




Strategy models and frameworks

VACU Model & Analysis

	Decreasing understanding, increasing unpredictability 			
	Volatility	Ambiguity	Complexity	Uncertainty
What does the future hold?	One probability, sometime	A few possibilities	Lots of possibilities	Anything's possible
Challenges 	Know what will happen but not when	Dilemmas, dichotomies, alternatives	Too many moving parts, too many interactions	Confusion and complete unpredictability
Solutions 	Have better sensors & build in more slack	Do more tests / experiments	Get more / better knowledge expertise	Get more / better information

The VACU Model* enables analysis of risks, or issues of concern, in terms of their Volatility, Ambiguity, Complexity and Uncertainty. Applied to strategy, the VACU Model demonstrates that future possibilities, with different degrees of understanding and predictability, present different challenges and are therefore best managed using different solutions.

The VACU Model and VACU Analysis template feature in Goal Atlas Director, Mike Baxter's book '[The Strategy Manual: A step-by-step guide to the transformational change of anything](#)' and are also covered in our [Strategy Master Workshops](#).

See all our models and sign up for updates at goalatlas.com/models.

*The VACU Model is adapted by Mike Baxter from the VUCA framework attributed to General Maxwell Thurman.

VACU Model & Analysis

How to use it:

A critical theme in building any type of strategic adaptability is understanding and anticipating the future. For any given future risk, opportunity or issue of concern, volatility, ambiguity, complexity and uncertainty, as ordered in the VACU Model, can be used to represent different types of unknowns and different ways of turning ignorance into insight. The VACU Analysis template can be used to analyse each issue to identify the type of future challenge being faced, and the appropriate solution to effectively adapt to the associated levels of uncertainty and unpredictability.

Explanation:

The VACU model is a minor but significant adaptation of the VUCA framework (Volatility, Uncertainty, Complexity and Ambiguity), which is cited frequently by online sources and usually attributed to General Maxwell Thurman of the US Army who, in 1991, characterised "the strategic leadership environment in terms of volatility, uncertainty, complexity and ambiguity." Ordering the acronym as VACU rather than VUCA allows the themes to follow a continuum of decreasing understanding and increasing unpredictability about the future.

Volatility

When an issue is volatile, you know it is likely to happen, you just don't know when, nor for how long. In which case, you may be able improve your surveillance capabilities. The sooner you know things are about to happen, the better you will be able to respond. If that isn't possible, you may be able to build greater resilience to withstand the stress, even if it arrives undetected.

Ambiguity

In ambiguous situations, there are only a few possibilities, but they all seem equally probable. In which case, the time may have come for small scale tests and experiments. Minimum viable products may need to be prototyped. You need to get out of the office and start asking customers key questions.

Complexity

If an issue is complex, there are lots of moving parts and lots of interactions between them. Out of that comes too many possibilities and insufficient insight into which of the many possibilities are plausible, which are probable and hence which you should plan for. The solution is likely to come from greater knowledge and expertise: does experience of similar situations in the past lead to a set of more (or less) likely outcomes?

Uncertainty

Under circumstances of uncertainty, anything's possible. Issues are typified by high levels of confusion and complete unpredictability. In which case, what is needed is more information or better information. The more that a confusing situation can have its causes and effects identified and named, the more likely it is that these causes and effects can be connected.

Representing unpredictability in this way prescribes what to do in response; e.g. in volatile situations, have better sensors, whereas in complex situations, get more or better knowledge and expertise.

Strategy:

Prepared by:

Date:



VACU Analysis

What is the issue?

Where does the issue lie on the VACU continuum?






Decreasing understanding, increasing unpredictability

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So, what do we do about it?

VACU Analysis: Downloadable Image Asset

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