word *predict*. Nobody can predict the future. I like to say, "If somebody tells you they can predict the future, you shouldn't believe them . . . especially if they're from California." The goal of looking out ten years is to look backward from the future and provoke, not predict.

When I came to Silicon Valley and joined Institute for the Future, I was hired to help prototype and evaluate what today would be called social media for scientists communicating with other scientists at NASA, USGS, NSF, defense contractor universities, and other government agencies—since those were the only people who could use what we now call the internet. Instead of *social media*, we used the nerdy name *computer conferencing* to describe these media, and our prototype system was called Forum. Jacques Vallee was leading our team at IFTF, and I was leading the evaluation research on these early forms of social media. This was more than ten years before The Well, which was arguably the first social medium for wider populations. We were prototyping social media, but only defense contractors could use our system since they were the only people allowed on the ARPANET at the time.

I have a vivid memory of getting a frantic call one morning from a staff person in a general's office at the Pentagon. To the staffer's urgent disgust, his general had just received a personal message directly through our system from a lowly research assistant at a defense contractor university. The message sent via Forum to the general was a biting complaint about the Vietnam War, as I recall. The general's assistant shouted at me in horror: "Do you mean that just anybody can now send a crazy message directly to my general?"

"Uh, yes sir . . . at least anyone on our network," I replied sheepishly. The

twisting path toward a future when everything is distributed had cracked open just a bit. The move toward distributed authority was just getting going.

Much later in 2016 at Nestlé, the world's largest food company, the Salesforce Chatter internal social media platform is being used to promote internal communication across a radically distributed organization. Chris Johnson, the executive in charge of Nestlé Business Excellence and one of the top executives in this very large organization, said recently: "I love interacting with people across organizations without the barriers of hierarchy" (quoted in Blackshaw 2016). The VUCA world is accelerating.

## The Positive VUCA

As I've worked with the VUCA world concept in a variety of organizations since 9/11, I've come to understand that it does have a hopeful side: volatility yields to vision; uncertainty to understanding; complexity to clarity; and ambiguity to agility.\* Vision, understanding, clarity, and agility are foundational to the new leadership literacies that I am proposing in this book.

Inspired by my experiences at the Army War College, I wrote a book called *Leaders Make the Future* that focused on future leadership skills. That book is now in its second edition, and I'm convinced that the ten leadership skills I identified there are basic to successful leadership in the future: the maker instinct, clarity, dilemma flipping, constructive depolarizing, immersive learning ability, bio-empathy, quiet transparency, smart-mob organization, rapid prototyping, and commons creating.

Skills, however, won't be enough to thrive in the future world that is emerging. A single leadership literacy won't be enough either. Leaders will need to be multiliterate in this future world, just as international leaders are much stronger if they are multilingual. Leadership skills will have to be wrapped in broader literacies that combine:

- discipline, to provide order—but not too much order
- practices, to understand and share what works—and what doesn't

\* I talk in much more detail about both the threats and the opportunities of the VUCA world in *The Reciprocity Advantage* and *Leaders Make the Future*.

- perspective, to learn from a wide diversity of views—but not get stuck in any single view
- worldview, to look long instinctively—but focus on action when that is needed

After introducing each new leadership literacy, I link it back to the skills I identified in *Leaders Make the Future*. This new book starts where *Leaders Make the Future* ended. You don't have to read *Leaders Make the Future* to get benefit from this book, but it will certainly add context, history, and depth. I hope that these two books will be used together for leadership development.

Leaders are—and must continue to be—a source of clarity. Clarity is the ability to be very explicit about where you are going, but very flexible about how you will get there.

In a future loaded with dilemmas, disruption will be rampant, and clarity will be scarce. The disruptions of the next decade will be beyond what many people can cope with. Many will be susceptible to simplistic solutions—especially from politicians and religions. Leaders will need to provide enough clarity to make disruption tolerable and even motivational. They will also need to communicate realistic hope through their own stories of clarity. Certainty about the future may provide temporary hope, but it is likely to be false hope since we live in an increasingly VUCA world.

VUCA has always been a part of life, beginning from the fact that we all have to die. Leaders have been challenged by VUCA before—but never on the global scale that they will experience over the next decade. My big three global VUCA challenges are global climate disruption, cyber terrorism, and pandemics—all of which will likely be on a scale that was previously unimaginable. VUCA has never before been so global, so interconnected, and so scalable. Local VUCA is not new; the VUCA *world* is unprecedented.

In the future, disruption will become the norm for most people, as the scope, frequency, nature, and impact of disruption explodes. Deep disruption will take a long time—often decades—to unfold.

As mentioned before, this book is divided into five pairs of chapters, each pair focusing on a future leadership literacy that leaders will need in order to thrive. For each new leadership literacy, I provide a chapter defining it

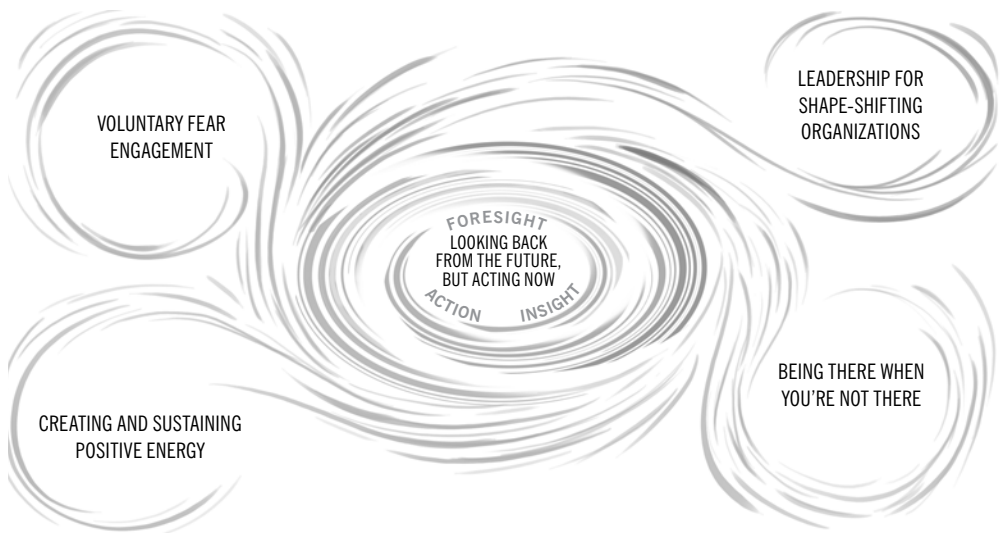


FIGURE 2 The New Leadership Literacies

and a companion chapter with my forecast for the future of that literacy. I begin each forecast with a surprise.

Figure 2 is a visual overview of the book.

Here is the core structure and content.

Chapters 1 and 2 look at the literacy I call **Looking Backward from the Future**, which is about learning how to go out to the future (usually ten years out) and then work your way back. It will help you see the direction of change so that you can avoid the noise of the present and develop your clarity. To lead, you will need to be clear about direction (clarity will be rewarded) but flexible about execution (certainty will be punished).

Chapters 3 and 4 look at the literacy of **Voluntary Fear Engagement**, which is about gamefully engaging with your own fears in low-risk simulated worlds. Because next-generation disruption will be so dangerous and difficult to understand, safe zones will be needed where you can immerse yourself in fear and figure out how to succeed. Practice and learn with others, the way the military conducts war gaming. Then come back better prepared for the real thing.

Chapters 5 and 6 look at the literacy of **Leadership for Shape-Shifting**

**Organizations.** Learn how to thrive in distributed organizations that have no center, grow from the edges, and cannot be controlled. Hierarchies will come and go as needs arise and the environment shifts. The next generation of technology will provide the connective cord for distributed organizations so you can share risk and develop new opportunities. Since reciprocity will be the currency of this new world—not just traditional transactions—you will have to practice mutual-benefit partnering. Authority will be increasingly distributed.

Chapters 7 and 8 look at the literacy of **Being There When You Are Not There**. Although you may currently lead best in person, shape-shifting organizations will require you to be many places at once. Leaders will have to engage with people who are geographically, organizationally, and temporally distributed. In-person meetings will still be best for some things, but you will need to decide which medium is good for what, with which people, at what time.

Chapters 9 and 10 look at the literacy of **Creating and Sustaining Positive Energy**. You must regulate your personal energy so you have focus, stamina, and resilience when you need it. The VUCA world will be exhausting for everyone—but especially for leaders. You will have to be extremely fit, physically and psychologically—much more so than leaders in the past. And you will need spiritual (though not necessarily religious) grounding and a sense of meaning in the midst of extreme disruption.

## **“Distributed Everything” Started in Silicon Valley**

When I first arrived in Silicon Valley, Institute for the Future was up in the hills on Sand Hill Road in Menlo Park, near Highway 280, barely on the inland side of the San Andreas Fault. I used to joke that, when The Big One hits California, Institute for the Future will have a shoreline view.

IFTF was the first tenant in a new cluster of buildings built by Tom Ford, a former development officer from Stanford, who had the foresight to buy a parcel of land right across the road from Stanford University property. He attracted a new kind of tenant in addition to our little think tank—people who would come to be called venture capitalists. Ford Land Company

became a big success, venture capital boomed, and Sand Hill Road is now known as the Wall Street of Silicon Valley.

The Silicon Valley “Wall Street” is beauty on the edge of disaster. Droughts, wildfires, and mudslides loom. And earthquakes are omnipresent here—not only the geological kind but also metaphorical earthquakes of innovation.

I believe that the everyday juxtaposition of awesome beauty and certain disruption is an important reason why Silicon Valley is the birthplace of so much innovation—including the technologies pushing us toward distributed everything. The inevitability that our beautiful world will be disrupted is at least a partial motivator for all of us to innovate.

Silicon Valley disruptors have bloomed, seeded, re-bloomed, and re-seeded in continuing harvests of innovation—all under the certainty of disaster. If you live in a time when each day could be the eve of destruction, having the innovation jimjams is just part of your daily life. In other parts of the world, it may seem easier to fend off outside forces and maintain control through centralized organizations. But if you live in Silicon Valley, distributed everything just seems like what we all need to learn how to do. *Distributed* means dispersed over space and time. The technologies of dispersion have their roots here in Silicon Valley. Digital connectivity can link scattered people and processes, but it takes special human effort to weave new organizational forms, new business models, and new styles of leadership.

If the many colorful visions of how to improve the world were not so compelling and credible, Silicon Valley would never work. Silicon Valley has already changed the world, and there is strong reason to believe that it will do so again and again. It is the spirit of Silicon Valley that will make distributed everything possible.

There are two very powerful and very distributed clusters of disruptors in Silicon Valley: one obsessed with ways to make the world a better place, the other obsessed by extreme greed. These two loose social networks, whose members have compatible values, don’t particularly like each other, but the world changers and the greedy people know they need each other. And there are some crossovers.

You may have negative associations with the word *greed*, but if it weren’t for greed, Silicon Valley would not be the success story that it is. Tense relations between the world changers and impatient investors create friction,



FIGURE 3 Silicon Valley companies are paranoid about disruption. The two-sided sign at Facebook is a constant reminder for Facebook employees that nothing in Silicon Valley is permanent.

which sparks the innovators among them to throw hundreds of matches every day on bonfires of disruption.

Fail early, fail often, and fail cheaply is the motto here. Failure is a badge of courage. Success builds on earlier failures. Very little happens in Silicon Valley any more that is truly new. Almost everything that succeeds here was tried and failed many times before. “Our purpose is to fail, but to fail in an interesting way,” said Silicon Valley visionary Alan Kay when he was at Xerox PARC during its prime. Failure is an essential ingredient of disruption, and Silicon Valley is full of people who thrive on disrupting in a climate of perpetual disruption.

The photo on the left side of Figure 3 is the sign as you drive onto the current (relatively new) Facebook campus in Menlo Park, just off Highway 101. The photo on the right is the back of the sign that Facebook retained from Sun Microsystems, which used to occupy the same campus. When Sun was still an independent company, its executives boasted that they expected to be disrupted, were fully prepared for disruption, and that they knew how to “eat [their] own young” in order to survive disruption. In spite of their efforts, Sun Microsystems was eaten by Oracle. The two-sided sign

at Facebook is a constant reminder for Facebook employees that nothing in Silicon Valley is permanent. Disruption looms here.

Many books and most corporations focus on *trends*, which have data, duration, and direction. In the futures field, trends are patterns of change from which you can extrapolate with confidence. Demographic trends (for example, around aging or population flows) are important to track and anticipate, but trends are much easier to identify and follow than disruptions. With trends, you have historical data that is worthy of trust, so you have a pretty good sense of what's coming next. With disruptions, you have only hints about what's next, and the hints are often wrong.

Trends are gradual, relatively predictable, and almost-comfortable change. Disruption is extreme and unpredictable change. Disruption is uncomfortable for most people.

This book focuses on *disruptions*, which are *breaks* in the patterns of change. Disruptions tend to take a long time to play out and are often characterized by waves of innovation.

Disruptions often start as responses to particular problems but almost always spark unexpected changes. Despite its sense of immediacy, disruption is often a process that takes a long while to play out—disruption doesn't just suddenly pop up and then disappear.

When disruption first breaks out, it is hard to tell just what the core disruption will be. Early waves of disruption may look much different from what happens later.

Most people in today's organizations are not prepared for a global future laced with disruption and extreme dilemmas that have no easy answers. As former UK Prime Minister Tony Blair said right after the vote for Britain to leave the European Union in 2016:

The political center has lost its power to persuade and its essential means of connection to the people it seeks to represent. Instead, we are seeing a convergence of the far left and far right. The right attacks immigrants while the left rails at bankers, but the spirit of insurgency, the venting of anger at those in power and the addiction to simple, demagogic answers to complex problems are the same for both extremes. Underlying it all is a shared hostility to globalization. (Blair 2016)

Despite the trendy “shared hostility to globalization,” top leaders will deal mostly with dilemmas that are increasingly global and flow across national boundaries. Dilemmas are problems you can’t solve, problems that won’t go away—yet somehow leaders must learn how to succeed anyway. Future dilemmas will be embedded with both hope and fear—but the fear will be biting and the hope elusive.

If a leader characterizes a dilemma as a problem that can be solved, the failure to solve it is likely to be remembered and probably will be punished. When dealing with extreme dilemmas, leaders will need to learn how to thrive in the space between judging too soon (the classic mistake of the problem solver) and deciding too late (the classic mistake of the academic). Dilemmas are gnarly.

The word *disruption* is out of fashion, I was told more than once as I was writing this book. Some friends suggested that I stop using the word, since it has been used in such cavalier ways recently. Even in Silicon Valley, a constant churn of jargon-laden innovation-speak, the word *disruption* has been overused and under-defined. Zoé Bezpalko, a young Silicon Valley friend of mine born in France, said to me with a twinkle in her eye: “Oh, haven’t you heard? Disruption is now passé. Now, it’s all about *invention*.”

I kind of like that shift—and I certainly like the word *invention*—but I don’t want to give up on the word *disruption*. Instead, I want to make it clear that I’m using the word *correctly* to mean a break in the patterns of change. In this book, I’m talking about really serious breaks in the patterns of change—beyond trends and the watered-down pop definition of *disruption*. Leaders will need to face up to disruption, not just call it by another name.

How can leaders learn not only to cope in the VUCA world but also thrive? The leadership literacies I am proposing will actually work *better* when the world is volatile, uncertain, complex, and ambiguous.

As a rule of thumb at Institute for the Future, we look back at least 50 years every time we do a ten-year forecast. We look for patterns of change. We look for thresholds of change. We look for signals that precede the future. We look in particular for what seems ready to take off, even if it has failed many times before. We look for stories that connect to the signals and give clues about how this particular future could come to pass. As novel-

ist William Gibson said so eloquently, “The future’s already here. It’s just unevenly distributed.”

Here is a summary of the core disruptions I am forecasting over the next decade:

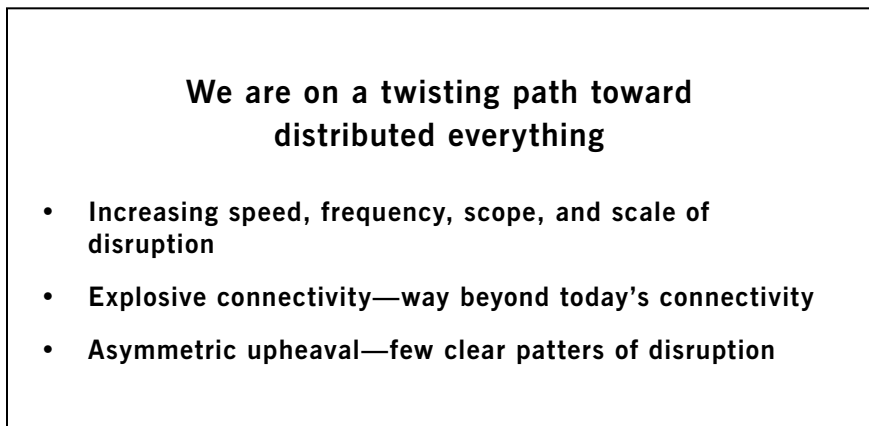


FIGURE 4 Anything that can be distributed will be distributed.

To understand the future, leaders need to listen for signals while filtering out noise. You can listen only for things you are able to hear, however. Leaders need to be tuned to listening for things that don’t fit in interesting ways—even if they don’t fit that leader’s preconception of how they are or how they might be. Leaders must be sense makers in a world that will differ profoundly from what they have experienced before.

Much of the present is noise. And, to make it more complicated, the future that is already here often will take a long time to scale. The signals of the present need to be considered within the context of the past, the constraints of the present, and the opportunities of the future. On rare occasion, an author is able to make sense of the noise of the present and reveal the directions of change.

Kevin Kelly does just that in his book, *The Inevitable: Understanding 12 Technological Forces That Will Shape Our Future*. This amazing guide introduces the technologies that will challenge us over the next decade.

Increased *sharing* both encourages increased *flowing* and depends on it. *Cognifying* requires *tracking*. *Screening* is inseparable for *interacting*. The verbs themselves are *remixed*, and all of these actions are variations on the process of *becoming*. They are a unified field of motion.

These forces are trajectories, not destinies. They offer no predictions of where we end up. They tell us simply that in the near future we are headed inevitably in these directions. (Kelly 2016)

I am focused on the leadership literacies that will be necessary to thrive in this kind of world.

The connective media of today are just beginning to turn into the next waves of much more intense disruption. I think of today's internet as the world's largest market test for the futures that are about to happen. I am inspired by one enveloping disruption that will amplify everything else over the next decade: the future force toward distributed everything. (See Figure 4.)



## CHAPTER 1

# ***The New Literacy* of Looking Backward from the Future**

**LEADERS WHO HAVE THE LITERACY OF LOOKING BACKWARD**  
from the future can say

- I can see long-term patterns of change ten years ahead, beyond the noise of the present.
- I bring a futures perspective to every conversation.
- I believe that a futures perspective makes better decisions in the present more likely.
- I develop my clarity but moderate my certainty.

I grew up as a basketball player in Geneva—a very small town west of Chicago—in the basketball-crazy state of Illinois. I was a rebounder and was taught to “always look long” coming off the boards. “If the long pass is there, take it!” my coaches would say over and over in the spirit of the fast break. Since I was young, I’ve been taught to look long. When I finished my humble college basketball career at the University of Illinois, I started

looking long beyond the basketball court, and it turned out I was better at it off the court than on.

I have been immersed in the future since 1968, when I was a student at the same divinity school that Martin Luther King Jr. attended, Crozer Theological Seminary—then in Chester, Pennsylvania. Ever since then, I have focused my life ten years ahead.

At Crozer, I was a research assistant for a conference on religion and the future organized by Professor Kenneth Cauthen, one of the first theologians to create open dialogues between religion and science. At that conference, I got to carry the bags (literally) for the world's leading futurists. I have a vivid memory of running out under the helicopter blades to get the suitcase of Herman Kahn, the founder of the Hudson Institute and the father of modern scenario planning. I was particularly moved by the title of his most famous books: *Thinking about the Unthinkable*. Looking backward from the future will help leaders think about the unthinkable and, increasingly, it will be important to do just that.

I remember going into Professor Cauthen's office and seeing a newsletter from the World Future Society announcing the formation of Institute for the Future in 1968. I remember thinking, that's where I want to work. Five years later, that's where I was working—and I still am working there.

In between Crozer and Institute for the Future, I had another futures immersion experience at Northwestern University in an interdisciplinary PhD program. When I arrived, I imagined myself becoming a sociology of religion professor, with a focus on religion and the future. My program required that I take all the basic courses of any sociology PhD student. My interests, however, stretched into the psychology, religion, and computer science departments; and at Northwestern, interdisciplinary work was encouraged.

While I was at Northwestern in the early 1970s, the predecessor to the internet, the ARPANET (Advanced Research Projects Agency Network), was just coming to life. I became completely enthralled by the implications of network connectivity for people, organizations, and the world. While my home sociology department at Northwestern still used computer punch cards, I was able to walk over to the computer center and interact

directly—though crudely by today’s standards—with one of the world’s largest computers.

Jamais Cascio, my colleague at IFTF, likens futures research to getting a vaccination. You understand that there are dangers out there and you want to vaccinate yourself against them. To extend the analogy, looking long is like fitness training in addition to getting a vaccination. You should not only get the best vaccinations available, but you should also exercise to prepare your mind and your body for the future.

A ten-year futures perspective is built into our way of life at the institute. Looking long is using foresight to provoke insight and action.

Jeremy Kirshbaum, another IFTF colleague, likens futures research to earthquake forecasting. Earthquakes are inevitable but also unpredictable. We have lots of historical data behind them, but they are still unpredictable in their nature. However, we can identify zones where you shouldn’t build your house out of brick. More importantly with earthquakes, there are readiness disciplines and resilience practices that we can use to prepare.

Figure 5 summarizes the new literacy of looking backward from the future. I first published the Foresight to Insight to Action Cycle in a Berrett-Koehler book called *Get There Early* (Johansen 2007), but it has evolved considerably since then.

In the first version of the cycle, I had arrows that went clockwise only. Over years of practicing, I’ve realized that this process can go either direction. Also, I decided that arrows were too symmetrical for the realities of foresight to insight to action. After you’ve had an insight, that insight might cause you to revise your forecast. After you’ve moved ahead with an action, your experience might cause you to revise your insight or your foresight. Making the future is filled with twists and turns.

Foresight, inevitably, links in some way to hindsight. Think of hindsight as our banks of prior knowledge. Hindsight includes experience, which can be both a source of insight and a burden. Hindsight can be a cognitive anchoring in the past, and it can be a stimulus for innovation. Hindsight can keep us from seeing futures we cannot imagine.

It is revealing to notice that the word *history* has the word *story* embedded in it. Futures research is, in a real sense, storytelling about the history of

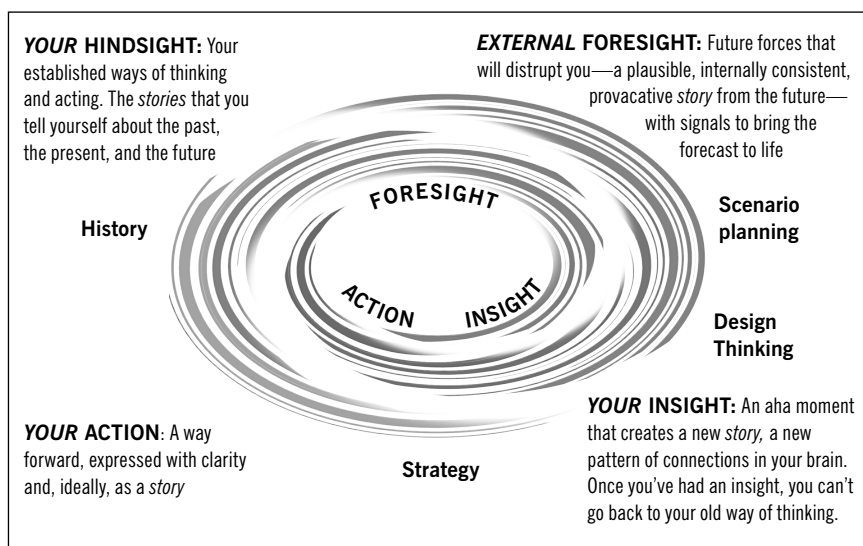


FIGURE 5 Nobody can predict the future.

the future—the present that hasn't happened yet. It was novelist Ursula K. Le Guin, an eloquent futures storyteller herself, who said, "Story is our only boat for sailing on the river of time" (Le Guin 1994).

Master storyteller Kendall Haven, one of the key players on a recent project to explore the neuroscience of storytelling, taught me that we all have our own personal neural story net that shapes our hindsight and our view of the world (Haven 2014). As we experience new things, we always run them up against our personal neural story net to see what fits and what does not. More open-minded people have flexible neural story nets that allow them to see alternative futures, while others are trapped in their old stories—no matter what new experiences they may have. Thinking systematically about the future helps us to loosen up, keep an open mind, and question our own assumptions.

But this is tough work. Leaders at innovative companies often try out new technologies too early, and their experiments fail. Years later, those same leaders are likely to remember their earlier failures when someone comes to them to propose use of a new technology. "We tried that years ago and it didn't work," they say—and they are correct. Yes, they tried it too early, but

that doesn't mean that same innovation—or some variation—won't work later, when the timing is right.

Traditionally innovative companies often miss the biggest potential impacts of a new technology or innovation once it finally occurs. Innovation often involves timing. A failed technology in one period can become a giant success later on. Those early innovators often watch in frustration as later (often less innovative) companies get the benefit of a delayed innovation. Hindsight—even accurate hindsight—can limit foresight. It is dangerous to assume that what didn't work before doesn't work now. Often, what didn't work before does work now. Leaders need to keep their minds open.

Foresight is a plausible, internally consistent, provocative story from the future, with signals to bring it to life. Notice that *story* is recurring. Futurists tell stories of possibility about the future, as if they had some special access to it. Some foresight is quantitative, but even quantitative forecasts should be wrapped in good stories in order to reach wide audiences.

Foresight should provoke people, but with a tone of humility. One of the things I don't like about some futurists is that they seem to relish in making other people feel stupid. I believe that the best futurists provoke insights for others in a way that is both provocative and humble. The best futurists, like great leaders, both inspire and empower. The best foresight provokes insight for others. In my talks and workshops, I try to frighten people at the start but empower them by the end.

Having a sense of humor about the future is also important. Some futurists take themselves so seriously. The future is unpredictable, so it is imperative that we stay humble. Humility leads to a sense of humor, since future forecasts will often be wrong—or even right for the wrong reasons or right but in the wrong time frame. Often, the future happens in unexpected ways even if the overall direction of change is forecast accurately. Both humility and humor are important aspects of leadership, and a futures perspective presents opportunities for both. Studying the future can be fun.

When we do a custom forecast at Institute for the Future, we provide the independent outside-in foresight. We look at least ten years ahead at external future forces likely to disrupt a particular organization or topic. For example, we've done custom forecasts recently on external future forces likely to disrupt food security and another forecast focused on poverty. Our

job is foresight, but insight is the responsibility of those who use our forecasts. We are not experts in their industries; we are not even experts in the present. We provide an outside-in perspective, but it is their job to listen for the future and allow themselves to be provoked.

Insight is an aha moment that creates a new pattern of connections in your brain. Creating insight is a lot harder than generating ideas. Ideas bubble out, but insight is rare. Ideas are wonderful, but they are easy compared to insight. Insight is often hard uncomfortable work. Consider Verlyn Flieger's insight about Tolkien, one of the world's great storytellers:

*Turn*, let us not forget, is the word Tolkien uses for the moment of change in fairy-stories, the moment of becoming. It is reversal, metanoia, felt before the mind can grasp it, before the apprehension of the happy ending and the consolation. (Flieger 1933)

The goal of futures thinking is to use foresight to induce the kind of head-jerking turn that happens as you read a great story or play a great game: an abrupt shift in your thinking. Once you have had an insight, you can't go back to your old way of thinking. Insight changes you. Ultimately, foresight is about sense making in a future world where sense is in short supply.

The way to evaluate a futurist is to ask if the foresight provoked an insight that led to a better decision in the present. The way to evaluate a fortune teller is to ask whether or not the foresight actually happened. Futurists should not and cannot predict the future. Instead, futurists should provoke insight.

Right after 9/11, I was asked by Walt Disney World to do a forecast of the future of fun in theme parks, with a focus on Walt Disney World in Orlando.\* Parents, especially right after 9/11, were very concerned about the safety of taking their kids into large crowds. The kids, however, just wanted to have fun.

Our foresight was that the fun would become increasingly important for everyone because of all the uncertainty in the world around us. The VUCA world, our forecast suggested, will make the shared experience of fun and

\* I did this custom forecast with Dr. Mark Schar, now at Stanford University.

fear even more important. Everyone wants to have immersive fun experiences, but parents will be very concerned about safety.

The insight that came out of this custom forecast was that a theme park had to be a place where kids could be *safely scared*. Walt Disney World offers an experience that is extremely safe but still scary in a way that kids love. Certainly, Walt Disney World—particularly EPCOT—is able to turn this insight into action. We never know exactly how our foresight inspires insight and action—there are always many variables—but the link between foresight, insight, and action seems clear in this case.

IFTF did a custom forecast for Procter & Gamble in the early days of biotech. Our forecast was that biotech would disrupt P&G, especially the detergent and hair care businesses. I presented this custom forecast to the CEO and his global leadership council. Their insight at that meeting was that none of the top people had enough biotech background to make good business decisions about this emerging future that we forecast (and which has now happened).

The action that came out of that combination of foresight and insight was something they called the biotech reverse mentoring program: we paired the top twelve people at P&G with young P&G biotech scientists. Each pair met about once a month for a year. The leaders from the executive floor went out to the labs—often for the first time. The young scientists went to the executive floor—often for the first time. The scientists were never the same afterward—and neither were the executives. The scientists had a new appreciation of the decisions that the executives faced—and this was a particularly difficult period for P&G. The executives understood the basic science at a deep-enough level to understand the forecast regarding the impact of biotech on their businesses. A. G. Lafley, one of those executives, went on to become one of the most successful CEOs in P&G history, and his mentor became one of P&G's leaders in sustainability. The biotech perspective that began with this mentoring program was spread through a community of practice and is now embedded in P&G's strategy. Foresight had provoked insight that led to action—with very good business results.

The purpose of ten-year futures thinking is to come up with a way forward, expressed with clarity and ideally as a story. The best way to lead in a disruptive world is to be very clear where you're going, tell a great story

about it, and then be very flexible about how you bring that future to life. In the military, this way of thinking and acting is called *commander's intent* or *mission command*, but I like the term *clarity* a lot better for business or other non-military organizations.

Collective moments of insight—when people come to the same realization together at the same time—are often the most powerful. Foresight is a wonderful way to provoke insight even if you don't agree with the forecast. You can argue with any forecast, but it is best to resist the temptation. Some of the best forecasts will be those you don't like. The most useful approach is to assume that foresight is plausible, internally consistent, and provocative. What are your insights, given these external future forces? Repeat the process with an alternative forecast if you are not satisfied with the first.

The reason you look long is to develop the perspective necessary to come up with a good plan of action, a way forward, expressed with clarity and ideally as a story. The big lesson is to be very clear where you're going, but very flexible how you get there. Action should animate you. That's the basic discipline of looking backward from the future—but still acting now.

Trends consultancies and the business press tend to start from today's world and work a few years out. Some of these consultancies focus on fashion or fads, which are short-term shifts in preferences or behavior. In contrast, I'm suggesting that leaders leap ahead and focus ten or more years ahead, then work backward to identify opportunities today—given the external future forces of the next decade. Anyone can do this, not just professional futurists. In most fields, there is so much noise in the present that it is very hard to get a clear view of what's going on or where things are going.

At IFTF, we call this process *Forecaster's Haiku*. A haiku is an artfully concise Japanese poem of three lines and seventeen syllables (five, seven, five). It involves considerable art to create headline summaries for each forecast that are provocative without turning people off. The headlines also need to be familiar enough to be understood without sounding like the same old thing. While our foresight is focused ten years out, the insights and actions that result will be designed to inform current decision making.

For some forecasts, we literally use haiku as a discipline for pulling out the essence of a forecast. For example, we did a 30-year forecast on the

future of food security recently. One of the big themes was what we called the *programmable world*, where digital innovation comes to the world of food science. Here is the haiku we created:

Unlock potential  
When physical is programmed  
Like digital world

Figure 6 is a summary of the shift toward looking backward from the future.

Current Literacy	Future Literacy
<ul style="list-style-type: none"> <li>• Leaders focus on the present first, then think out gradually as far as they can toward the future.</li> <li>• How can I look ten years ahead when I can't even make sense of the present?</li> <li>• Leaders who express certainty are viewed as strong leaders.</li> </ul>	<ul style="list-style-type: none"> <li>• The best leaders will jump ten or more years ahead and then work backward from the future.</li> <li>• Long-term forecasting is easier than short-term—leaders will have to look long to make sense of the VUCA world.</li> <li>• Certainty will be suspect, but the best leaders will have clarity.</li> </ul>

FIGURE 6 The new literacy of looking backward from the future, to act now with clarity—but not certainty

Looking backward from the future will require many skills. In *Leaders Make the Future*, I identified ten future leadership skills that I believe will be required for leaders to thrive in the future. Two of these skills—clarity and dilemma flipping—will be particularly important for looking backward from the future.

Looking backward from the future will help you find your *clarity*.

**Clarity:** Ability to see through messes and contradictions to a future that others cannot yet see.

On the weekend of Martin Luther King Jr.'s birthday in 2015, I saw the movie *Selma*, and I read the book by Tavis Smiley about the last year of Dr. King's life. Smiley studied the Civil Rights Movement and concluded that during that year, Dr. King was rejected by most of the people who were close to him (Ritz & Smiley 2010). Thinking of all the wonderful things Dr. King did, it made me sad to think those closest to him decided that he was going off track. They thought he was getting interested in too many different causes—the march against poverty, opposition to the Vietnam War, and environmental issues. He lost his clarity, they said. Rather, Dr. King had a *different* clarity that some of his closest colleagues had missed.

Dr. King pushed back and reminded his followers that achieving civil rights was *part* of his higher calling—his long view included a deep commitment to social justice. Racism, poverty, and militarism were *all* social justice issues.

Here is a corporate example of clarity and the need for a long view: A. G. Lafley, the former CEO of Procter & Gamble, was a master in clarity. He was very good at using foresight to provoke his own insight and action, stating his clarity, and being flexible in how he executed that clarity.

When he first came in as CEO Lafley revived an old P&G motto: “The consumer is boss.” He repeated this phrase many times per day, always with great enthusiasm. Clarity of expression requires the enthusiasm of a Broadway actor performing the same play again and again but always with inspired emotion. Many leaders tire of telling the same story again and again, but repetition is very important to spreading the message of clarity.

At that time P&G was facing big challenges, and their internal R&D was under-delivering. Lafley said that half of the new ideas should come from the outside. He told people that he would measure them, that he would publicly announce when P&G achieved a goal, and that whoever did it would publish an article in the *Harvard Business Review* about how it was done. He delivered a clear, radical statement of direction and then allowed a lot of flexibility about how to do it. The very successful program that came to be called “Connect and Develop” was the result, but that came out only as people raced ahead in pursuit of the clarity that Lafley both embodied and expressed constantly—always with contagious enthusiasm (Huston & Sakab 2006).

Clarity has always been important for leaders, but it's never been so difficult as it will be over the next decade. Being clear in an extremely disruptive world will be much harder than it was in simpler times.

Looking backward from the future will increase your ability to do the kind of dilemma flipping that will become increasingly necessary in the VUCA world.

**Dilemma Flipping:** Ability to turn dilemmas—which, unlike problems, cannot be solved—into advantages and opportunities.

The next decade will be loaded with dilemmas, and leaders will need to figure out how to flip them into opportunities.

To do dilemma flipping, you have got to like the space between judging too soon and deciding too late. If you're not sure if it's a problem or a dilemma when you're facing a challenge, it is better to assume it's a dilemma. If it turns out it's a problem you can solve, that's great. But if you think it's a problem and it turns out to be a dilemma, you're in trouble, because you have set expectations as if you're going to solve it, but you won't be able to.

Chris Folayan started a company to sell items from international retailers to Africans across the continent.\* The idea sounds so simple, but it was really innovative. Folayan looked long to see that Africans had more spending power and wanted more global consumer goods. The dilemma here was that global companies feared the risk of entering a historically unpredictable marketplace that was unfamiliar with ecommerce. MallforAfrica has found out how to turn that to its advantage and has been very successful. It is now expanding the relationship with retailers to sell African items in the United States. Whether or not Folayan has long-term commercial success, MallforAfrica is a signal of a new kind of retailing on a global scale.

Looking long makes it clear that global digital infrastructure will be wildly varied for the foreseeable future. The sources of innovation won't be just Silicon Valley and other high-tech zones. Rather, innovation will come from Africa and other regions of the world that are dealing with constraints that force that innovation. For example, the power bank phone is common in West Africa. It handles up to three SIM cards, is 3G enabled, and has an

\* [www.mallforafrica.com](http://www.mallforafrica.com)

enormous battery pack that can last for weeks when the power grid is faulty, which is a frequent occurrence there. This basic-level phone is available for around twenty USD and appears under several brand names. It is unclear who originally created it, but whoever did so was looking long and stimulated by a challenging dilemma that got flipped creatively.

A final dilemma example is health care in the United States, which is not a problem that can be solved. The health care system can be *improved*, but it can't be solved, so problem-solving language is inappropriate. When facing a complex challenge like health care, it is very important to be really careful about language. If the challenge you are facing is a dilemma, or even if you think it *might* be, you should call it a *dilemma* and use dilemma language. The VUCA world will be loaded with dilemmas, which leaders will have to deal with. There will still be many problems that can be solved, but they will be solved mostly by people who work for leaders, in some sense of the term "work for." Leaders will deal mostly with dilemmas.

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