

5 Signs Your Organization Needs Futures and Foresight

Change is accelerating across every dimension of life – from technology innovations and societal norms to geopolitical shifts and climate patterns. This acceleration brings uncertainty horizons closer and closer to today, which has caused many organizations to shorten their strategic planning horizons to just two to three years.

However, the response to encroaching uncertainty does not have to be limiting how far you look into the future. Planning techniques such as futures and foresight embrace volatility and can be used to plan beyond the uncertainty horizon.

A core element of this technique is starting in the future to define and explore multiple plausible futures. Traditional strategic planning generally assumes the future will be similar to the past and extrapolates a single predicted future from there. Futures and

foresight analyzes the factors that could drive change and creates imagined future states that could reasonably occur.

Futures and foresight applies the insight gained from analyzing a variety of futures to inform today's decision making. This allows organizations to understand what they must do to prepare for multiple potential futures rather than plan for one predicted future.

Leading companies and government agencies that need to minimize the impact of surprises already incorporate futures and foresight into their strategic planning process. But futures and foresight still is not a routine part of strategic planning for many organizations, and as change and uncertainty increase, so do the risks of betting on only one future.



Better to Be Ready Than Right

When it comes to futures planning, we believe it's far **better to be ready than right**.

Ready

Imagining and preparing for a **variety** of potential plausible futures

Right

Predicting and planning for a **single** expected future

Both approaches are intended to support better decision making today for a stronger organizational future. However, **being right** features behaviors concentrated on trying to predict the single most-expected outcome. This focus can cause organizations to hardwire their strategies, processes, systems, and organization to that one outcome – leaving them ill-equipped to handle different outcomes without costly and timely rewiring. By contrast, **being ready** is marked by studying various viable future states and making strategic decisions today that help an organization be successful in any of those futures.

“The inability to speak with precision and certainty about the future is no excuse for silence... It is more important to be imaginative and insightful than to be one hundred percent ‘right.’”

– Alvin Toffler, *Future Shock*

5 Signs Your Organization Needs Futures and Foresight

By imagining multiple potential futures and the associated impacts and opportunities, futures and foresight exercises yield three very important outcomes for modern organizations:



Augmenting your strategic planning process with futures and foresight improves your organization's ability to adapt to the changing dynamics of a global ecosystem.

How do you know if your organization needs to be more ready than right? We've identified five key signs that highlight the need for your organization to incorporate futures and foresight into your strategic planning.

Does Your Strategic Planning Deliver What You Need?

Not every strategic planning process demands futures and foresight. But in more than 25 years of supporting strategic planning with futures and foresight, we have identified five signs that indicate it's time for your organization to adopt a planning approach that explores multiple futures:

1

You operate in a particularly uncertain market

All markets are uncertain to some degree. But some markets, such as energy, transportation, education, manufacturing and healthcare, to name a few, appear poised for considerable disruption based on converging forces. Rapidly evolving customer needs, new technology, emerging competitors, and other foundational societal shifts could easily combine to upend traditional market dynamics and previously successful business models. At that point, modeling on historical performance is more performative than predictive. Instead, an exercise rooted in exploring potential future states provides a more solid planning foundation for your organization.



Case in Point

A telecommunications company saw that the consumer landscape was changing rapidly and wanted to understand how those changes should inform their product roadmap. After exploring “The Future Digital Consumer of 2030,” we identified several opportunity areas, including a few markets that were not previously on their radar. This drove product ideation and development of their long-term product roadmap.

2

You are assessing a significant strategic investment

Any investment decision is informed by a set of assumptions. Analyzing those assumptions in the context of possible future scenarios better informs those assumptions, strengthens understanding of risk, and more easily identifies mitigation actions. For example, many organizations today are contemplating considerable digital investments that will shape the customer experience (CX) of tomorrow. But if an organization's strategies are based only on known CX technology and existing customer preferences, they risk yielding a significant competitive advantage to organizations whose strategies consider alternate CX futures and plan accordingly.



Case in Point

An aerospace company was considering starting a commercial space and satellite business unit, which would require considerable up-front investments. We performed a market analysis under various future state scenarios and determined that their expertise and customer base provided them strong positioning to enter the market in all the disparate, extreme scenarios.

3

You are concerned about blind spots in your planning

Things may look like smooth sailing, but there likely are hidden or emerging threats on the horizon. Whether the source of these threats is new competition, shifts in customer needs, or manmade or natural harmful events, exploring future worlds and the threats they may cause helps reduce organizational bias and highlight proactive strategic or risk reduction actions you can take to enhance market agility and strengthen operational resilience.



Case in Point

A few months before the pandemic, a major sports league's security office wanted to understand emerging threats over the next 10 years. One scenario included providing security to an empty stadium. While the cause of the empty stadium was not a global pandemic, exploring the security challenges that exist even without fans in stadiums allowed the league to rapidly respond to restarting games during the pandemic.

This is an example where the scenario wasn't right but planning for that specific scenario ensured the organization was indeed ready to handle the situation when it arose during the pandemic.

4

Your organization needs a strategic reset

As an organization's operating environment changes and past successes are no longer a reliable foundation for future success, a strategic reset is required to meet the new conditions. Many organizations faced this very situation following the onset of the pandemic in 2020 and will do so again as the global economy finds its footing in a post-Covid environment, even for strategies as straightforward as effective remote working and retaining top talent. Creating awareness of multiple possible future scenarios will help your organization understand which actions are a basis for success under a variety of conditions. You also will uncover potential new growth opportunities in the various viable futures, which inform strategies to capitalize on them.



Case in Point

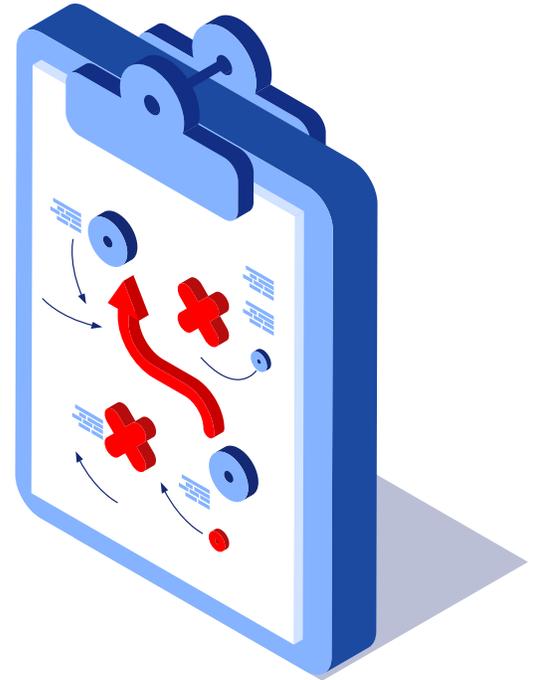
A government research laboratory was concerned about the impending shortage of qualified science, technology, engineering, and math (STEM) talent they may face over the next 10-20 years and wanted to understand how they could adjust their human capital strategy to impact that shortage.

We developed scenarios related to the societal and institutional conditions that create the supply and demand for STEM talent. Analyzing these scenarios allowed the lab to redefine their human capital strategy to influence the supply of STEM talent, a product that takes 20-30 years to produce.

5

You need to test the adaptability of your strategy

Strategies are formulated based on an expected set of market conditions, but if those conditions change, will your strategy still work? To be confident it will, you must identify the most critical assumptions and seek to understand which, if any, changes in the landscape will invalidate the strategy. Testing your strategy's most critical assumptions against a variety of future scenarios will determine its adaptability by uncovering key vulnerabilities and exposing any breaking points.



Case in Point

A military science and technology organization developed a long-term strategic vision around next-generation communication capabilities. This vision contained several major assumptions about technology progress, commercial vs. defense technology investment areas, and domestic manufacturing abilities.

We performed a technology scan and an assessment of the manufacturing base, which informed various future scenarios. Comparing their strategic vision to these scenarios identified the strengths and weaknesses of their strategy and highlighted areas requiring adjustments.

Incorporating Futures and Foresight into Your Strategic Planning

What does a futures and foresight effort look like?

Toffler Associates' futures and foresight approach, Alternate Futures® Scenario Planning, has been developed and refined over 25 years and emphasizes one critical characteristic: imagination.

As noted earlier, beyond the uncertainty horizon, extrapolation and modeling are less effective at identifying the range of future scenarios for which an organization must prepare. While determining future scenarios is informed by quantitative research, defining the scenarios requires a heavy dose of imagination to envision how various forces could interact to create a set of diverse scenarios.

Our perspective is that futures and foresight should complement traditional strategic planning, not replace it. Augmenting strategic planning with futures and

foresight allows organizations to formulate strategies, design processes, configure technology, and define organizational structures to be adaptive and resilient by being able to be successful in multiple potential futures.

Futures and foresight does not replace traditional strategic planning – it complements it.

Using one predicted future is necessary for daily operations and near-term planning. However, defining strategies and making long-term investment decisions requires understanding the forces that shape the future and preparing for success regardless of how those forces unfold.

Our futures and foresight approach features four key principles:

It's about FORESIGHT, not forecasting.

Forecasting is generally about predicting one future state. The goal of foresight is to prepare for multiple potential futures.

It focuses on IMAGINATION, not extrapolation.

Since most disruption comes from discontinuities, extrapolating from historical performance can generate blind spots. Futures and foresight starts with imagining possible futures and then comes back to the present.

It emphasizes PLAUSIBLE, not probable.

Being constrained by probabilities too early in the planning process stifles imagination. A threshold of plausibility allows for exploration of more disruptive forces. Probabilities are applied when prioritizing responses.

It is intentionally EXTREME, not balanced.

The real world is full of nuance, segmentation, and variation; however, when determining the impacts of disrupters, it is easier to envision them in their pure form and at a large scale.



We Can Help

If your organization is exhibiting even one of these signs, it's time to consider how futures and foresight can impact your strategic planning.

As a futurist firm, we are experts in uncertainty, whether that's 10 years from now or your organization's next planning cycle. The futures and foresight techniques we have been using for 25 years have allowed organizations to move confidently toward uncertainty by exploring a range of potential futures.

Whether your organization is an established enterprise, a start-up, or a government agency, as uncertainty horizons shorten, the more strategic planning should be augmented with futures and foresight to ensure preparation for multiple potential futures. Contact us today for a customized analysis of how futures and foresight complements your strategic planning process.

**As a futures-focused advisory firm, Toffler Associates,
helps organizations prepare for and influence the future through:**



Alternate Futures® Scenario Planning

In-depth scenario planning that starts with a holistic, societal view of the future to understand broad, contextual drivers of change and allow organizations to immerse themselves in a future state to explore strategic options.



Flash Futures

Targeted assessments of specific areas of interest for an organization (e.g., "The Future of X") to provide creative, out-of-the-box perspectives on the future that informs strategic planning.



Wargaming and Table Top Exercises

Help organizations develop and test their strategies against a variety of future states, which identifies opportunities and vulnerabilities.

Toffler Associates is a future-focused strategic advisory firm that empowers organizations to discover new opportunities and create value in a complex world where change is accelerating.

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