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The Fourth Turning & The Corporate Strategist

*A strategic guide for Chief Strategy Officers, VPs of Strategy,
and the Senior Executives Who Brief the Board on What Comes Next*

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“It is not the strongest of the species that survives, nor the most intelligent. It is the one most adaptable to change.”

— Attributed to Charles Darwin

The most dangerous position for a large organization in a Fourth Turning is to be optimized. The company that has achieved maximum efficiency through lean supply chains, just-in-time inventory, outsourced non-core functions, and a workforce calibrated precisely to current demand has eliminated every redundancy that allowed the organizations of a previous era to absorb shocks and convert disruption into opportunity. Efficiency is a Fourth Turning liability.

This paper is written for the corporate strategist who briefs the board, shapes the long-range plan, and is responsible for the question that matters most in a period of systemic disruption: not “what are our numbers next quarter” but “what kind of company do we need to become in order to be worth something in five years.” That is the question this paper is designed to help answer.

The historical record of the last Fourth Turning — the Depression and World War II — is unambiguous: the large organizations that emerged from the Crisis stronger were not the ones that had predicted it most accurately. They were the ones that had built, through deliberate strategic choices, the adaptive capacity, the community embeddedness, and the workforce depth that allowed them to convert the disruption into advantage. Ford did not survive World War II by being efficient. It survived by being convertible.

What the Fourth Turning Means for Corporate Strategy

Strauss and Howe’s generational framework identifies a recurring eighty-year cycle: the High, the Awakening, the Unraveling, and the Crisis. We are in the Crisis phase of the current Millennial saeculum, signaled by three converging disruptions that are not coincidental but structural: the 2008 financial collapse and its revelation of systemic institutional failure, the COVID-19 pandemic and its simultaneous exposure of every fragility in the global supply chain and institutional architecture, and the fracturing of the post-World War II geopolitical order under pressure from multiple directions.

For the corporate strategist, the operative implications of Fourth Turning dynamics are four:

First, discontinuity is the baseline, not an outlier. The standard corporate planning assumption — that the future will look like the present with incremental change — is wrong in a Fourth Turning. The planning horizon that matters is not next year’s budget cycle but the five-to-ten-year arc of institutional reconstruction. The organizations that plan for discontinuity will have strategies; the ones that do not will have budgets.

Second, the assumptions baked into current business models deserve explicit scrutiny. Most large organizations are built on assumptions about regulatory environments, consumer behavior, supply chain geography, workforce availability, and competitive dynamics that were formed during the Unraveling — the preceding phase of individualism, deregulation, and globalization. Many of those assumptions are now in play. The strategist’s job is to identify which

ones your organization's model depends on most heavily, and how the model performs if they change.

Third, the relationship between large organizations and the communities that host them is being renegotiated. The social contract between large corporations and the public — that efficiency and shareholder value were sufficient justification for corporate behavior — was already under pressure before the current Crisis. The Crisis accelerates the renegotiation. Organizations that have genuine community investment, authentic workforce commitment, and a credible social purpose will navigate this renegotiation with far more latitude than those that do not.

Fourth, the workforce is both the greatest risk and the greatest opportunity. Automation and AI are displacing routine work at a pace that is outrunning the adaptive capacity of traditional education systems and most corporate workforce planning processes. The organization that treats this as a cost reduction opportunity will extract short-term value while destroying the institutional knowledge, workforce loyalty, and social license that are its most durable competitive advantages. The organization that treats it as a strategic imperative — investing in reskilling, maintaining workforce continuity through disruption, and building genuine human capability — will emerge from the Crisis with assets that its competitors cannot quickly replicate.

The Efficiency Trap

The lean, just-in-time, outsourced corporate model that dominated the Unraveling era was well-suited to its conditions: stable geopolitics, reliable global supply chains, predictable regulatory environments, and a social contract that valued efficiency above other corporate obligations. All four of those conditions are now in question. The strategist who continues to optimize for the Unraveling-era environment while those conditions change is optimizing for a world that is ending.

Six Strategic Imperatives for the Fourth Turning

The following imperatives are grounded in the historical record of corporate strategy during the last Fourth Turning and in the specific dynamics of the current one. They are not a checklist of ESG commitments or a stakeholder capitalism manifesto. They are a strategic analysis of the conditions that will determine which large organizations are worth something in 2030 and which are not.

1. Scenario Plan for Discontinuity, Not Just Volatility

The difference between volatility and discontinuity is the difference between a rough sea and a different ocean. Volatility — the $\pm 10\%$ variation in key variables that standard scenario planning models — is manageable within existing organizational structures and strategies. Discontinuity — the kind of change that invalidates the assumptions those structures and strategies were built on — is not.

Fourth Turning disruptions are characteristically discontinuous. The Depression did not produce a 20% decline in economic activity that gradually recovered. It produced a decade of structural change that permanently altered the relationship between government, business, and labor. World War II did not produce a supply chain disruption that resolved in eighteen months. It produced a permanent reorganization of the global industrial order. The current Crisis is producing changes of the same character.

Practical imperatives:

- Build a scenario library that explicitly includes discontinuous scenarios: significant de-globalization of your supply chain geography, major regulatory restructuring of your industry, dramatic shifts in consumer values driven by generational succession, the permanent disruption of a key competitive assumption. Test your current strategy against each scenario. Identify which strategic capabilities retain value across the widest range of futures — those deserve disproportionate investment.
- Conduct a business model assumption audit: list the ten most important assumptions your current business model depends on. For each one, ask: how does our model perform if this assumption changes significantly? The answers to these questions are your strategic risk register.
- Separate your planning horizons deliberately. The one-to-three-year horizon is budgetary and operational. The three-to-seven-year horizon is strategic and requires different tools — including scenario planning, wargaming, and the kind of historical pattern recognition that this paper is designed to support.

Scenario	Trigger	Winners	Losers
Supply Chain Regionalization	Geopolitical escalation forces domestic/regional sourcing	Companies with domestic manufacturing capacity or regional supply flexibility	Companies with single-source global supply chains and no alternatives
Regulatory Restructuring	Crisis-driven political realignment produces major industry regulation	Companies that engaged proactively with	Companies that lobbied against regulation and are now subject to it

Scenario	Trigger	Winners	Losers
		regulators and shaped the framework	
Workforce Displacement Acceleration	AI capability advances faster than expected, displacing significant white-collar work	Companies with strong reskilling cultures and workforce loyalty	Companies that used AI to eliminate workforce and now lack institutional knowledge
Consumer Value Shift	Millennial and Gen Z purchasing power drives demand for authentic social purpose	Companies with genuine community investment and credible workforce practices	Companies with managed ESG narratives and no underlying substance

2. Reframe Resilience as a Revenue Strategy

The organizations that thrived through World War II did not survive by cutting costs. They survived by converting — by finding the genuine intersection between their capabilities and the moment's demands, and redeploying their assets toward it. Ford built bombers. General Electric built radar systems. The corporate identity that emerged from that conversion — of competence deployed in service of collective purpose — generated customer and employee loyalty that paid dividends for decades.

The contemporary version of this question is not whether your company should build military hardware. It is: what does the next five years urgently need that you are positioned to supply? Domestic manufacturing capability, digital infrastructure, healthcare delivery innovation, workforce training at scale, climate resilience technology — each of these represents a genuine and growing market that Fourth Turning dynamics are actively creating. The strategist who identifies your organization's conversion option is identifying a revenue strategy, not a charity program.

Practical imperatives:

- Map your organization's capabilities against the categories of demand that Fourth Turning dynamics are creating: domestic supply chain alternatives, workforce development at scale, infrastructure resilience, community economic development. Where is the genuine intersection between what you can do and what the next five years will urgently need?
- Identify your organization's conversion option: the single most significant strategic pivot available to you that would align your capabilities with the most durable Fourth Turning-driven demand. This is not a diversification exercise — it is a strategic focus question. What is the one thing your organization could become that would make it indispensable to the next era?
- Build the financial case for resilience investment explicitly. The board that is being asked to invest in resilience rather than efficiency needs a model that shows the cost of fragility — the cost of supply chain failure, workforce reconstitution after layoffs, social license repair after a community relations failure — alongside the cost of the resilience investment. Make the comparison explicit.

3. Treat Your Workforce as a Long-Term Asset

The Depression-era companies that maintained their workforces — even at reduced hours through work-sharing arrangements — emerged with intact institutional knowledge, fierce employee loyalty, and the ability to scale rapidly when conditions improved. The companies that gutted their workforces had to rebuild from scratch during the recovery at enormous cost, having lost not only workers but the years of compound organizational learning those workers embodied.

This lesson is acutely relevant to the current moment, when AI-driven automation is creating the temptation to reduce headcount at a scale and pace that has no historical precedent in white-collar work. The short-term cost savings are real. So is the destruction of institutional knowledge, the damage to employer brand in a competitive talent market, and the social license cost of being seen as the company that eliminated its workforce.

Practical imperatives:

- Model the full cost of workforce reduction explicitly, including reconstitution costs, institutional knowledge loss, employer brand damage, and social license impact. In most cases, these costs are dramatically underestimated in standard workforce reduction analyses because they fall in future periods and on different budget lines than the savings.
- Treat reskilling as a C-suite strategic imperative, not an HR program. BCG's research on organizational reskilling is unambiguous: reskilling initiatives led by the C-suite with clear metrics and genuine manager accountability produce dramatically better outcomes than those delegated to HR as a program. The organization that can redeploy its existing workforce into new capability profiles is antifragile in a way that the organization dependent on external hiring is not.
- Build a genuine internal labor market. The organization with transparent internal mobility — where employees can see career pathways, apply for internal roles, and move across functions — retains talent and institutional knowledge at dramatically lower cost than the organization where the only career move is out. This is not a culture initiative. It is a strategic workforce investment.

The Reskilling Imperative

Boston Consulting Group's research across hundreds of organizations found that companies treating reskilling as a strategic imperative — led by senior executives, with clear metrics, dedicated investment, and genuine manager accountability — achieve workforce transition costs 30-40% lower than companies that approach reskilling as a program. More importantly, they retain the institutional knowledge that makes the transition possible. The organization that eliminates the workforce it would need to retrain has destroyed the very asset that reskilling would have preserved.

4. Build Your Regional Anchor Identity

The most durable large organizations of the mid-twentieth century were those with genuine roots in place — that invested in the communities where they operated, trained local workers, and were seen as of their region rather than simply located there. The identity of being a regional anchor — a company whose success and the community's success were genuinely intertwined — generated a form of social license and employee loyalty that national brand management cannot replicate.

In an era of institutional distrust, growing economic nationalism, and the political salience of corporate community relationships, the regional anchor identity is becoming a competitive advantage. The company that can credibly say “we built this place” — that has invested in local workforce pipelines, that shows up at the Chamber table, that funds the community college programs in its core skill areas, that is seen as genuinely of its community rather than extracting from it — is building an asset that its competitors without local roots cannot quickly replicate.

Practical imperatives:

- Assess your organization’s current community investment against the regional anchor standard: does the community where you operate believe that your success and theirs are intertwined? If not, what would need to be true for them to believe it?
- Invest in the local workforce pipeline in your core skill areas. Fund the community college program. Provide the internship pathway. Show up at the school board meeting about career and technical education. The reputational capital built by genuine workforce investment is extraordinarily durable and extraordinarily difficult for competitors without your local relationships to replicate.
- Engage authentically with local government and civic institutions. The company whose senior leaders are genuinely embedded in local civic life — not as a public relations exercise but as genuine community members — has advance intelligence on local conditions, relationships with decision-makers who will matter in a disruption, and a social license that no communications campaign can manufacture.
- Make your community investment visible to your employees. The research on employee engagement consistently finds that employees who believe their organization makes a genuine positive contribution to the community are more engaged, more loyal, and more productive than those who do not. Community investment is both an external and an internal strategic asset.

5. Invest in Organizational Sense-Making Capacity

The organizations that navigated the last Fourth Turning most effectively had leaders who could read context — who understood not just the economic and competitive dynamics of their industries but the historical, political, and social forces shaping the environment those industries operated in. This is a different cognitive skill from financial modeling, and it has never been more valuable.

Most corporate strategy functions are excellent at analyzing data within existing frameworks and poor at recognizing when the frameworks themselves are changing. The strategy team that can model fifteen scenarios for how a competitor might respond to a price change is often the same team that was caught completely off-guard by a regulatory restructuring, a social movement, or a geopolitical shift that was visible in the environment for years before it became a business problem.

Practical imperatives:

- Build cognitive diversity into your strategy function deliberately. Hire people with backgrounds in history, political science, sociology, and anthropology alongside the economists and MBAs. These disciplines develop the contextual intelligence — the ability to read what is actually happening in the broader environment — that quantitative training alone does not.

- Fund genuine primary research, not just analyst reports. The strategy function that reads only industry analyst reports is reading a summary of what other people have already concluded about data that is already old. The function that reads primary sources — government reports, academic research, community surveys, the actual text of pending regulations — has information advantages that its competitors do not.
- Create a formal environmental scanning practice. Assign specific team members to monitor specific domains — geopolitical, technological, regulatory, demographic, social — and require regular synthesis of signals that might be relevant to the organization's strategic assumptions. The goal is not to predict the future. It is to ensure that significant changes in the environment do not become visible to the strategy function only after they have become business problems.
- Bring historical perspective into major strategic decisions. Before committing to a strategy that depends heavily on the stability of current conditions, ask: what does the historical record of similar conditions tell us about how they have changed in the past? What has worked for organizations in similar positions during previous periods of institutional disruption? The answers will not determine the decision, but they will improve it.

6. Redesign Your Supply Chain for Resilience, Not Just Efficiency

The COVID-19 pandemic provided the most comprehensive stress test of global supply chain architecture in modern history, and the results were unambiguous: the supply chains optimized for efficiency under stable conditions were catastrophically fragile under disruption. Toilet paper, semiconductors, personal protective equipment, pharmaceutical ingredients — the fragilities were not in exotic or peripheral systems. They were in the most fundamental inputs of daily economic life.

The geopolitical trajectory of the current period suggests that the conditions that created fragility during COVID — single-source dependencies, concentrated geographic production, just-in-time inventory with no buffer — are not going to become safer. The strategic question is not whether supply chain resilience investment is justified. It is how to build resilience in a way that preserves competitive position while reducing catastrophic fragility.

Practical imperatives:

- Map your supply chain's single points of failure: the suppliers for whom you have no alternative, the geographies whose disruption would cascade into your operations, the inventory buffers that are so thin that a two-week disruption becomes a crisis. This map is your resilience investment priority list.
- Build explicit supply chain redundancy for your most critical inputs. The cost of maintaining a secondary supplier relationship is almost always lower than the cost of the disruption that relationship would prevent. This is not an academic risk management observation — it is a lesson that thousands of organizations paid tuition on during 2020 and 2021.
- Evaluate nearshoring and reshoring options with a full cost model that includes disruption risk, not just input costs. The supply chain that is 15% more expensive under stable conditions but 60% less likely to fail catastrophically is almost always the better strategic choice once the disruption probability is properly modeled.
- Build inventory buffers for critical inputs as a strategic decision, not a working capital management failure. The organization that carries thirty days of buffer inventory for its most critical inputs has purchased an option on supply chain stability that is worth multiples of its carrying cost in a disruption scenario.

The Board Brief: Framing the Fourth Turning for Your Leadership

The strategist who has read this paper and finds it compelling faces a practical challenge: how do you bring a framework this sweeping — an eighty-year historical cycle with implications for every major strategic decision — into a board conversation without losing your audience in the first five minutes?

The answer is to lead with the specific, not the general. The board does not need to be convinced that the Fourth Turning theory is correct before it can act on the strategic implications. It needs to understand the specific assumptions that the company's current strategy depends on, the specific ways those assumptions are at risk, and the specific actions available to reduce fragility and build adaptive capacity. The historical framework is the explanation for why those risks are converging now. It is the context, not the argument.

A framework for the board conversation:

- Lead with the assumption audit: "Our current strategy depends heavily on [assumption]. Here is the evidence that this assumption is under stress."
- Present the scenario analysis: "We have modeled three scenarios for how this assumption might change. Here is how our current strategy performs in each."
- Identify the capability investments that are valuable across scenarios: "Regardless of which scenario materializes, these investments in [workforce resilience / supply chain redundancy / community investment / sense-making capacity] retain their value. Here is the cost and the expected return."
- Make a specific recommendation: "We recommend prioritizing [specific action] in the next twelve months because it addresses our most acute fragility and builds the capability most likely to be valuable regardless of how conditions develop."

"The strategist's job in a Fourth Turning is not to predict the future. It is to ensure that the organization has the adaptive capacity to respond effectively to a wider range of futures than its competitors."

— James A. McPherson

Strategic Action Checklist

Scenario Planning

- Build a scenario library that includes genuinely discontinuous scenarios, not just volatility ranges
- Conduct a business model assumption audit: identify the ten assumptions your model depends on most heavily
- Separate your planning horizons: 1-3 year operational, 3-7 year strategic
- Identify the strategic capabilities that retain value across the widest range of scenarios

Revenue Strategy

- Map your capabilities against the categories of demand Fourth Turning dynamics are creating
- Identify your organization's conversion option: the strategic pivot that aligns you with the next era's most durable demand
- Build an explicit financial model showing the cost of fragility alongside the cost of resilience investment
- Brief the board on the resilience investment case before the next disruption makes it obvious

Workforce

- Model the full cost of workforce reduction, including reconstitution, knowledge loss, and brand damage
- Elevate reskilling to a C-suite strategic priority with clear metrics and executive accountability
- Build or strengthen your internal labor market and mobility infrastructure
- Identify the workforce capabilities most critical to your conversion option and invest in them now

Community & Regional Anchor

- Assess your regional anchor identity: does the community believe your success and theirs are intertwined?
- Invest in the local workforce pipeline in your core skill areas
- Engage senior leaders in genuine civic participation, not just public relations
- Make your community investment visible to employees as part of your engagement strategy

Sense-Making

- Audit the cognitive diversity of your strategy function
- Build a formal environmental scanning practice with assigned domains and regular synthesis
- Invest in primary research, not just analyst reports
- Require historical perspective in major strategic decisions: what does the record of similar conditions tell us?

Supply Chain

- Map your supply chain's single points of failure
- Build redundancy for the most critical inputs
- Evaluate nearshoring and reshoring options with a full cost model that includes disruption risk

- Establish strategic inventory buffers for critical inputs as a board-level decision

About the Author

James McPherson is a strategy and operations practitioner, educator, speaker, and coach. He holds a B.A. in Classics with honors from Johns Hopkins University, studied leadership under pressure in Homer's *Iliad* as a Fulbright Scholar at the University of Lausanne, Switzerland, and completed his M.B.A. at Duke University with a concentration in Strategy & Decision Science. He is the founder of The McPherson Group, which advises leaders, institutions, and communities on navigating large-scale disruption with clarity and purpose.

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