

## Knowledge Edition 27



### Working in an uncertain future: time to understand how chaos and complexity can create opportunity

The Chancellor George Osborne included the word 'business' 37 times in his March budget speech in what he termed his 'Budget for Growth.' The Chancellor acknowledged that Private Sector growth is critical to the UK economic recovery. The budget speech had a strong emphasis on inward investment from multi-national companies and opportunity for UK organisations to maximise growth in the current climate. However, the measures put forward effectively mean that it is up to UK Plc's to make it happen. This will involve you and I coming to grips with the market conditions and finding our way toward confident and sustainable growth.

To do this, the UK business industry needs to become more efficient and effective; this means getting smarter but increasingly innovative and creative. This will enable organisations to evolve and become world class. The secret is understanding how to work with chaos and harness the creative energy to maximise growth.

The word chaos within this context refers to what management researchers term 'chaos theory.' This is the notion that similarly to nature, we are constantly moving, changing, growing as is our business and physical environment.



The constant rhythmic, pulsing, pushing and pulling of change within organisations mirrors the cyclic nature of existence and should be embraced and seen as a sign of a healthy and living organisation.

A living organisation is in contrast to a static and heavily controlled one. The lack of change and growth may lead it to decay and death.

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As we emerge from the crisis, some may emphasise the **opportunity** of navigating within a constantly changing environment. For them, chaos nurtures creative tension, strong debate and discussion, which produces new knowledge and ideas. However, some see this as a **challenge**. This means that depending on our approach, we start this journey from two significantly different positions.

**Step one** of mastering chaos theory is frankness and honesty about where we are today. **Step two** is plotting a way forward that is believable. There is a fundamental realism in complexity theory.

Working with chaos can feel like being stuck in rapid tempestuous waters where you are 'not waving but drowning.' This means that it is difficult to see the crucial patterns in your environment and find the benefits of the bigger picture. This is where **personal and corporate resilience is essential** to move from a state of anxiety to calm confidence.

To do this, we need **the right dose of stability from which positive thought and creativity** can emerge. Only the fundamentals need to be right, which is a strong vision, clear implementable strategy, good leadership, high competency employees and properly aligned infrastructure and processes.

**Organisations are similar to the human brain**, changes to a small part can alter the function of the entire body. The modern organisation **navigating a chaotic unknowable market place** will need to make new choices, which will involve sophisticated feedback from the workforce and customers. These multiple feedback loops (conversations between customers, suppliers, designers, procurers, etc.) are essential dynamic capabilities, which **create the agility to thrive** in what could be a permanently chaotic market place. The paradox is for some the market place has become less chaotic and more knowable.

**Our Summer seminars will deal with how organisations can embrace chaos to produce the creative tension that leads to growth.** Our objective is to ensure that you leave the seminar with a clearer understanding of what chaos means to your organisation and practical steps around how you can take advantage of these chaotic markets and produce positive results.

These seminars are free to you, what we want in return is your presence and passionate contribution to the debate.

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