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Everything Happens So Much (Last of Three Parts)

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While the expected pace of Fed cuts has slowed, nothing suggests a change in direction. This course suggests a re-assessment of which strategies deserve allocations. Who will be the winners and losers? How does our high velocity environment complicate these decisions?

One speaker at the GEF spoke about how managers find themselves increasingly behind the curve. This puts them in "a reactive, off-balance mode, unable to anticipate and capitalize on trends." The result is "suboptimal decisions: blunt, defensive, and tactical."

Finally, in a world of ever-changing workplace conditions, talent management becomes challenging. Workforce optimization is a moving target because skillsets are so varied and attitudes generational. Ever-present is the risk of disruptive cultures from leadership not setting consistent values. These dynamics all impact execution in ways that are difficult to undo.

With much shorter windows in which to make decisions, companies and investors are pressed to adapt. In his book *Agility*, Leo Tillman details how agility – the "ability to detect and assess changes in the competitive environment in real time and then take decisive action" – is crucial. At the forum, Tillman said leaders first need processes and systems to get critical data. Then they need assessment tools to compare and analyze alternatives of different natures.

Capabilities live within a culture. The right mindset is required to react effectively to disruption. Unfortunately, many organizations lack the sense of urgency. This works against them. Why? Because extinction is slow. It takes decades to lose market share. With C-suites and employees consumed with day-to-day work, strategic decisions get postponed.

In this environment, Tillman suggests, sustaining best practices is problematic. Strategic planning tends to be static and conducted annually. If these plans aren't linked to risks and how they can be derailed, it's tough to assess how achievable are. Organizations are often misaligned. Like the military, the combination of bottom-up empowered execution and top-down planning is more successful. Risk management, he concluded, is observable, measurable, and manageable.

Mark Burgess of the Australian Retirement Trust found real strengths in the US. The thing we have compared to the rest of the world is a default posture for growth, for demanding work, and for success. This energy should allow us to overcome issues such as the turbulent political climate that would be problems for other countries without the work ethic.

And as *The Economist* recently noted, the US economy is "on a roll." This performance includes the rise of median income relative to other countries, the "massive magnet of the American economy" for working immigrants, and tech and energy businesses "doing better than peers around the world."

A timely question remains: How much will higher costs of living for some working-class Americans, who may not feel the economy's benefits, impact that political climate?