

# THRIVE AMID DISRUPTION

Adapting to new threats is all about building change resilience—and speeding up decision-making cycles.

By Don Durand

**T**he watchword in today's business environment is disruption. Executives do not merely want to track emerging threats—they want to flip the script and redefine an industry. Seventy-four percent of CEOs say their company is striving to be the disruptor in its sector, according to KPMG's latest *Global CEO Outlook* survey.

Of course, if disruption were easy, we would not be collectively wringing our hands about it. Many executives I speak with say they are struggling to keep up: The pace of change threatens their organization's stability and position in the marketplace.

The solution must involve more than sharpening change management chops. Instead, consider creating a culture of change resilience. Whereas change management is a tactic that can push a change through an organization by identifying and dealing with resistance, change resilience, on the other hand, is about identity. It is the way one walks around the world.

In my experience, change-resilient companies often possess the following characteristics and practices:

- Internal practices that enable people to observe what is happening in the marketplace
- Quarterly, rather than annual, business planning
- Shorter decision-making cycles grounded in some pre-aligned strategic framework from which to think
- Well-defined decision rights

The OODA loop, an oft-referenced blueprint for change resilience, comes from the U.S. military handbook. U.S. Air Force Col. John Boyd developed the decision-making cycle that favors agility and speed in dealing with opponents in endeavors that are characterized by fast-moving and ever-changing conditions (i.e., today's business environment). The OODA loop stands for:

- **Observe:** Take in everything around you. In a business sense, this could mean anything from data to emerging tech to market performance to industry trends.
- **Orient:** Determine what these observations mean to you and your organization. This context might be set by your organization's purpose, culture or strategic frame. Or it might come from what you know of the disruption and its potential opportunity.
- **Decide:** Once you have reviewed all of your observations about potential threats against the organization, options for the best course of action will emerge.
- **Act:** The decisiveness with which executives act on a decision determines the speed at which they will be able to deal with new threats.

Yes, the business context is rapidly changing. But were Col. Boyd alive today, he surely would say that dealing with change resiliently and decisively always has been the job of leaders. We cannot control what threats emerge, but we can control our reaction and chart a path forward.

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