

Viral Futures at Dow

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Abstract

The use of formal futures tools and concepts has been spreading "virally" in the dozen years since its introduction to the Dow culture. A handful of people spread this virus, building a network such that today the effort is poised to enter the corporate cultural mainstream.

The Dow Chemical Company is typical of big multinationals wrestling with how to deal with the future, but of a particular genre that has been very successful and well run for a long time. For them, looking to the future in a formal, systematic way has not been seen as necessary. After all, it is hard to argue with success. But increasingly rapid changes in the business environment and a recent commitment to triple the size of the company in ten years are challenging the company to think about the future more systematically.

The good news is that over the last dozen years several people within the company have anticipated this need, and have taken the initiative to explore the field of future studies and seek futurist' help. Consequently, the use of futures in the company to date has been largely tied to these few individuals. Were any one of them to have been hit by the proverbial beer truck, the use of futures may well have been eliminated along with them. Thankfully, they haven't been, and steady progress has been made in spreading a futures orientation. The recent hiring of a professional futurist is a signal that the futures cause is gaining a more serious hearing.

The contributors to this piece are key links in the futures chain at Dow, representing its continuity and growing influence. Three of the four principals of the story are currently employed at Dow, and two have been here from the beginning. The other key contributor has been the futurist consulting firm Coates & Jarratt, Inc., which has been Dow's primary external source of futures insights over this time period, including the breeding of the professional futurist that the company hired.

Introducing the future

The exploration of the future has been making steady progress since its introduction, but it has yet to be fully integrated and systematized throughout company planning. It was introduced via a bottom-up approach that has been low-key and relied on "infecting" people with the message. The infected have become vectors to others, thus the moniker "viral futures." The principals have kept "futures" as a term in the background in support of their work.

The first link in the chain of developments, Kerry Kelly, began investigating futures in the late 1980's when doing some exploratory R&D. He was part of a Wednesday morning book club and introduced some books on the future to the club, such as Peter Senge's *The Fifth Discipline* and John Naisbitt's *Megatrends*. Consulting futurist Joe Coates was first brought in during the 1980s, with the result being a lively debate, as his provocative style confronted an audience game for the challenge.

In the early 1990s Kelly moved into a new job in corporate ventures, and began a more serious personal exploration of futures work, buying books, going to World Future Society conferences, and periodically bringing in the futurist consultant. Co-author and current Dow futurist Hines visited Dow as part of the consulting team in support of a new business opportunity workshop sponsored by Kelly. In 1997, Kelly left Corporate Ventures, but was able to persuade his new boss into continuing a relationship with the consulting firm's multi-client, *Forecasts in Science, Technology & Engineering* for another year.

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This brings us to the the first sharp transition. Scott Noesen, through his contact with Kelly, became a principal driver of futures thinking in support of his interest in furthering the cause of sustainable development. He saw the value of futures as a tool for raising the profile of sustainability. A milestone in this effort was an engagement with the World Business Council on Sustainable Development several years ago with their now well-regarded scenario project. Noesen and others convinced a key executive about the importance of the scenario project, and got five hours with the Executive Committee, the top thirty executives in the company. Jed Davis from the Shell Scenario Planning team was brought in and led a successful scenario session in May of 1998. Perhaps the capstone was the CEO remarking that "this may look like the soft stuff, but this is really the hard stuff." Later, the scenarios were integrated into a sustainable development workshop that is still being given today. It is remarkable about how ingrained sustainability is now in the Dow culture. One can surely point to this as a successful use of futures with a broad internal constituency.

The second transition was the hiring of Hines into the Growth Center for new business development. His charge has been to adapt the tools and concepts of futures to fit the language and manner conducive to Dow's corporate setting. So far, he has deliberately downplayed the use of the terms "futurist" and "futures studies" and instead emphasized business language and outcomes. Of course, many have figured out his "true identity" as a futurist, and are positive about it. For example, he was recently introduced at an important internal meeting as Dow's corporate futurologist. Nonetheless, the judgment of the futures vectors at this stage is to continue with a low-profile. Our strategy is that it will take numerous demonstrable successes based on futures work to bring it out into the open as a tool of widespread utility.

While the evolution has followed the sponsors, along the way they have infected many others, who in turn have infected even more. A key tactic in building this informal coalition was bringing the individuals to project meetings involving futures topics hosted by the consultants. The fruits of this effort are visible today as there is a constituency for futures thinking in the company around this core group. Its usage is no longer dependent on the survival of the three vectors. While futures thinking may now be able to stand alone, it is likely that some kind of evidence of success from its application will be necessary to spread it throughout the organization, and seriously engage senior management.

Futures work has centered around new business growth, although there has been recent work with business unit strategy. Environmental Health & Safety has been the other primary user. Human Resources dabbled in futures work early on, but interest has faded. The evolution has been:

- Human resources -- Future of HR project
- Discovery research -- Kelly enters -- futures has an R&D emphasis
- Corporate Ventures -- futures takes on more of a new business emphasis
- Future Day -- in 1998, did a "big show" with the consultants to a much wider audience
- EH&S (Environment, Health & Safety) -- Noesen enters -- emphasis on sustainability
- Growth Center (New business development) Hines enters -- renewed emphasis on new business development
- Public affairs -- emphasis on telling the story about Dow's future

The use of outside futures resources

The futures effort initially, as noted, relied primarily on a single consulting firm. Futurist Marvin Cetron was brought in once. Kelly brought back other perspectives from meetings such as the World Future Society General Assembly. As mentioned, Noesen worked with the World Business Council on Sustainable Development. But the range of outside futures expertise has been steadily expanding over the last few years based on Hines' professional knowledge of the strengths and weaknesses of various firms. For instance, Dow began a working relationship with the Global Business Network, and has also worked with the Institute for Alternative Futures and Battelle.

Most of the work with outside futures resources has come in the form of co-sponsoring multi-client studies. Our experience is that multi-client studies are a cost-effective way to get lots of futures information and to build a futures constituency. Some of the outside futures projects that have been supported are:

- Coates & Jarratt, Inc. multi-client "Future of Human Resources"
- Coates & Jarratt, Inc. multi-client "Project 2025"
- Coates & Jarratt, Inc. multi-client follow-on to "Project 2025" called "Forecasts in Science, Technology & Engineering"
- World Business Council on Sustainable Development's "Environmental Future Scenarios"
- Coates & Jarratt, Inc. multi-client "Future of Packaging"
- Global Business Network's "Worldview Corporate Associates Program"
- Coates & Jarratt, Inc. multi-client "Future of Lifestyles"
- Institute for Alternative Futures "E-Health"
- Coates & Jarratt, Inc. multi-client "Future of Sustainability"
- Battelle's "Healthy Home" Scenario project

Expectations regarding the looking to the future

Given the bottom-up and individual-dependent nature of the commitment to the study of the future, expectations rests more on individual initiative than senior management commitment. The top has had few expectations of futures, since it has only grazed their radar screen. The attitude toward futures at the top has largely been forbearance. The reception has been more positive at the grassroots level, as many have been yearning for support in taking a wider-ranging and bigger picture view. One could divide the audience for futures-related projects into three main groups. The smallest, unfortunately, is the group who "get it." The biggest is those who "don't get it yet, but are likely to" with some coaching and experience. The last group are those "who don't get it, and never will."

The individuals spreading the futures message have typically looked to the long term, and their sponsors have gone along with this. For instance, Dow was a sponsor of a precedent-setting project that looked to the year 2025. On the other, most futures-related thinking today is around a shorter-term view. Lengthening the organization's typical time horizon is a central challenge.

Organizing the engagement of the future at Dow

The futures effort has resided in the people who introduced it and the projects they sponsored. There are not any special facilities or dedicated space nor a fixed home on the organization chart. But both types of homes are being discussed and may come to fruition. The lack of roots has led the authors to joke that what we're really doing is "subliminal futures," in that the approach has been to use the concepts and tools without letting on that that is what we are doing.

One very strong lesson is that collecting binders full of information and waiting for colleagues to call up and ask for the information is an exercise in futility. The internal futurist or futurist-sympathizer needs to do synthesis and interpretation to relate the work to the specifics of the organization. Then he or she must be willing to do some "push" marketing to make something happen.

An example of this push comes from Kelly and the use of "Project 2025." He selected various provocative assumptions and forecasts, and asked a group of internal experts for an email response along the lines of -- "do you believe it or not?" He then did a mass mailing of the responses. That had a very positive effect. For instance, the then CEO got more interested in futures and forward thinking. He brought in management consultants with futures concepts, although not professional futurists. Another positive outcome involves an R&D scientist using the 83 assumptions about the future from "Project 2025. He compared several hundred projects in R&D against the assumptions, and found that only 1% of the projects were tapping into the future these assumptions were projecting. This led him to rethink how his group chooses the projects they are going to work on. They now make sure their projects are in line with future trends.

The state of the future today

Kelly and Noesen continue to use futures work along the lines they've been pursuing for several years. Hines, the most sanguine of the authors about the influence of futures, sees futures making inroads in several ways. He

- led a project exploring future "whitespace" growth opportunities;

- regularly consults and leads workshops exploring future growth opportunities for completely new business ventures;
- regularly consults and leads workshop regarding future growth opportunities for existing business units;
- has been invited to run workshops regarding the formation of alternative futures business strategies for the strategy group;
- gives talks and runs trends-related exercises for other functional activities, such as public affairs, information systems, and environmental health and safety;
- is a source of referrals to expert futurists and consulting firms;
- seeds futures thinking through the circulation of trip reports from visits to futures meetings and conferences;
- created a "Trends Universe" web site that houses trends also used in various workshops;
- writes a bimonthly Newline column the company Intranet on topics from a "Future of Lifestyles" project the Growth Center is sponsoring.

His argument cites the very practical nature of the Dow culture-- futures would not be spreading unless it is viewed as benefiting the bottom line.

Report Card: How useful has it been

In assessing the impact of futures, we agreed that a key difficulty is that it is hard to measure success. For example, "nothing happens right away," which is even more true regarding futures work. It is very difficult to trace back a project to the original insight or insights. Perhaps someone heard something from an futures project, a year later he or she raises the insight at a meeting, not recalling the source. A project is launched and later becomes successful. It sounds like something we suggested, but we can't necessarily be sure. Is that a success? We'd say yes, but, alas we cannot prove it. For instance, the most recent Newline column on futures lifestyles topics had just under 2,000 readers, with just two readers initiating a formal follow-up. How might the other 1,000 plus readers be making use of this?

Interestingly, it was observed that the reception to futures has been better at the top and the bottom and runs into choppy water in the middle. Middle management has their feet to the fire to deliver now, and has little incentive to think long term. As all of us in the corporate world know, it is middle management that really runs the company. This suggests another challenge is how to incentivize middle management to think and act futuristically.

The Future of the Future at Dow

The future is clearly gaining a more prominent role. Many in the company are enthusiastic about a professional futurist being in residence. If nothing else, that is a symbol of more attention to the future. A futures function is mentioned in the description of the new business development organization, and futures information, such as the Dow Trend Universe, resides virtually on the company Intranet. Futures tools and concepts are increasingly becoming a routine part of our day-to-day activities. The network of futurists and futures consulting firms we use continues to expand. These developments all point to the potential for futures to flourish in the decade ahead.

The Growth Center is a particularly attractive spot for futures thinking, as it wrestles with new territory to explore and new approaches to take to create future business for the company. This foothold can then be built upon to bring futures thinking into the existing business. Happily, progress is being made on both of these fronts. A recent expansion has been a greater role for the futurist in Dow public affairs, although it's still too early to tell where that will lead.

Some Lessons Learned

In conclusion, here are seven key lessons we've gleaned from our experience:

- It's all about people and networks -- this is truly a one-person-at-a-time effort; nothing is more valuable than helping internal customers solve problems and the resulting word-of mouth promotion

- Bring the outside in -- multi-client consortiums are a cost-effective way to get lots of futures information and help build a futures constituency
- You must push to generate pull -- this is an evangelistic undertaking
- Be patient -- have a long view in terms of years of slowly "infecting" the organization
- Deliver the goods, even at the expense of purity -- the principle here is that it's better to deliver on a two-year outlook than hold out for a ten-year one; delivering solid, actionable results on the two-year future will open the door to longer-term
- Present futures thinking and tools as a means, not an end -- do not get hung up on whether something is called a futures study or whether there is a department of futures studies.
- It is worth it -- there is nothing like the excitement and joy of turning people on to futures thinking