



Strategic Positioning in Turbulent Times: Five Essential Questions for Leaders

By Patrick Viguerie

Key Takeaways

- To navigate uncertainty effectively, companies should shift focus from trying to predict the future to purposefully positioning themselves for it.
- Using key questions, leaders can clarify exposure and opportunity, surface hidden assumptions, and align their teams around deliberate, strategic actions.
- This intentional approach enables companies to enhance resilience, maintain flexibility, and secure enduring advantages.

Leaders are facing a moment that demands a reset. When uncertainty spikes to such extremes, as it has from President Trump's tariffs and policy shifts, the first step is to intervene and ask: What has changed? What decisions are already in motion? Where do we need to reframe our view of what's happening?

That's a mindset shift. Not toward bold predictions, but toward positioning, resilience, and the capacity to move with purpose in an extraordinarily unpredictable environment.

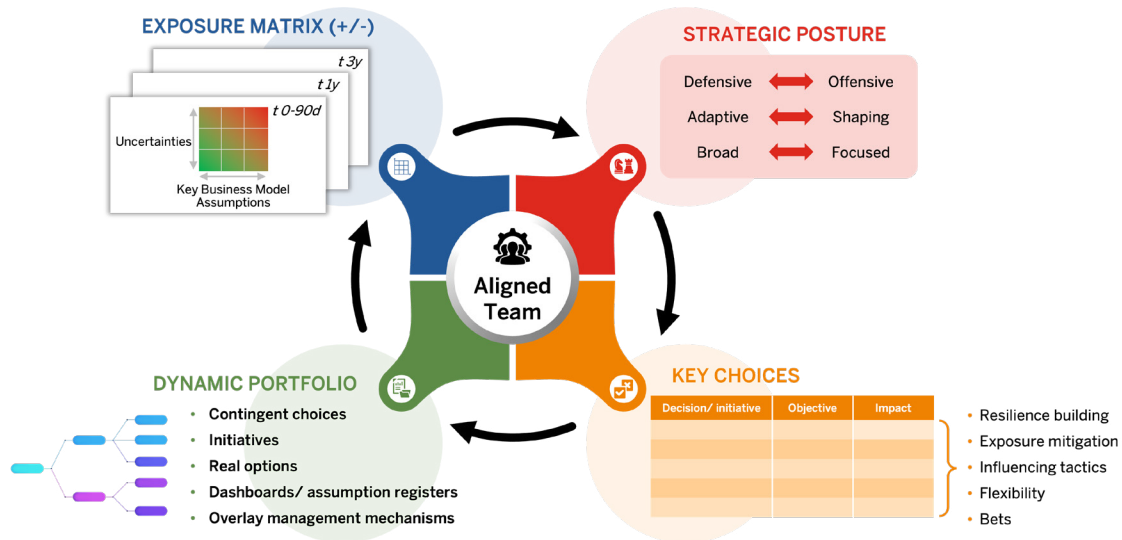
While the urgency of the moment is driven by tariffs and trade, this disruption isn't just about

trade. The **forces reshaping** the business landscape – geopolitical instability, deglobalization, energy policy, and rapid advances in technology – are profound and converging with intensity, causing deep social and institutional shifts. These conditions make it all the more important for leaders to build organizations that can navigate uncertainty in a rapidly changing environment.

This article offers five critical questions to help companies respond strategically. They are designed to surface hidden assumptions, clarify the company's strategic posture, and create a clear

The Five Focus Areas for Positioning

This graphic shows the five key areas where leaders need to focus as they develop the questions that will drive their future strategy.



basis for making deliberate choices that strengthen organizational resilience.

1. Where are we exposed?

Understanding exposure is crucial. It reveals where companies are most vulnerable in periods of extreme uncertainty, and where they have the most leverage to act.

Developing these insights starts by identifying the **core assumptions** embedded in the business model. These often go unspoken, but they shape how the company operates day to day. Consider a U.S.-based consumer goods company that depends on inputs that must be imported, like a chocolate maker whose primary raw material is cocoa beans. It must source and import these inputs at viable rates to remain operational.

Broad tariffs and a weaker dollar both create significant headwinds, driving up input costs and squeezing margins. What assumptions has the company made about sourcing raw materials?

About inevitable currency fluctuations and commodity price cycles? About how much volatility it can absorb, or pass through to consumers? This data often appear in financial forecasts or procurement models, even if they're not explicitly labeled. Leaders can surface them by looking at the variables that matter most to performance and asking what happens if they shift.

The company can then pressure-test these assumptions by asking questions like: What happens to margins if the dollar continues to fall, and how quickly can we respond? What if tariffs rise again next quarter, how much cost can we absorb? What if pricing can't keep up with costs, how do we find offsets? What potential upsides should we monitor, like the impact of tariff reductions, or falling cocoa prices if global demand weakens?

Time is another critical factor. While the priority may be building resilience now, companies also need to consider how today's responses shape future exposure, and the effects of temporary versus long-term shifts in key assumptions. As they

pressure-test assumptions, leaders should look beyond the next quarter and weigh the second- and third-order effects of potential moves. They should also consider where uncertainty may create opportunity. This includes examining how market dynamics and strategic choices could evolve, and what that means for the company's long-term position.

Each question puts pressure on the assumption and reveals how much risk it carries. This is not about predicting the future. It's about understanding how uncertain conditions affect today's performance and decisions, where the company is most exposed, and the value-at-stake, if things shift further or resolve.

2. How do we align our team?

Alignment is especially important in times of extreme uncertainty, when a company is managing business disruption and deciding how to respond. Before a team can move forward together, it has to see clearly where its views converge, where they diverge, and how leaders are prioritizing issues.

Organizations **create alignment** by bringing leaders together to share interpretations of what's happening and start building conviction around what matters most. One global industrials company we advise, for instance, has been overwhelmed by the impact of tariffs. Because they move inputs across countries all the time, they are grappling with confusion over the new rules, how they apply, and whether they can manage passing costs to customers.

These questions cut to the core of the company's long-term strategy. While leadership has struggled to settle on a clear view of where things are headed, conversations are starting to coalesce around a few questions: Are current tariffs a signal of lasting shifts in trade policy, or a temporary spike that will subside over time? How should we adapt our operations and supply chain footprint in light of

diverging regional policies and market dynamics? Should we pause or recalibrate our global investment plans to reflect current volatility, and if so, where and how?

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To move quickly, companies can use structured conversations to test assumptions and sharpen direction. One method is the "walk-the-line" exercise, where each of the leaders stakes out their positions and explains their reasoning. These sessions are designed to reveal where interpretations and priorities diverge, so leaders can more fully understand the range of views before converging on a course of action.

At the global industrials company, company leaders might air their informed interpretations of how tariffs are impacting markets and business units differently, for instance creating opportunities to shift inputs or gain share where competitors are weak. This can lay the groundwork for forming stronger views of how the company will develop a strategy that adapts to evolving trade rules, adjusts its investment plans, and reassesses how it produces for a global market.

3. What strategic posture should we adopt?

A company's strategic posture is its deliberate stance or approach to addressing a specific challenge. It indicates whether the organization is defensive or aggressive, proactive or cautious, flexible or rigid. Posture is informed by the volatility a company faces, its capacity to respond effectively, and the strategic tools at its disposal.

Often, however, strategic posture remains implicit, only becoming clear in hindsight. When leaders consciously articulate their posture, grounded in a shared understanding of the situation and available options, the strategy becomes intentional rather than reactive. To make posture explicit, leaders should ask and answer: How much room do we have to maneuver? Where can we actively shape outcomes, and where must we adapt? Should we act now or preserve flexibility?

Addressing these questions surfaces the rationale behind strategic decisions. Companies can then make sure strategic choices align with clear, deliberate objectives. Some organizations will discover they possess significant degrees of freedom, enabling an offensive and assertive posture. For example, Apple chartered six cargo flights transporting over 600 tons of iPhones from India to the U.S. just ahead of a newly announced 125% tariff on Chinese-made smartphones. Simultaneously, it increased its output by 20% in India, continuing to diversify its supply chain beyond China, a shift that began in 2017. The company then used its significant influence to successfully lobby for a temporary exemption from the tariffs.

Conversely, others may adopt a more defensive stance, recognizing the strategic value of caution amid uncertainty. Companies across sectors have delayed billions of dollars in capital projects, citing market and regulatory unpredictability. In the EV industry especially, shifting demand, supply chain disruptions, and policy volatility have added to the hesitation. Both offense and defense can be strategic, provided the posture driving them is intentional and clearly articulated.

However, too often, defensive moves such as widespread cost-cutting and layoffs occur reflexively, without deliberate intent. Such reactions risk unintended consequences, weakening

organizational capabilities precisely when strategic clarity and strength are essential. While quick cost reductions can seem prudent, indiscriminate cuts often divert focus inward and away from strategically critical issues.

The key is making strategic posture explicit, not to predict the future but to deliberately choose how to face it.

4. What are the handful of choices we should make?

Companies can't fix everything. But they can work to tackle the most critical challenges through a small number of high-impact actions that can stabilize their business and bring clarity to their next steps.



Coherence is important. Each action should reflect the company's strategic posture, its assessment of exposures, and changes in the environment. Some actions are about building resilience, preserving flexibility and ensuring the organization can "live to fight another day." Others are about reducing the uncertainty itself, testing assumptions, engaging stakeholders, or shaping external conditions. Still others aim to mitigate risk, capture upside, or prepare for recovery when volatility recedes.

Leaders can begin by mapping decisions already in progress. Where are trade-offs being made? Which plans depend on shifting assumptions? How are different parts of the business responding to

the same signals? It's also important to ask what could go right; how to take advantage of temporary dislocations that could resolve favorably. For example, what desirable acquisition opportunities might become available to us at favorable prices? To help assemble a robust set of choices and build conviction to act, consider classifying actions into three types:

- **No-regrets moves** strengthen the business regardless of how uncertainty plays out.
- **Options** create flexibility through small, reversible steps that open paths without locking the company in.
- **Big bets** demand significant commitment and carry uncertain payoffs, requiring a higher level of confidence before acting.¹

Some teams use event trees to clarify contingent choices and link decisions to specific signals. For example, a hypothetical U.S. airline might map out how it will respond to a potential recession using conditional statements like: "If consumer spending softens and we see bookings decline by at least 5%, we will proactively reduce domestic capacity/schedule and maintain pricing levels. If load factors decline below 90%, we will take more aggressive price action." These tools bring timing, signals, and decisions into the same conversation. Scenario planning and sensitivity analysis can also help define the range of outcomes, likely impacts, and expected values.

Even in moments of severe constraint, decisive action can build lasting advantage. The pandemic created a perfect storm for performing arts: no audiences, no performances, no revenues. At the Atlanta Symphony Orchestra, where I'm currently Board Chair, a team led by the CEO determined it had sufficient reserves to survive a zero-revenue year. This enabled it to adopt a bold posture:

- It kept its musicians on payroll, in contrast with many other orchestras, while making a few targeted staff reductions and adjusting compensation through shared sacrifice to build resilience.
- It reconfigured its stage to allow for socially distanced performances, which were filmed and livestreamed, maintaining connection to patrons.
- Instead of pausing its active search for a new music director, the team was able to engage guest conductors, whose schedules had suddenly opened in a rare industry-wide shut down.

The result was a successful appointment of a new maestro and a stronger return from the crisis than most peer institutions.

5. How do we manage our portfolio over time?

Companies face a wide range of strategic choices, some focused on near-term flexibility, others aimed at digital transformation and long-term growth. These choices can be managed collectively as a portfolio of initiatives. Taking this view helps leaders track how each effort fits into the broader strategy and adapt as conditions shift.

Once a portfolio is established, the next step is to determine how to manage it strategically to reflect a company's positioning. This is the essence of dynamic portfolio management: treating each initiative as conditional, anchored in a small set of assumptions about how the environment will unfold. These might include policy timelines, customer purchasing behavior, and cost thresholds. When one of them shifts, the company needs to be ready to pause, redirect, or stop that effort entirely.

Without that discipline, companies risk pressing ahead with moves that no longer make sense or freezing altogether when volatility spikes.

This is a well-established approach used in many domains with uncertain outcomes, such as in R&D. Pharmaceutical companies manage their drug development portfolios dynamically. Each drug candidate can be thought of as a strategic initiative with high uncertainty and high potential upside. A clinical trial outcome might be a make-or-break condition.

While the company can't predict the outcome of any single item in the portfolio, it can evaluate the portfolio as a whole and plan accordingly. This means lining up capital, securing regulatory approvals, and preparing manufacturing capacity in advance, ready to go forward, pause, or shut down based on what the data shows.

Dynamic portfolio management is not about forecasting everything but rather tracking the assumptions that matter most and being ready to act as conditions develop. It's a capability that companies can build, especially now as they reassess their direction, and reset how decisions are made. The more clearly each initiative is tied to a handful of critical assumptions, the easier it becomes to see when something has changed and to move before time and capital are wasted. Given that the decision-making systems in large organizations are usually tuned to their typical operating conditions, temporary mechanisms like special councils, recurring strategic dialogues, or

uncertainty management offices can help leaders intervene amid volatility.

Swiss engineering company ABB illustrates how companies can dynamically manage initiatives amid volatility. In March, before the tariffs were unveiled, it committed \$120 million to expand U.S. operations as part of a broader long-term strategy to increase local production of electrical equipment to over 90% in key markets and reduce supply chain exposure. Following the tariff announcement, it moved to spin off its robotics division, which has annual revenue of \$2.3 billion, to better pursue a growth agenda fueled by rising labor costs, supply disruptions, and shifting trade dynamics in manufacturing.

Success in volatile environments is ultimately about positioning. It means aligning capabilities, resources, and strategic direction in a way that builds resilience and agility. The questions posed in this article are intended to guide that process. They help leaders scrutinize sources of uncertainty, examine how those factors shape decisions already in motion, and focus attention where it matters most. This approach offers more than a response to the current moment. It's a way to reset how the organization sees, thinks, and acts, so it can move with greater clarity and conviction through what comes next.

ABOUT THE AUTHOR



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ABOUT INNOSIGHT

Innosight helps enterprise leaders turn uncertainty into opportunity and thrive in a changing world. With unmatched expertise in navigating disruption, we partner closely with clients to address their most complex strategic challenges, building resilience in today's business while shaping the organization of tomorrow. Together with our colleagues across **Huron**, we align strategy, operating models, and people to drive transformation and deliver sustainable growth. www.innosight.com.

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ENDNOTES

1. Hugh Courtney, Jane Kirkland, Patrick Viguerie, "**Strategy Under Uncertainty**," *Harvard Business Review*, December 1997