LIGHT FOOTPRINT MANAGEMENT
LEADERSHIP IN TIMES OF CHANGE
Light Footprint Management

Leadership in times of change

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Introduction

To say that part of a company leader’s job is to ensure his or her organization adapts appropriately to a changing environment, is to state the obvious. Without thinking of it in that way managers are constantly nudging, guiding, tuning and cajoling their businesses or organizations into better fits with their environment. When their efforts are successful, their companies survive and thrive.

The trouble is that these days adaptation is not easy. There is so much to adapt to, and it has become impossible to ensure that an adaptation in one part of the business won’t have knock-on effects in another, varying from the merely inconvenient to the disastrous.

But changing nothing, or changing very little, isn’t an option.

Everything must be flexible now. There can be no sacred cows or ‘no go’ areas. In an environment growing more volatile, uncertain, complex and ambiguous by the day, the whole organization must adapt constantly. Organizational structure, routines and habits of mind, processes, business models, assumptions, approaches, modes of operation, and conventional wisdoms; all must play their part in meeting the adaptive challenge. No stone can be left unturned. Nothing can be taken for granted.

In some cases this requires looking back. The conventional idea of a ‘strategy’ as a plan is less relevant in the new world than the old concept of the ‘strategus’ as an army with a leader. And although Unique Selling Points and Value Propositions are of limited use in a world where nothing remains unique for long, a deep-seated brand identity can be a raft of stability in storm-tossed seas.

The changes in the environment have become very demanding. Harvard Business School professor John Kotter believes they ‘will force us all to evolve toward a fundamentally new form of organization’ – a form better suited to an unpredictable, fast-changing environment.
We're entering unchartered territory that is, at once, frightening and dangerous, but also beautiful and exciting.

In the Chinese culture, change is a stream of events flowing on forever. But above the stream there are immutable laws ruling all change. This is the ‘Dao’, the way, the circle of light and dark, the yin and the yang.

This book will argue that right now, in the early 21st century, the Dao for business, the way to the new form of organization demanded by today’s environment, is the quality of ‘lightness’. This is not to be confused with the quality of ‘simplicity’, a quest for which can be hazardous in a complex world where nothing is quite what it seems.

The adaptive theme for organizations of all kinds is shedding mass and weight; doing more and more with less and less. Being lighter has a number of attractions in a volatile, unpredictable world. It makes an organization more agile, accurate and precise in its movements; by shedding low grade work, it increases value-added per employee; it allows the organisation to tread more lightly and so cause less disruption.

The book draws inspiration from two unconventional sources. Barack Obama’s ‘light footprint’ military doctrine, and what the author has elsewhere called China’s ‘management revolution’. Both are of interest to western civilian organisations, for different reasons. The former is a pure, no-holds-barred, no-expense-spared response to the challenge of ‘Protecting America’ in a turbulent world. The latter is a real-life experiment in how business organizations and management approaches evolve in such a world.

The book begins in Chapter 1 with a brief survey of the origins of the conventional management wisdoms, and the roles played in their evolution by business schools and management consulting firms. The chapter goes on to suggest the conventional wisdoms are struggling to accommodate recent changes in the business environment and that ‘glitches in the matrix’ are occurring that suggest the need for a new conceptual framework.

Chapter 2 describes the competitive dynamics of the ‘arms race’ in the military domain, suggests the same dynamics drive competition in the
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business area, and argues that three components of Barack Obama’s ‘light footprint’ military doctrine (use of drones, cyber weapons and special forces) can, therefore, be seen as presages of business competition.

The question of why the US has adopted a light footprint approach to warfare is addressed in Chapter 3. The answer proposed is that it was invoked by VUCA (Volatile, Uncertain, Complex, Ambiguous); the acronym used by the American military to summarise the main features of its operating environment. VUCA is then related to the sciences of complexity, and complex adaptive systems, and it is argued that it also characterises today’s operating environment for business.

It is suggested in Chapter 4 that the new management style emerging in China should also be seen by western company managers as a presage, because, unlike the occidental management approach that traced its origins back to the US in the mid-19th century, it began its evolutionary journey at the dawn of the VUCA age and therefore should be seen as having been invoked by VUCA to some extent.

Informed by these military and Chinese ‘presages’ Chapter 5 begins to explore their implications for management. Business equivalents of these three light footprint stratagems are described and elements of the approach detected in the Daoist management style of Apple’s Steve Jobs.

Chapter 6 focuses on four distinctive characteristics of the Light Footprint (LFP) organisation: its structure, which is at once both centralised and decentralised; its propensity to collaborate with, rather than hire or acquire, others, and its associated predisposition to trust; its reliance on surprise as a competitive weapon; its awareness of all the consequences of its actions.

The LFP organisation is seen in Chapter 7 as being balanced on the edge of instability and as reconciling a number dualisms: hope and fear; change and continuity; the vertical and the horizontal; the individual and the organisation. Its essence, and the focal point of its management, is its organizational or ‘Gemba’ power (as it’s known in Japan). And the LFP organization is ‘data friendly’.

Chapter 8 contrasts the management approach in an LFP organization with conventional management, and uses a recently developed,
high-speed management tool, Accelerated Zero-Based Budgeting (AZBB), as an example of a VUCA-adapted management intervention.

It is suggested in Chapter 9 that the LFP organization requires an ‘enlightened’ leadership style. Enlightened leaders focus on what their organisations are, rather than what they would like them to be. They are aware of the prevailing social and political contexts of business. They take an essentially pragmatic approach.

In the final chapter, the argument is summarized and 10 practical steps are described for the gradual, piecemeal transformation of a conventional organization into an LFP organization.

Adaptation is, of necessity, a piecemeal process. The organization is, by definition, already well-adapted. Major changes are almost sure to be disadvantageous. The ‘Hopeful Monster’ and other non-gradualist theories of evolution have never successfully countered the objection of Darwinian gradualists; namely that a mutant won’t survive in an environment to which its parents are adapted, unless it is very similar to its parents.

The LFP organization is very like a conventional organization; the differences are more a matter of emphasis, than substance; more to do with philosophy, than structure. But these marginal differences all add up, if not to the ‘fundamentally new form of organisation’ John Kotter advocates, at least to something that feels different to those who work for it, and deal with it as customers, suppliers or partners – it feels lighter, quicker, more agile, more trusting and more worthy of trust.

The focus in the pages that follow is on business institutions and networks, but LFP-type organizations are likely to spread beyond the business and military worlds; the VUCA qualities that are invoking them are becoming evident in all walks of life and in every institutional nook and cranny.
"Charles-Edouard Bouée's argument that lightness is a primary value in a more volatile and uncertain business world is pervasive and well made."

JOHN QUELCH, HARVARD BUSINESS SCHOOL, USA

"The picture Charles-Edouard Bouée paints of tomorrow's business world, and of the kinds of organization most likely to thrive in it, is both original and plausible."

SIR TOM HUNTER, CEO, WEST COAST CAPITAL

For further information on the book: www.rolandberger.com/lightfootprint

Please visit our blog: www.think-act.com/blog/

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