



## How's the Water? From Business As Usual to VUCA to BANI

Do we even have the words to describe and/or make sense of how business circumstances have changed?

One of my favorite ideas to think about is David Foster Wallace's famous "This is Water" commencement speech. ([gbm.media/0325-water](#)). In the speech, he talks about a couple of young fish swimming one way, and a slightly larger fish swimming past them in the other direction. The larger fish says, "Morning boys, how's the water?" The two younger fish ask themselves, "What the hell is water?"

To the fish, water is the most important aspect of their very existence — it supports them, provides them thermal and respiratory resources, as well as total environment for their activity. From outside, it is easy to make fun of the fish's lack of understanding the water. They take it for granted.

### Business As Usual

In business, we start out as those younger fish in David Foster Wallace's story. As new hires, we just try our best to deal with "business as usual." We try to learn the tasks that need to get done, we figure out the best way to do those tasks with the tools given to us, and eventually we start to learn some other context stuff about our job, our customers and business. How's the water? It's fine once we figure out our place in it. Business as usual.

In the fish metaphor, "business as usual" is our "water," and we are the fish. Business as usual is our all-too-obvious environment, support system, policies and procedures, assignments, tools and other available resources. We just take these all for granted.



### Volatility, Uncertainty, Complexity, Ambiguity (VUCA)

But the water can change. Perhaps a rainstorm carries more run-off into the stream, making it murky, difficult to navigate and hard to keep oriented. The fish have to put their noses down and swim as hard as possible just to stay in one place. Storms can impact the quality and conditions of the water, and in our business, one storm that can change our "water" is called VUCA.

Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) is the storm that changes conditions in our stream,

clouds our vision, destroys our confidence, establishes variable behaviors to cues and confuses our certainty.

**Volatility.** Just think of prices of inputs. As consumers, we think of gasoline prices as volatile.

So are materials and other energy prices.

**Uncertainty.** We have given our best price on that quote that we need to keep our shop full, but is it attractive enough to win the order? Did other competitors take a loss on their offers just to fill their shops, too?

**Complexity.** An old hand from 20 years ago would certainly be overwhelmed at the complexity of the parts and conformance requirements that the parts of today have. Not to mention supply chains and combinations of the different ways our materials might be produced.

**Ambiguity.** Here's a line from a standard that I had to argue with many customers years ago: "Grades 5 and 5.2 bolts, screws and studs shall be heat treated (fully austenitized), oil or water quenched, at option of manufacturer..."

Despite the very clear "shall be heat treated (fully austenitized)" phrasing, I had many companies arguing that the heat treat was "option of the manufacturer" and that they wanted to purchase material to the mechanical properties specified by buying heavy drafted, not heat treated, cold drawn materials. And that is in a very common, agency-issued national consensus standard.

When circumstances change — at our suppliers, our customers, in the markets or in global transportation systems — our "water" quickly changes from the clarity of business as usual to the murky and almost opaque VUCA variety. How's the water where you work?

### **Brittle, Anxious, Nonlinear, Incomprehensible (BANI)**

Today, many of us yearn nostalgic for the good old days of VUCA. Business as usual is a luxury too distant to remember. In today's "water", Brittle, Anxious, Nonlinear, and Incomprehensible (BANI) describe the conditions in which we and our colleagues (our fellow fish) must work.

**Brittle.** Might best describe the reaction of some employees to losing their accustomed work-from-anywhere flexibility as they are mandated to return to office. Ask Amazon how that is working out. Or Tupperware — which recently filed for bankruptcy protection due to its failure to adopt an online sales model despite its in-home direct sales model failing to sustain company finances.

**Anxious.** Anxiety is almost certainly the result of the ambiguity and uncertainty of the prior VUCA model, but now it describes us as performers rather than our environment. With ever present uncertainty — whether unavailability of needed materials, late deliveries, late or delayed payments or customers suddenly ghosting our salespeople — anxiety is a common characteristic of almost everyone with a job with responsibilities that depend on others. And it is also a direct result of the nonlinearity of responses to events in our "water."

**Nonlinearity.** This one is really easy to spot. Just look at the demands by customers for compensation far beyond the actual damages should a product or service fail to conform perfectly to the order requirements. With escalating

penalty clauses, and threats of legal consequences, a failure to provide any aspect of a product could result in legal damages thousands of times beyond that of the affected part cost. It may even endanger the company's continued existence. Anxiety is high when our people and organizations face the nonlinearity of our customers. Oh, and what if ocean shipping is delayed because the critical items that you must have to fulfill the contract are significantly delayed or unavailable? Or a mill closes? Who can predict the costs of these high-impact scenarios?

**Incomprehensible.** There are many, many areas where the world can seem incomprehensible to our colleagues and organizations. For me, the rate of change of the rate of change is shockingly high. It seems like every day some new thing becomes a mandatory part of the environment. For me personally, the day that I am writing this, I learned how to print on the office printer directly from my cell phone. It never stops. No time to catch our breath, the next wave is already breaking above our heads. What will be the consequences of the election on our shops and businesses? How can we even start to know?

### **Better Together.**

One of the ways that can help us remain effective, whether our particular water is business as usual, VUCA or BANI, is to effectively associate with our peers. At PMPA, we call this "Better Together." PMPA and its participating members provide sensemaking on technical, operational, quality, financial, regulatory, safety and government affairs matters. PMPA members are not just willing but eager to weigh in on a way to solve that problem that is intractable in your shop. We provide monthly benchmarking for sales, lead times, profitability and employment prospects as well as hours worked and overtime.

Archimedes bragged that give him but a place to stand, and he could move the earth. I don't think that fish can use levers, (sorry, Achimedes) but giving our members a solid footing when they face BANI, VUCA or just plain business as usual — through PMPA ListServe Communities, reports, staff consultations or expert training and networking at our local and national meetings — can surely take away the pain of surprises as well as the ignorance of unawareness. **P**

Miles Free III is the PMPA Director of Industry Affairs with over 50 years of experience in the areas of manufacturing, quality and steelmaking. Miles' podcast is at [pmpa.org/podcast](https://pmpa.org/podcast). Email: [mfree@pmpa.org](mailto:mfree@pmpa.org) — Website: [pmpa.org](https://pmpa.org).