



## **Transformation, Not Recovery**

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Throughout the long dry summer of 1988, forest fires burned on and off in Yellowstone National Park consuming over 50,000 acres. Then, on “Black Saturday,” August 20<sup>th</sup>, the fire season in Yellowstone really began. A cold front passing through the tinder-dry park brought sustained winds of 30 to 40 miles-per-hour with gusts as high as seventy and the forest exploded. In the next three weeks, a firestorm consumed almost 800,000 acres, approximately a third of the park’s territory.

In the decades preceding this event, many of Yellowstone’s critical natural resources had been locked up in a highly stable, but decreasingly resilient, lodge-pole pine forest. The ecosystem had reached its natural limit: there was neither the space nor the free resources for significant new growth. The 1988 firestorm dramatically changed that status quo.

In the years immediately following the fire, a casual observer couldn’t help but be struck by the extent of the devastation: charred slopes stretched as far as the eye could see. But that superficial perception missed the profound regenerative process already underway. The firestorm liberated biomass and other natural resources that had been locked-up for nearly a century – and set the stage for a dramatic rebirth of Yellowstone’s ecology. New seedlings, wildflowers, and other flora and fauna were already flourishing, establishing the first stage of a beautiful and healthy new forest.

From an ecological perspective, this 1988 disaster represents a critical stage in the natural process of change and succession called the adaptive cycle. <sup>1</sup>The adaptive cycle includes four phases.

- In the *growth phase*, fast-growing entities take advantage of plentiful resources to flourish and establish dominance in the ecosystem.
- The *conservation phase* follows. During this phase a small number of successful, long-lived species “lock-up” available resources making it extremely difficult for new species to gain a foothold. Late in the conservation phase, growth slows and diversity and resilience decrease. The mature ecosystem becomes an accident waiting to happen.
- Inevitably, some disturbance (fire, drought, insects, hurricane, etc.) triggers a fast-paced *release phase* when established species are destroyed or overthrown and sequestered nutrients are freed. The ecosystem opens up to a world of new possibilities.
- Following this gale of creative destruction, the ecosystem moves into a *renewal phase* where pioneering species may enter and establish a foothold. This, in turn, sets the stage for the next *growth phase* and the cycle continues.

Early in a renewal phase the future is up for grabs. One path results in a simple repetition of the previously established order. Another way results in the collapse of the ecosystem into a degraded state. But, a third possibility leads to a new pattern of growth. The start of a renewal phase offers a welcoming environment for both pioneering and previously suppressed species. Small numbers of both types of entities can combine into novel configurations offering a range of new possibilities. Many of these “experiments” fail, but survivors may evolve and dominate a new growth phase, driving the ecosystem up to a new, higher fitness level.

Fast-forward to 2009 and the financial firestorm that has just swept through our economy. From an ecosystem viewpoint, we have just moved through the creative destruction of a rapid “release phase.” This situation confronts professional design firms with significant challenges.

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<sup>1</sup> (1.) For additional perspective about the “adaptive cycle” read, *Resilience thinking: Sustaining Ecosystems and People in a Changing World*, Brian Walker and David Salt, Island Press, 2006.

Traditional resources (revenue streams from mature markets and capital from lending institutions) have either disappeared or been threatened. Well-established industry structures, roles, and processes have been thrown into a chaotic state.

As we enter into the “renewal phase” professional design firms face a stark choice. Will your firm hunker down and hope for a quick recovery to the previous status quo? Will you do nothing and risk a collapse into a state where professionals are even worse off than they had been in the conditions prevailing before the crisis?

Or, will your firm actively engage in the emergent renewal process, pioneering new possibilities and leading the design and construction industry--and society--toward a brighter future? If you choose the latter, what actions might you consider?

Give your staff a flag to rally around in these hard times--a vision of the future to orient and unite them. Your firm’s higher purpose--describing the way in which the organization contributes to society, regardless of the direction in which the renewing ecosystem evolves--can provide this rallying point. The nobility of intention expressed in your purpose can create energy to propel your firm forward even in the face of adversity. Articulating a noble purpose can also be crucial for engaging the spirit of social entrepreneurship held by many younger professionals.

Given the extreme uncertainty of the early stages of a renewal phase it is difficult to forecast how the ecosystem will evolve. Fortunately, you don’t have to. Instead, prepare your firm to respond to whatever future unfolds. One of the best tools for accomplishing this is scenario planning, the discipline of imagining multiple futures and mining those future scenarios for robust strategies. It can also be used to create “memories of the future” that will increase the ability of your leadership team to notice and react swiftly to unfolding conditions.

Build your firm’s agility and flexibility. Dismantle bureaucratic processes, systems, and structures that may have been useful for controlling the firm during the previous growth phases, but may now stand in the way of innovation and entrepreneurial initiative. Empower your staff

at all levels to monitor the changing environment. Engage in on-going dialogue with both staff and other firm stakeholders to make sense of unfolding conditions and to identify new opportunities.

During the release phase, many of the tight connections between entities in the mature ecosystem will have either been severed or significantly weakened. This creates new opportunities to connect and collaborate with both established players and new entrants in different ways to explore the emerging landscape and identify novel value propositions. Potential collaborators include clients, contractors, manufacturers, government and regulatory authorities, NGOs (non-profits and social entrepreneurs) and academic research institutions. Don't be constrained by traditional roles and boundaries.

This is also a time for professional entrepreneurship. During the renewal phase, pioneering efforts that would have been overpowered or entirely locked out of the mature ecosystem have an opportunity to take root. This is not a time for strategic sharp shooting—aiming at specific targets for focused initiatives. Rather, it is a time to plant lots of seeds. Give them a chance to germinate, protect them from the normal business controls that may have served you well prior to the firestorm. See what flourishes. Prune, but learn from, the losers. Nurture and grow the winners.

Today, the first green shoots are rising from the ashes of the firestorm that swept our economy. The future is up for grabs, but not for long. Will design professionals seize this opportunity for transformation? Will leaders in firms mobilize people, inside and outside their firms, to tackle tough problems in new creative ways? If so, we can look forward to the long, generative growth phase to follow, bringing with it a brighter future for our professions, industry, and our world.

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