

STRATEGIES FOR RIDING THE WAVE OF DISRUPTION

Positively impacting the outcome of economic transformation

Coming back to our question: why are we talking about sustainability today? Is doomsday upon us? Has moral consciousness grown? Or are we in a disruptive period of economic transformation? While there are no doubt elements of all three at play, focusing on fear and judgement can be paralyzing. In contrast, contextualising sustainability as an economic state forming part of our evolution is empowering. We're all part of this journey, each with a unique role to play. The question then becomes how best to carry out that role. To answer that question, let's explore three short exercises.

1 // DISTINGUISHING STRATEGIC ACTION FROM PERSONAL CHOICE

We often associate action on sustainability with the personal choices we make as consumers. This partly comes from our sense of morality—the desire to walk-the-talk living life in alignment with our values. Ditching plastic straws feels virtuous—the perfect balance to whatever vice we may be drinking. Making personal sacrifices also reflects the historical advice of advocacy organisations. In the absence of competitive alternatives to industrial ways, the moral appeal has been one of 'industrial abstinence.'

However, industrial incumbents have also invested billions of dollars in shifting the focus to individual responsibility. Why do we believe the number one solution to the climate crisis is recycling? The oil and gas industry. Why do we fear saturated fats? The sugar industry. Why did we believe cigarettes were harmless? The tobacco industry. Misinformation campaigns are highly effective deflection tactics.¹

That's not to say personal choices aren't important. For example, they provide a low-risk way of familiarising ourselves with modern activities, whether that's switching to a renewable energy provider, e-hailing a shared electric car or ordering a synthetic burger. Making these choices helps shift demand. However, personal choices are a luxury. If we all had these choices to make, we would already be living in a modern economic system...but we're not. **We first must work to get off the path of industrial collapse and onto the path of modern advancement.**



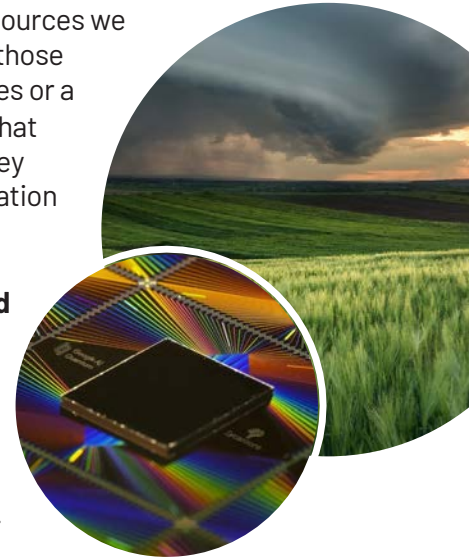
In that regard, side efforts aren't sufficient. **Riding the wave of disruption means strategically and holistically allocating resources in line with systems change.** What those resources are and where, how and when to deploy them differs for everyone.

2 // IDENTIFYING CURRENT EXPOSURE TO DISRUPTION

Time, money, expertise, passion and influence: these are the resources we allocate on a daily basis. Where are you directing the majority of those under your control? Do they support industrial or modern activities or a mix of both? For the areas with a high resource concentration, what disruptive changes are likely to have the greatest impact? Are they headwinds or tailwinds? Every area is subject to a varied combination based on type of activity, sector and geography.

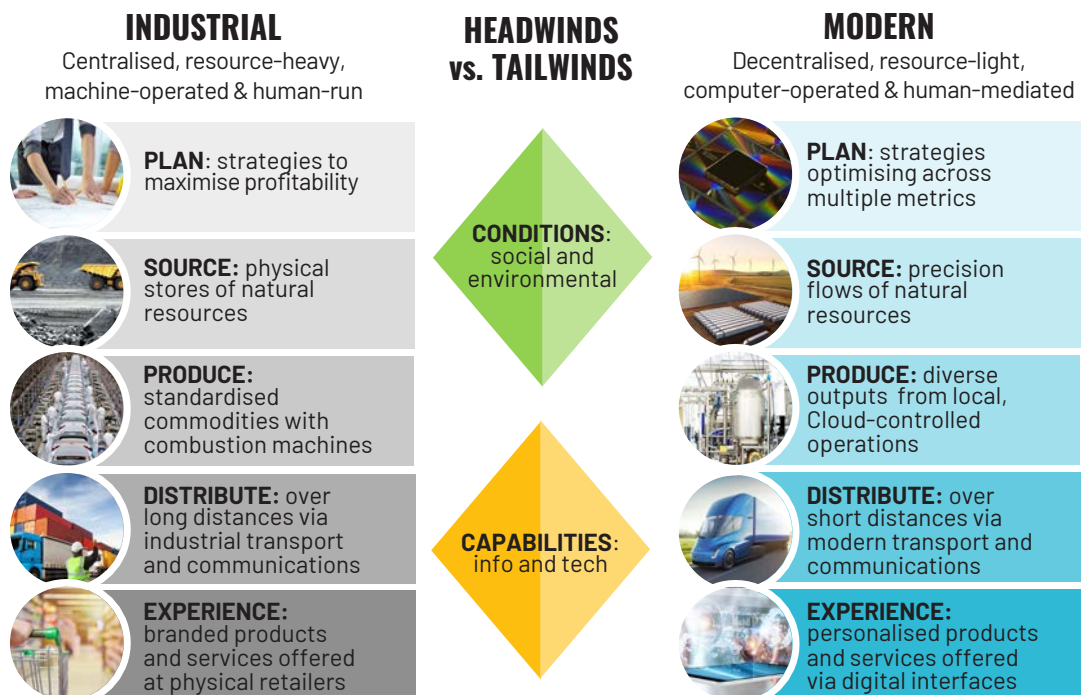
The answers to these questions reveal not whether you're bad or good, right or wrong, but rather how you're personally positioned relative to the risks and opportunities of the Disruption Decade.

Once we know our current positioning, we can then begin to reposition ourselves to mitigate risks and magnify opportunities.



EXPOSURE TO DISRUPTION

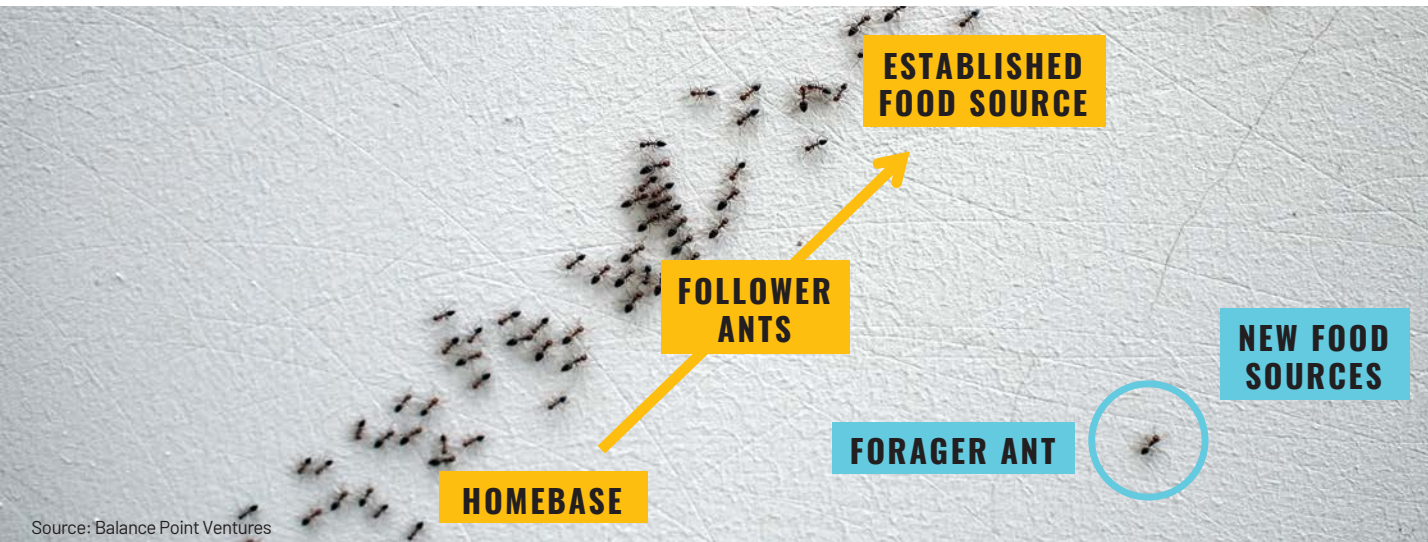
MODERN VS. INDUSTRIAL ACTIVITY // TAILWINDS VS. HEADWINDS



Source: Balance Point Ventures

3 // STRATEGICALLY REPOSITIONING, ONE STEP AT A TIME

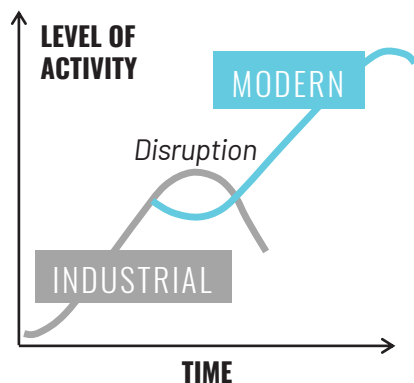
This brings us to strategic action and an unlikely source of inspiration: ants. Within each ant colony, there are two types of ants: follower ants and forager ants. The role of followers is to move along a pheromone trail from their home base to an established food source. They never stray from the known. Forager ants, however, do the opposite. Their role is to constantly scout for alternative food sources in order to lead the colony on a new path forward once the established source runs out.² **Based on your current resource allocation, are you more of a follower or forager ant?**



Source: Balance Point Ventures

If we continue down the trodden path of industrial economy, we will head into a state of collapse. However, if we instead pilot and pioneer new ways on the path to a modern economy, we will enable advancement. Author and social philosopher Charles Handy calls this 'jumping to the second curve': sensing imminent decline and making a leap even in the face of uncertainty.³ But what does this look like in practice?

THE SECOND CURVE THE INDUSTRIAL TO MODERN LEAP



Source: Handy, C.; Balance Point Ventures

In 'Think Like a Leader, Act Like a Leader' author and organisational behaviour expert Herminia Ibarra challenges the conventional approach of developing a comprehensive plan before acting. She instead advocates trying out different approaches just like you might try on different outfits before choosing the best fit. She advocates learning through experience and constant iteration. In other words: trial and error.⁴

This aligns with the approach global meatpacker Tyson foods has taken in response to imminent disruption from synthetic modern meats. The company's first step was to invest into a selection of leading players, including Beyond Meat and Upside

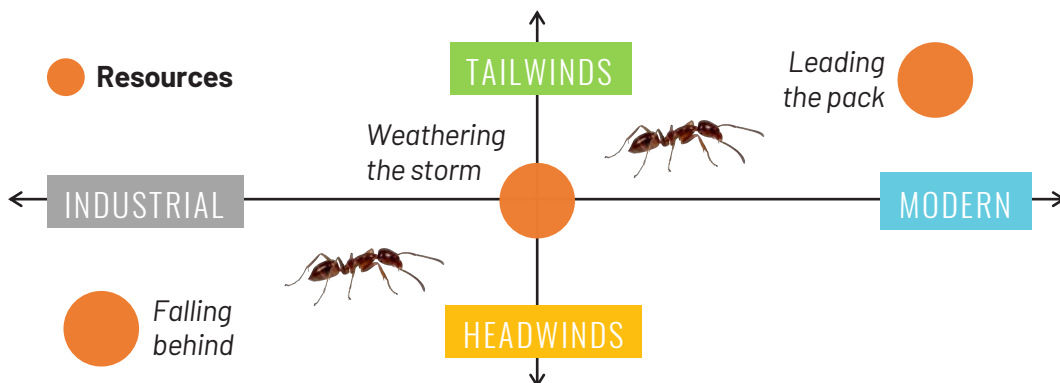
Foods, through its venture capital arm. From this experience, Tyson gained insight into all aspects of the business from extracting proteins from plant substrates to marketing to GenZ and Millenials. It then applied this learning to its own brand, Raised and Rooted.

Tyson has subsequently divested from Beyond Meat in order to invest in other areas, such as mycoproteins and cultivated meats--the next outfits to try.⁵

Taking inspiration from Handy, Ibarra and Tyson Foods, how might you strategically reposition away from areas facing the greatest threats and towards those benefitting from the strongest opportunities? What pilot projects can you send out into the world as forager ants?

STRATEGICALLY REPOSITIONING

MODERN VS. INDUSTRIAL ACTIVITY // TAILWINDS VS. HEADWINDS



Source: Balance Point Ventures

SUMMARY

Just as the 'Captains of Industry' during the 1870-1900 Gilded Age made the key decisions determining our industrial way of life, a small number of people during the Disruption Decade will make the key decisions determining the modern way of life.⁶

This includes not just *our* lives, but *all* lives. From the micro to the macro to the mega level, we are connected in a complexity of ways we are only just coming to understand.

What role do you wish to play in the 2020s Disruption Decade? The pressure is on, the stakes are high. Now is the time for strategic action based on a systems view of sustainability. Now is the time to creatively and boldly pioneer new ways on the path to a modern economy. Now is the time of forager ants.



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