



## Winning with Complexity

Navigating Complexity for Results and Superior Performance

- By Saj-nicole A. Joni, Ph.D.

### Introduction

What does it take to successfully lead in the 21st century? Most executives today must regularly navigate the intersections of complexity – including business, organizational, technical and geographical complexity. Leaders need a ‘map’ in order to track and mobilize the kinds of thinking, relationships, and habits it takes to succeed in this kind of environment. In addition, they need to assess their inner circle –the people they count on when the going gets tough.

To address this question, Dr. Saj-nicole A. Joni, a faculty member of Duke Corporate Education’s Global Learning Resource Network, discusses an essential map and ways to build an inner circle designed to enable leadership success. Dr. Joni has been a keynote faculty in several Duke CE programs, where she helps leaders find a winning path through their increasingly complex business challenges by harnessing the power of the dynamics of diverse thinking, trust and truth. Dr. Joni is a global business strategist, and well known pioneer of Third Opinion counsel to a cadre of executive clients in industry leading companies. She is the author of *The Third Opinion*, published in 2004. Dr. Joni uses an example below to illustrate how an essential map can enable leaders to succeed in navigating complexity.

### Perspective

Consider Andy Smith (name changed to protect confidentiality) who is the type of key leader every company wants on its management team. He started his career in a Fortune 50 high tech company, excelling in several line and staff roles. Six years ago, he joined a highly regarded professional services firm.

Andy spent the first four years at the new firm in the field, leading case work, where he was an up-and-coming star. Two years ago, he was asked to co-lead an internal team focused on strategy and growth. In this role, he worked closely with the CEO.

While highly successful in this corporate role, Andy wanted to run something. The opportunity came when the firm acquired a smaller company with a highly creative specialty service that complemented the firm's current offerings. However, this new role proved more difficult than he anticipated.

Six months into the job, Andy felt challenged at every turn. Pressure from corporate to accelerate his group's numbers came just as they were facing a business downturn. The overall market downturn exposed high cost structures. Andy had started several new initiatives -- on branding, on products and on people -- but they weren't helping the company cope with the changing business conditions.

No longer at corporate headquarters, Andy was receiving confusing signals from the CEO about the long-term strategy for his business, and was feeling pressure from inside the newly acquired firm. His every move was scrutinized by long-time employees and he was keenly aware of being seen as the "non-creative outsider." Andy had been hoping for a long 'ramp-up' but he didn't have that kind of time: he had to rethink the business and get results -- fast.

With many forces at play, Andy was confronting two daunting questions:

1. How to plan his next moves despite swiftly changing environments, diversity of viewpoints and a mountain of incomplete information?
2. How to make all this happen through a large, highly varied, and complex group of people over whom he had little direct control?

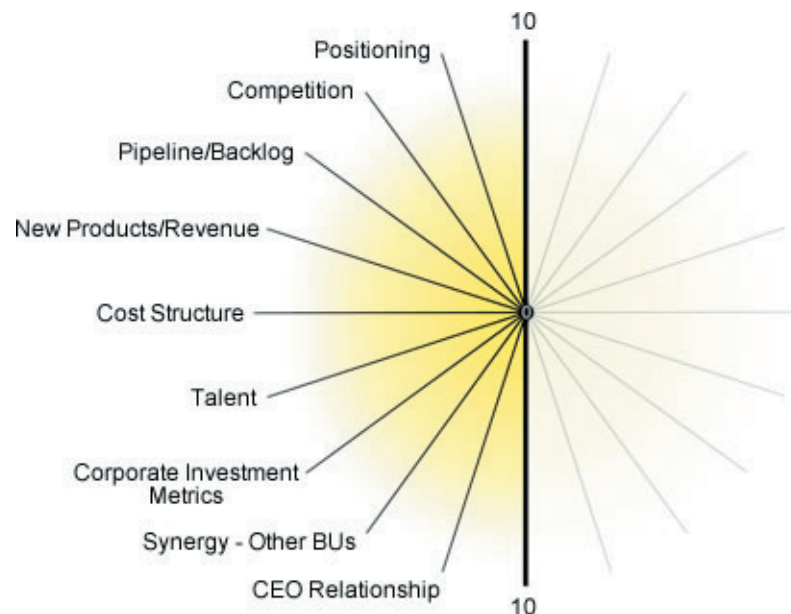
Andy and I first met when I was serving as an advisor to the Senior Vice President of his division at his former company. Remembering that relationship as productive, Andy called me to see if we could sort out the dilemmas he was facing.

To get to the heart of the problem, I suggested he build a baseline map of the key issues he needed to manage. Andy identified the following:

### Strategic positioning

- Competition and customers
- Revenue: pipeline, backlog, and client relationships
- New sources of revenue: new offerings, IP rationalization, innovation
- Profitability/cost structure
- Talent (it's critical to the business and managing "creatives" is different)
- Changing corporate investment/metrics
- Synergy with other business units
- Changing relationship with his CEO

From this list, we created the baseline of Andy's Star of Complexity™ Map, which appears below.



Next, we analyzed how Andy thought about the issues. Leaders today must extend their abilities to integrate new and old information, plan more flexibly and redefine the way they understand their job, company and marketplace. In order to accomplish this, leaders must develop mastery in three basic types of thinking: application, expert and exponential thinking. *In the integration of all three kinds of thinking*, leaders like Andy find their ability to successfully deliver results over time.

### **Application Thinking: Mapping the known onto the unknown**

Application thinking is commonly used when one is focused on planning and implementing well-understood methods in ways that yield applicable results. People skilled at this type of thinking can readily use known methods and solutions, identify the characteristics of a problem and with the benefit of experience and history, find a solution. They are adept at understanding and using variations and configurations, and are expert in methods and experience in implementation. The goal for application thinking is replicable results.

### **Expert Thinking: Invoking Deep Understanding of a Subject**

Going one step further, expert thinking is found in people who have developed deep understanding and expertise in specific fields of knowledge, such as markets, technologies, disciplines or theoretical constructs. In business, expert thinking is brought to bear when challenges and issues are new or unique and don't fit easily into a solution by a known method. In many cases, these issues have a highly technical component (e.g., finance, legal, economics, operations, technology, science, human dynamics). Approaching the issue from their specialty, expert thinkers bring new perspective to diagnosis, and the technical knowledge and problem-solving abilities to develop customized approaches and solutions. The goal of expert thinking is innovative, custom solutions.

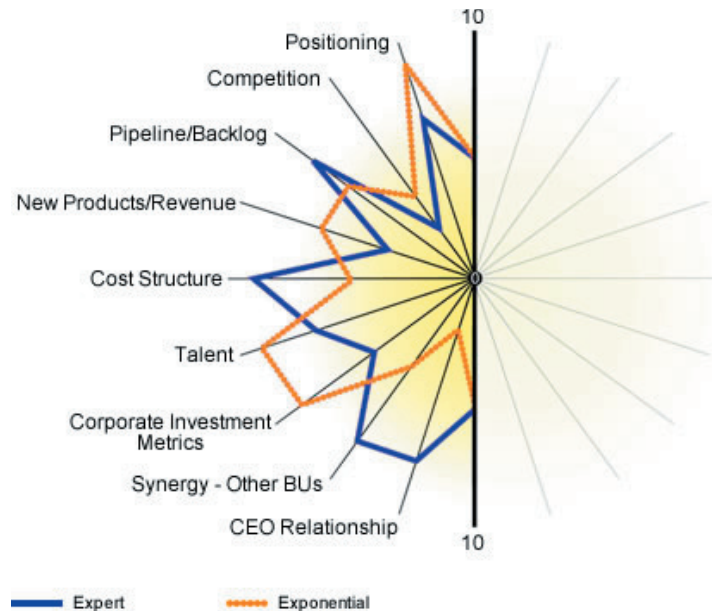
### **Exponential Thinking: Exploring new terrain with new frameworks**

Exponential thinking is integrated, comprehensive, big picture thinking. You turn to exponential thinking when seeking a "sounding board" on all sides of a complex issue. Exponential thinking builds on techniques like "double loop" learning (Argyris) and systems thinking (Senge). This is where you systematically challenge hidden assumptions and habitual responses. In exponential thinking,

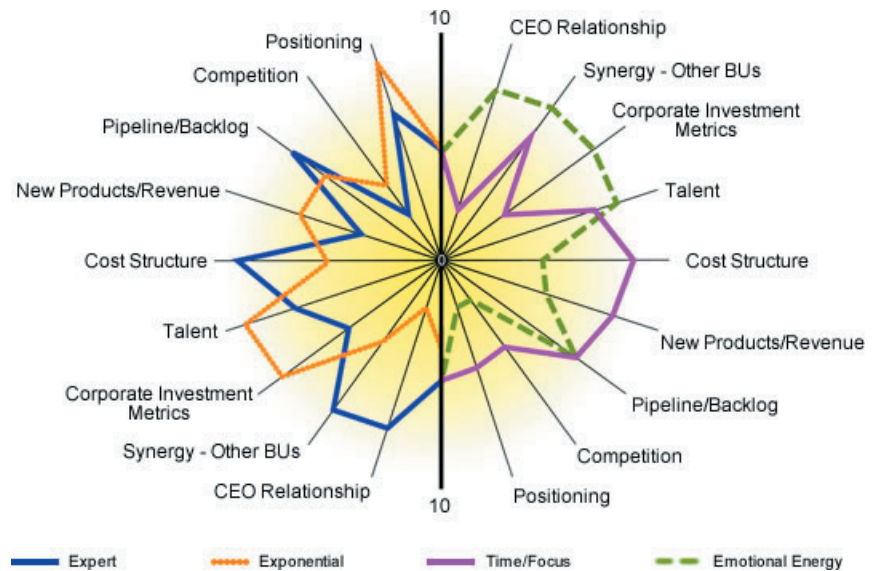
you apply expertise to solve unique problems by leveraging the dynamics of complexity and interdependency. The goal of exponential thinking is insight regarding the nature of the complexity.

### Andy's Map of Complexity

Andy's next step was to map his own expert and exponential abilities for each of the arcs on his map. He rated this ability on a scale of 0 – 10 for each arc (10 representing highest ability) and drew them as follows:



Finally, he completed the last part of the map. Identifying where he was spending his time and emotional energy, Andy rated this dimension for each arc, drawing the issues on the right side of the map in reverse order.



This exercise was worth the effort, revealing how his thinking, time and energy were spread across his key issues. For Andy, several major insights were revealed.

Andy’s “Synergy” arc showed that he had rated himself high on expert thinking, low on exponential thinking, high on emotional energy and fairly low on time spent on this issue.

This was at first surprising to him. Andy took the job believing he could create value and results by getting fast traction with synergies with other business units. But he was stuck. With high expertise and low exponential thinking, a breakthrough was needed. He spent considerable emotional energy on this (knowing it was key to long term success), but was spending perfunctory time actually working on it because he was unsure how to make it happen. His first attempts had not gone well and in fact, he felt rebuffed internally and across boundaries.

The second major insight was the interdependence of these different arcs... how action on one had unintended consequences on others.

From the map, Andy realized that his big three initiatives -- branding, products and people -- had to be integrated. Real work had to be done with his team to align them to face the changes in business conditions and assumptions about the business.

Andy's map revealed that he needed to learn much more about the business itself and his energy had to shift significantly. The leaders in his new division were keenly sensitive to their new bosses' reactions and had sensed his apprehension as a lack of excitement about their work, a source of unspoken discouragement.

Finally Andy saw that he needed help in understanding the CEO's changes in attitude. He had become isolated. Though he had great thinking partners from other parts of the company in the past, he rightly felt it was unwise to expose his current questions. He needed to cultivate a new thinking circle to tackle the challenges at hand.

### **Learning From Andy's Insights**

From my many years of research and practice, I've learned that when you lead:

- no one will ever hand you an inner circle that is right for your leadership, AND
- no one will stop you from creating this for yourself and your leadership.

Many leaders fail to surround themselves with the right network of advice and counsel. It may be a boost to surround oneself with 'yes men', but is that productive for the organization? Usually not.

As Andy began to think exponentially about the complexity of his challenges, he resolved to initiate four major changes:

1. Build relationships inside and outside that revolve around getting to know the new field of expertise: In order to deepen his understanding of the specialty work created by his team, Andy formed a small, informal advisory team with two top people in his firm, as well as two prominent experts in the field. He asked them to participate in a series of two-hour meetings to develop his perspective, his ability to understand and ask probing questions, and his general fluency in the content and context of the work. This immediately shifted his emotional energy – something everyone welcomed.
2. Question Assumptions and Restructure: Andy restructured his approach and brought together the branding, product and people initiatives that were highly interdependent. He engaged the entire management team in a joint inquiry regarding fundamental assumptions about the business drivers and external environment, allowing them to bring creative ideas to the table and commit to them collectively. They managed to reduce costs and scored big in hiring some of the best talent away from another firm.
3. Integrate Third Opinion Counsel: Andy needed perspective from outside the usual company dynamics. I initially agreed to think with him about how to create greater synergy within the firm: understanding the underlying business issues, cross boundary and governance challenges, and how his leadership role affected the prospects. I also introduced him to people in other firms who had successfully faced similar questions of creating synergies across business units – and over the next few years, I saw him once a quarter for big-picture complexity review.
4. Gain CEO Perspective: In order to help him think about the changes he was experiencing in relation to the CEO, Andy contacted a retired senior executive from the firm and asked for his mentorship.

Over time, Andy and his team were successful in growing and integrating their business. While initial synergies with other business units primarily consisted of cross selling to existing clients, within 18 months, they jointly developed a new product with two other business units that led the market and fueled 40% annual growth for the next three years. Looking back, Andy acknowledges that if he had not learned how to map complexity and build the right teams for challenging thinking, he would not have created this success.

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