



# DON'T BE SURPRISED BY THE FUTURE

By Dr. Andy Hines

*Dr. Andy Hines was a speaker at The Pinnacle Experience, held in October 2017 in St. Louis. Here, he shares insights and experiences from his session, "Beyond the Numbers: Planning for the Future."*

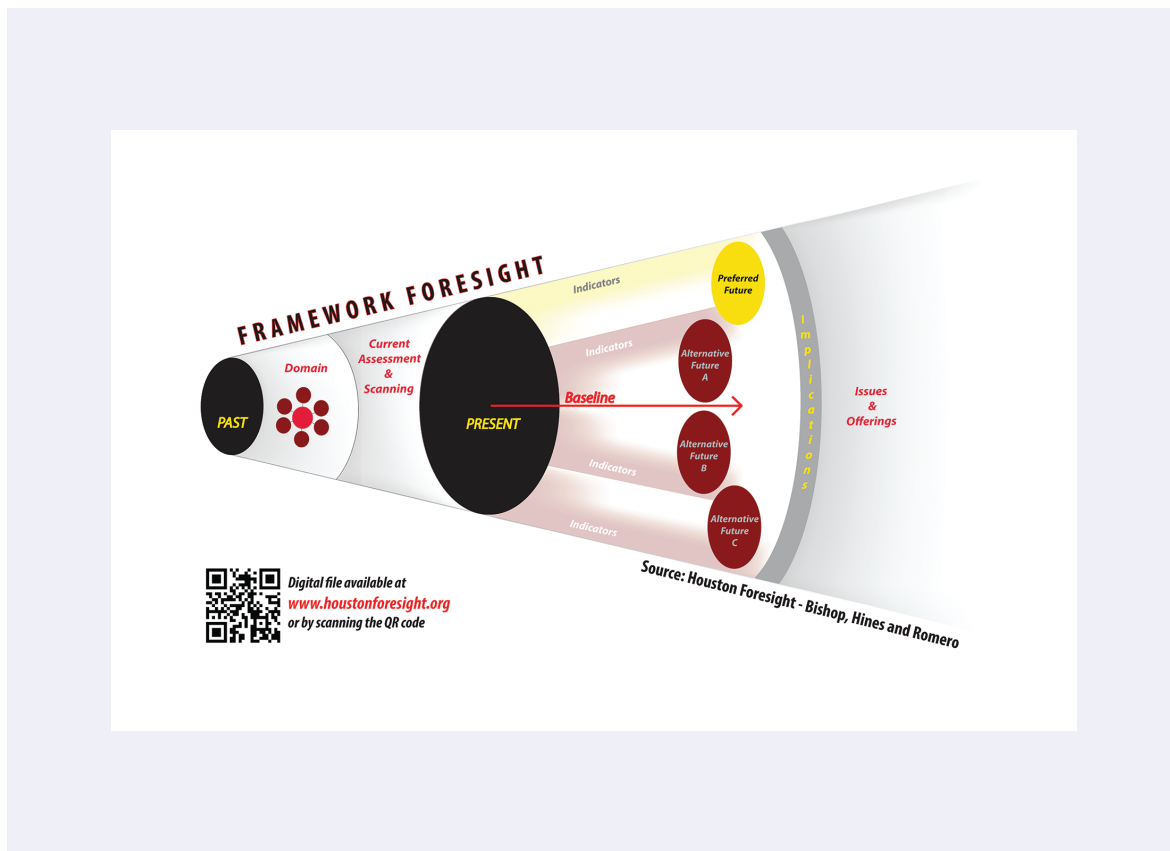
We didn't see that coming! We were blindsided! We missed that one! If you've found yourself uttering phrases like this, it's probably time to start exploring the future more rigorously and systematically. By scanning the world of information for signals of change, you can provide your A/E/C firm with early warning signs of the changes ahead.

**T**he payoff is that you will no longer be surprised by significant shifts or discontinuities in the A/E/C industries or its different sectors. Of course, timing these is extremely difficult, but you will not be caught by surprise. If you start preparing for these shifts before they emerge, you can help your firm and your clients approach the future with confidence.

## Thinking About the Future

I teach graduate students how to become professional degreed futurists in a standard 12-course Master's degree in Foresight.

Figure 1. Framework for exploration of the future. Courtesy Houston Foresight.



But not everyone needs to become a futurist. Let's boil down a simple conceptual framework that anyone can use to start exploring the future. *Figure 1* summarizes a generic framework on how to explore the future of any topic.

The exploration starts with a domain map, basically a visual map of the categories of the topic that are essential to understanding it (we like the cloud-based Coggle tool for this). With that map as a guide, we think about the recent history of the topic at hand. If we're going to look 10 years into the future, we suggest looking 10 years back. What have been the key three to five events that have shaped your topic over the last decade? History does indeed influence the future.

Next is the current assessment. What are key stakeholders thinking about the topic? What are the three to five current conditions, or trends, that people are talking about? Maybe it's the rapid growth rate in an industry sector? Or the recent introduction of a new technology? After doing this ground work, we're ready to start probing into the future.

Scanning is exploring the world of information for signals of change regarding the topic. The domain map is a useful guide to organizing this search, and there are great cloud-based tools for collecting these signals, whether articles, blog posts, or videos. The domain map also serves as the basis of a tagging system, so

you can easily sort these signals later. Alongside the scanning, look for trends, the plans of stakeholders, and publicly available forecasts of the topic. All of this research is synthesized into larger themes or drivers of change.

Now it's story time. How do these drivers of change come together into stories about how the future? The first story we tell is the baseline future. What does the future of continuity look like, with no major surprises? In the baseline future, trends stay on track, plans are fulfilled, and [mainstream] projections are accurate. This surprise-free future is jokingly referred to as the least likely future. Since surprise is inevitable, we must look at alternative futures. How might the future turn out differently, when the baseline is inevitably knocked off course? We find that three or four of these alternative futures or scenarios is usually sufficient to capture the range of plausible future outcomes.

Armed with these stories of how the future might be different (or the same), we then explore the implications of each. If this scenario happened, what would it mean for marketing, HR, supply chain, etc.? Finally, we use these implications to devise our plans and actions for responding—in the form of strategic issues and options, if we are crafting strategy, or in the form of new product or service offerings, if we are working on business innovations.



### Implications From The Pinnacle Experience

I had the opportunity to work with an energetic audience of several dozen A/E/C leaders in my session at The Pinnacle Experience. Attendees broke into small groups, and I shared a dozen potential surprises or disruptors coming from consumers, technology, or business models. These disruptors could knock the baseline off course and shift the future in a different direction. The groups prioritized those that they felt would be most influential to their work as A/E/C marketers, and identified two kinds of implications:

- The single most important implication that this disruptor would generate. That is, their organization would be compelled to respond to it
- The second implication was called provocative, in that the impact on the organization might be further down the road, or it may be less likely than others, but it would have a significant impact if it did occur

We concluded the session by asking each group to identify a potential strategic issue based on the implications work they had done earlier, and then develop a strategic response to it using an elevator speech tool.

### Strategic Responses

In our conference sessions, the small groups prioritized a few of the changes above and identified some of their implications. For important implications, that is, if the disruption happened, what would be the obvious responses? The impact would be clear and require

something to be done. The provocative implications, on the other hand, are less clearly applicable. They might be a little bit further into the future, and a bit less certain, but could present a significant opportunity or threat. The provocative implications help stretch people's thinking into the future, and since the important implications have been covered, it gives permission to speculate.

From these implications, each group identified a key strategic issue, that is, an issue that ought to be considered in organizational strategy formation. We wrapped up by using an elevator speech format to map out options for responding to the strategic issues. The key components of the elevator speech included:

- What is the issue? And the title of your response?
- Why is it important?
- What should we do about it? (actions required)
- How do we make it happen? (resources required)
- Who owns it? (responsibility)

The conference session was paced fairly briskly, but only took 90 minutes. Of course, more time to really think the implications through is an option as well—from a half to a full day.

As suggested in the opening to the piece, it is also a good idea to do some organized scanning for changes in the environment, as you work on the emerging changes. Remember the promise: A concerted effort to explore the future eliminates, or at least reduces, that nasty word—surprise. ■



# A Closer Look at Potential Disruptors

By Dr. Andy Hines

The dozen suggestions in this sidebar provide a useful starting point for thinking about how the future of marketing might change for you and your clients. They can be used within your organization in simple ideation exercises to identify strategic issues or opportunities for innovation. You can pick and choose which of the 12 seem most relevant to your organization and have small groups exposed to them, identify their important and provocative implications, and map out elevator speech responses.

## Consumer- or Market-Driven Changes

The consumer-driven changes were identified during (and after) the research for my book on changing consumer values. The key source of data for the values shifts comes from the World Values Survey spearheaded by Professor Ronald Inglehart of the University of Michigan.

### 1. The Commodity-Identity Continuum.

This driver captures the bipolar nature of consumer preferences. Consumers want some purchases quickly, painlessly, and cheaply as possible—the commodity pole. For other purchases, they will research, explore, discuss, compare, and even agonize over. The choices are more challenging because they relate to the consumer's identity—the identity pole. They feel that they are endorsing the product and the organization if they choose to make the purchase, so it's really important to get it right.

*Implication.* It is helpful to sort your offerings along this continuum. Is the spread the way that you want it, or do you see an imbalance toward one pole or the other?

**2. Empowered Individuals.** This driver captures a shift in the balance of power between organizations and consumers. In the past, organizations could often count on, and capitalize on, information asymmetries. But with the explosion of information availability and tools, the playing field has levelled. In some cases, super-informed consumer vigilantes even have better information than organizations.

*Implication.* These empowered consumers present a challenge and an opportunity. If you don't deliver on your brand promise, or you engage in bad behavior, the vigilantes will come after you. On the other hand, if you stay true to your brand and values, and treat potential customers in a transparent and fair way, these empowered and well-connected consumers can be great allies and will tell their networks about the positive experience.

**3. Co-Creation.** For products or services that clients really care about—the identity products—they are looking to play a more active role in producing them. This goes well beyond the dreaded customer survey that asks consumers to rate their experience, or asks for ways in which they can be better served. These clients want

real participation, and ability to customize, personalize, and maybe even design in a collaborative partnership approach.

*Implication.* Is there a way to provide meaningful collaboration through providing tools, templates, and coaching? That is, the design of the offering is framed by your tools and templates that enable client input assisted by a coach rather than a sales person.

**4. Enoughness.** Many consumers have had enough. They have more stuff than they know what to do with, and less time to use it. They are rethinking their approach to consumption, which might be characterized as shifting from mindless to mindful. There is a yearning to take back control of their lives.

*Implication.* Look for ways to simplify. Constant up-selling and cross-selling turns them off. While this might mean fewer transactions per client, it does not necessarily mean less money. These clients will pay for offerings that they decide are meaningful, important, and save time.

**5. Just-in-Time.** Consumer expectations have risen to the point that clients expect to have what they want when they want it. They have been trained to expect an on-demand world, e.g., Netflix. With incredible leaps and bound in logistics and delivery, they expect delivery next day, and increasingly, that same day.

*Implication.* Just-in-time capabilities are reducing the need for inventories and storage, and more flexible workforce arrangements make around-the-clock

staffing less problematic. But it clearly suggests a significant upgrade in communications, coordination, and logistics approaches.

### **6. Meet the New Boss ... Not the Same as the Old Boss.**

The over-analyzed Gen Yers have been scrutinized to the nth degree. Yes, they are different than previous generations. As workers, they are impatient with the idea of climbing the corporate ladder. They want more responsibility and challenges, now, and if they don't get them, they are happy to skip to the next gig. They expect to have multiple jobs and careers.

*Implication.* What are some creative ways to capitalize on what might be perceived as impatience or disloyalty? What about designing in job-hopping to career tracks? That is, when a Gen Yer feels that itch for something new, encourage them to move to another organization ... and when they are ready, come back.

### **Technical and Business Model-Driven Changes**

The second set of potential changes involves the emergence of new business models, in particular those driven by new technological capabilities.

#### **1. IoT and Integration of Virtual and Real.**

Society, businesses, and clients are in the process of sorting out the relationship between the virtual and real worlds. Which activities are better suited virtually and which require the personal touch of physical presence?

*Implication.* We'd argue that face-to-face becomes more precious and valuable in an increasingly virtual world. When we do decide to gather people together, that experience needs to capitalize on the interaction. Otherwise, do it virtually.

**2. P2P and Blockchain.** Traditional bureaucratic approaches to organizing economic activity are being challenged by network-friendly concepts such as peer-to-peer and the Blockchain. Both of these disintermediate, or cut out the middleman. With online lender Prosper,

for instance, consumers go directly to a community and ask individuals for a loan and arrange terms. Blockchain technology, the technology underlying Bitcoin and other virtual currencies, could be used to facilitate these and other kinds of smart transactions by providing a [secure] continuously updated record of who holds what. There are issues to be worked out with both, but they are indicators of a shift from hierarchies to networks.

*Implication.* Get literate on the Blockchain. In particular, it suggests a mechanism for automating long chains of back-and-forth paperwork via smart contracts.

**3. Robo-Buddies?** If you spend time on the web, or however you gather news and information, you are challenged to avoid a story about the impending artificial intelligence (AI) revolution and robotics. There is still an open question on whether AI will free us from onerous tasks and still produce wealth, or replace jobs and exacerbate economic inequality.

*Implication.* Get up-to-date on emerging applications of AI. It may be useful to do an inventory of activities and tasks and identify those more likely to be automated, in order to guide the process and provide opportunities for affected employees to reskill.

#### **4. 3D Printing and Decentralization.**

Similar to P2P and block chain, 3D printing portends a shift in manufacturing toward smaller, decentralized units of production via 3D printers. Instead of making things in massive centralized plants and shipping them all over the world, more and more items could be made locally and just-in-time.

*Implication.* 3D printing could eventually have a huge impact on some clients. In construction, for example, it could lead to a modular, Lego-like approach to building that vastly improves efficiency and reduces construction time. This will likely require a significant campaign to educate clients about the possibilities, perhaps being involved with pilot programs as a way to highlight the changes ahead.

**5. Sharing.** To fully explore the sharing economy and related concepts—platforms, collaborative consumption, gig economy, etc.—would require its own paper. So let's focus on two of the more significant shifts it suggests:

- Leveraging under-utilized assets: Do you have idle assets that could be used/leased/exchanged by applying some coordination technology, such as Uber did with its ridesharing app?
- Move to renting, subscribing, and timesharing instead of owning. For instance, iTunes sold you songs; Spotify allows you to stream whatever you want in return for watching ads or a fee-based premium subscription service.

*Implication.* First, look for under-utilized assets, both for your organization and your client's. The move away from ownership could change business models, how projects are bid, coordinated, etc., and again are likely to require bringing your clients up-to-speed on these emerging changes.

**6. Shifting Sense of Place.** Truly amazing capabilities for moving people and goods are emerging. Sophisticated logistics systems are making it possible for consumers to get what they want, when they want it. Sophisticated algorithms will coordinate fleets of automated vehicles and drones. If we can get anything or be anywhere, super-fast, what is the purpose of our physical meeting places? I absolutely believe we will want, crave, and prioritize face-to-face contact, but we need to rethink what requires physical presence and what can be virtual or delivered.

*Implication.* This change is one that requires an ongoing strategic conversation. There is no clear path ahead. There will likely be lots of trial-and-error, false starts, and failed experiments. But this is characteristic of most major technological changes, i.e., e-commerce survived the dot.com meltdown and eventually boomed. ■