

Workshop

VUCA – Effects on Leadership and Organizations

World Conference of Transactional Analysis

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„If you don´t know where you want to go to, then it doesn´t matter, which way you go.“ said the Cat at the crossroad to Alice in “VUCA – land“.

Effectuation

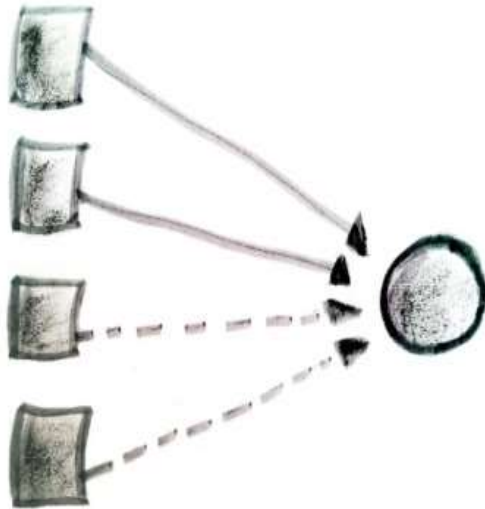
- A method, to remain capable of acting in „VUCA -Times“ dealing with uncertainty.
- Based on Entrepreneurship-Research / cognitive research (Saras Sarasvathy / Herb Simon)
- An independent logic (In contrast to causal management logic)

Effectuation

- describes how expert entrepreneurs think, decide and act
- is utilized often unconsciously
- is based on four principles which are easy to use
- adds agility to classic management logic
- is evolved from current results of entrepreneurship research by Prof. S.D. Sarasvathy, U of Virginia

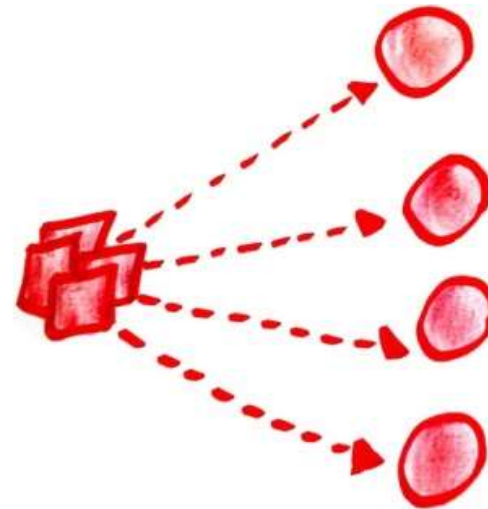
1. The bird-in-hand principle

Management



Target-oriented

Effectuation



Resource-oriented

Resource orientation

Start with your existing resources (who am I/ what I know/ whom I know) not with „mystic targets“. Begin with feasible easy steps. That is practiced solution-oriented-approach and makes things hum!

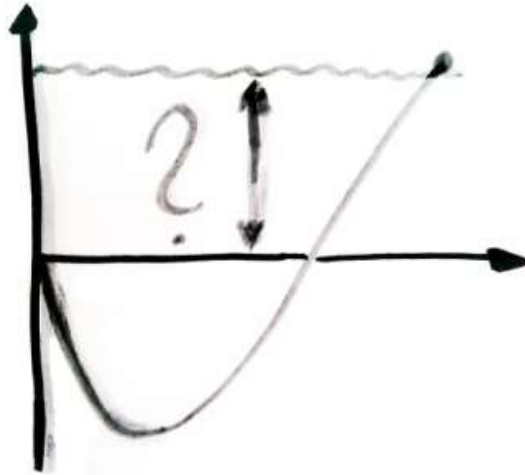
The FREITAG – Story

- two brothers
- looking for functional, water-repellent and robust bag for the bikes
- what they had:
truck-tarpaulins, bicycle inner tubes, car seat belts



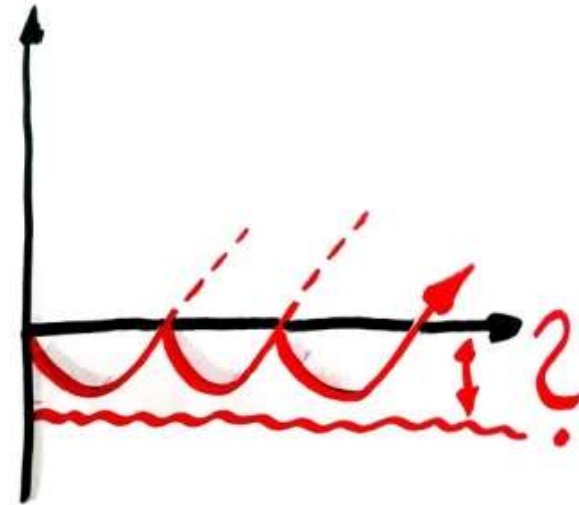
2. The affordable-loss principle

Management



expected outcome

Effectuation



affordable loss

Affordable loss

Orient your input to what you are willing to lose. That makes risk calculable and simultaneously delivers necessary openness and courage to set things in motion. Proceed step by step without risking everything.

The AGILYX – Story

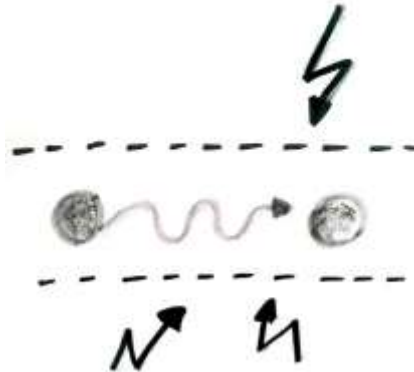
- Kevin DeWhitt, degrees in chemics and physics
- take plastic waste and turn it into crude oil
- a wife who understood him
- 2 years without generating any income
- five kids in the house
- decisions about spending money and investing time where guided simply by what he could afford



3. The Lemonade principle – leverage contingencies

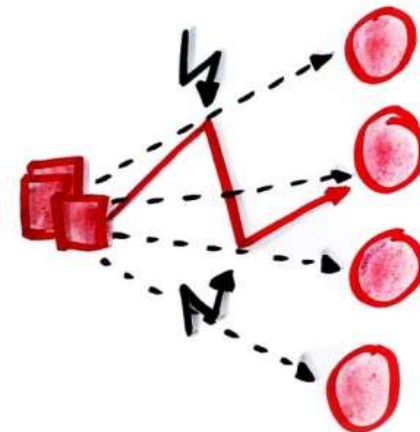


Management



risk management

Effectuation



management by coincidence

Management by coincidence

Agile approach creates space to grasp opportunities. Complexity and uncertainty are part of our normal, everyday business. We can not prevent them but we can learn to deal with it professionally.

The Microwave – Story

- Raytheon Engineer
- stood in front of an active magnetron when a chocolate bar in his pocket began to melt



The Post-it – Story

- The adhesive formula was a mistake, and was supposed to be super-strong



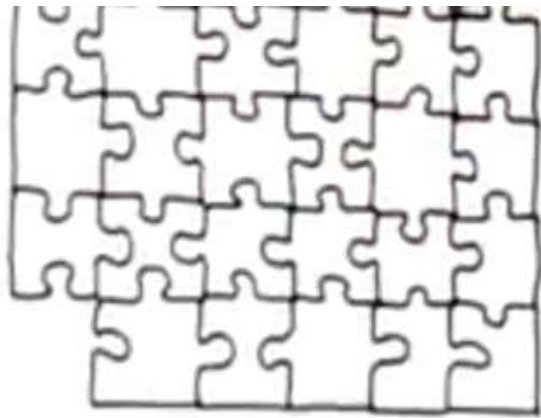
The Viagra – Story

- Started out trying to be a heart-medication



4. The crazy quilt principle: Form partnerships

Management



find the „right“ partners

Effectuation



commitment from stakeholders

Commitment from stakeholders

Early involvement of possible internal and external stakeholders creates additional know-how, more ideas and new potentials which support and sustain realisation over the long term.

Chemistry shows us how to do it:

Through combining Hydrogen (H) with Oxygen (O) something new is created:

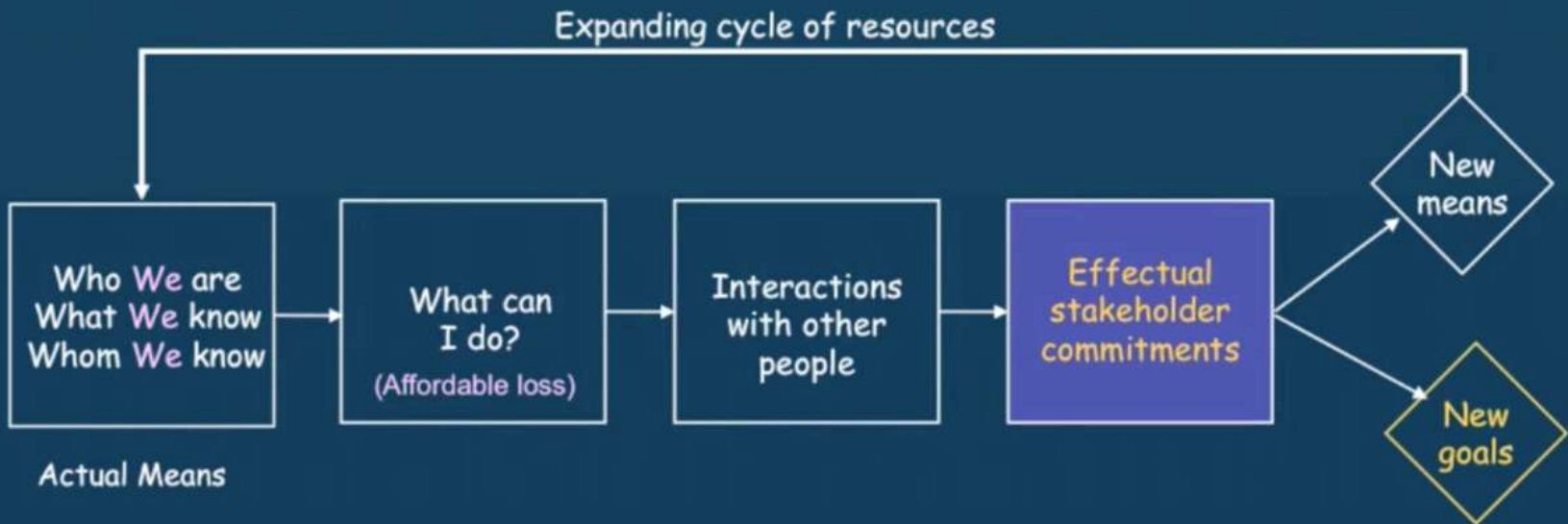
Water (H₂O)

transforms the characteristics of both gases to something original with new characteristics



Effectuation in action

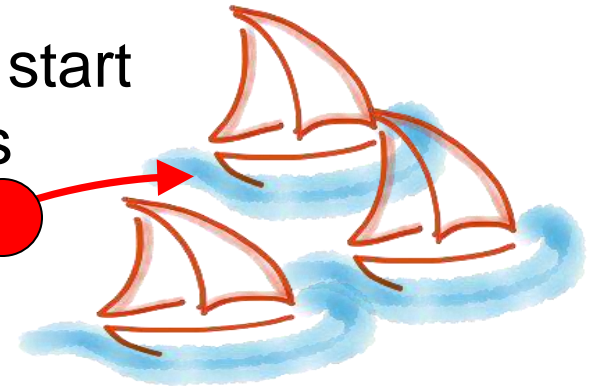
Dynamics of the effectual network



Market of makers

M. Faschingbauer

3. Define and start speedboats



2. ASKs in the market:
Who comes on board?
Contributions?
5 min p.pers. / totally 10 min



1. Develop ideas for
effectual ventures
5 min





„Alice says: „Where I want to go to, I don´t know, and I do not care, as long as I arrive somewhere!“.

Cat: „You will arrive somewhere with certainty, if you only walk long enough“.

Alice: „Who actually lives here in the area?“

There are two kinds of failure, one is you start something and you fail,

another one is you don't start something and you never fail.

That is another kind of failure.

Saras Sarasvathy

Sources / pictures / links:

www.effectuation.org / Stuart Read / App

www.effectuation.at / [.ch](http://www.effectuation.ch) / [.de](http://www.effectuation.de)

www.faschingbauer.at

www.effectuation.nl / Thomas Blekman

www.niederholz-partner.de

Carol Lewis: Alice in Wonderland / Walt Disney Pictures

Graphic ideas from Michael Faschingbauer

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