



A BRIEF INTRODUCTION TO

FUTURES



WHAT IS FUTURES NOT SIMPLY PREDICTING THE FUTURE

Futures Studies (aka strategic foresight) is a practice and a field of study about the future. Futures studies does many things, but one of the things it does not do is *make predictions*. Instead, it helps companies explore various possible futures and their implications and helps identify unique insights that enable organizations to become more resilient, anticipate change and make better strategic decisions.

There are many definitions of futures studies. One of the most comprehensive comes from Dr. Robert Chia, professor of management at the University of Glasgow:

“Futures is a refined sensitivity for detecting and disclosing invisible, inarticulate or unconscious societal motives, aspirations, and preferences and of articulating them in such a way as to create novel opportunities previously unthought and hence unavailable to a society or organization.”

Dr. Robert Chia – University of Glasgow

Key Takeaways

Imagining plausible scenarios leads to better decisions

Futures is not about prediction. It's about forecasting and imagining multiple plausible scenarios and narratives so as to highlight unarticulated or unthought societal motives, challenges and opportunities in order to make better decisions today.

Futures can offer unique insights to help create better products

Many successful businesses such as Ford and Intel have corporate futurists whose task is to scan the environment and develop unique insights that designers and product development teams use to create better products and experiences.

Futures capabilities improve an organization's resilience against unpredictable events

“Black swan” events (outlier events) are perceived to be low in probability, yet have immense consequences. They are unpredictable by nature. A useful way to think about futures is improving resilience against such events.

Visions are communicated as human experiences

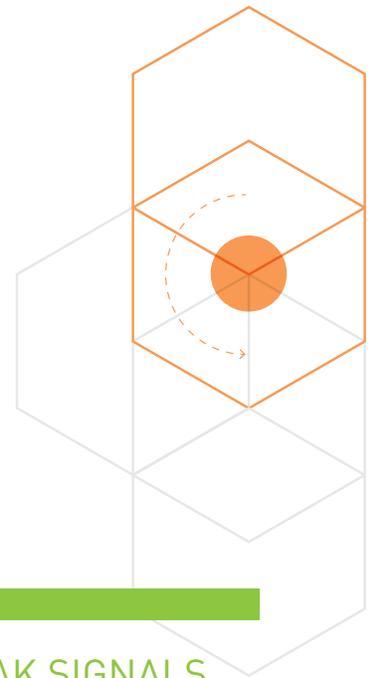
Visions of the future are best communicated as human experiences with changing values embedded in them. These experiences are brought to life not only as words, but as images, storyboards, enactments, performances and objects to improve empathy and understanding.

This description highlights why futures is both useful and challenging. Futures work deals with ambiguous and inarticulate data points, which are usually referred to as “weak signals.” These are not yet trends or full-blown changes, but seemingly small phenomena and events to which little attention is paid by mainstream views. Because we are dealing with ambiguous data, we never get to a single answer (hence no *prediction* in futures), but rather to a range of possibilities which may or may not have significant implications and call for contingencies.

WHY FUTURES IS AN ESSENTIAL PART OF STRATEGY

Using futures in the strategic decision making process has many advantages for businesses across all industries:

- First, it forces participants to think through scenarios that don't on the surface appear consequential.
- It involves using specific futures methods (of which there are many).
- Most importantly, using futures methods requires a certain cultural adjustment that helps decision makers recognize biases that may have been clouding their ability to think as comprehensively as possible.



SPOTTING WEAK SIGNALS

According to a recent study by the University of Michigan Transportation Research Institute, the number of people aged 16-44 with driver's licenses has been steadily decreasing from 1983 to 2014. This is especially pronounced among 16 year-olds, 46% of whom had a driver's license in 1983, compared to 24.5% in 2014. The extent to which this information is a weak or strong signal is colored by your viewpoint. If you are in auto manufacturing, you would view this as a strong and even worrisome signal that warrants immediate attention. However, if you are in retail or consumer products, you may not perceive this as a strong signal and thus pass over it – even though the long-term ramifications for your business could actually be highly significant.

In many cases, decision-makers are used to dealing with external conditions that are perceived as most likely or most immediate. As a result, thinking about long-term futures may be culturally difficult or even unacceptable in some organizations.

However, the fundamental value of futures is about making impact starting *today*. It's about surfacing new ways and opportunities to help organizations create the most preferable future or protect against undesirable ones. Futures provides an ongoing lens through which to monitor emerging trends and uncertainties, and anticipate change.

HOW COMPANIES “DO” FUTURES

In corporate strategy, futures is becoming an increasingly common discipline. One of the most prominent corporate futurists is Intel's Brian David Johnson. In the computing world, people often focus on the 18-month cycle of the Moore's Law as a barometer of technological progress. What few people realize is that companies like Intel have to think in much longer terms in order to make Moore's Law a reality. It takes years to develop a new chip and many more to develop an infrastructure to actually make it. That means that practitioners such as Johnson need to try to imagine worlds in the future and how people might want to use and interact with technology in order to provide context and direction today for engineers, who then design the chips.



“ It’s never looking at automotive; in fact we try to stay away from that for the work that I do, so

we come up with the insights,

and then I pass it off to the designers, engineers and the marketing teams, that take their subject matter expertise

and turn it into something meaningful in terms of product offerings. ”

Sheryll Connelly, Futurist – Ford Motor Company

Another interesting example is Sheryll Connelly, a corporate futurist for Ford Motor Company. Automobile manufacturing couldn’t be further from chip making, but it also takes many years to bring a product to market. Connelly has a similar task of scanning for long-term signals to develop insights and context for designers and engineers. In one of her many interviews, Connelly mentions that she tries to avoid focusing too heavily on automotive trends and focuses more on social, economic, political and other developments that Ford’s automotive subject matter experts can use to design better products.

Listen to the full interview here: <http://bit.ly/1UQEVFn>.

A common theme in these two examples is that corporate futurists can work in multiple roles and be well-versed in a broad range of topics. They may be situated within corporate strategy, engineering, market research or design. There is no single right way; there are many good ways to do the job well and make a long-term business impact. Most importantly, you do not need to be a global market leader with significant resources to practice futures. Many of the concepts we discuss here are used by small companies, start-ups and even non-profit organizations.



THREE ATTRIBUTES OF BLACK SWAN EVENTS:

- 1. It is an outlier, as it lies outside the realm of regular expectations, because nothing in the past can convincingly point to its possibility.**
- 2. It carries an extreme 'impact'.**
- 3. In spite of its outlier status, human nature makes us concoct explanations for its occurrence after the fact, making it explainable and predictable.**

Source: Taleb, Nassim. "Black Swan: The Impact of the Highly Improbable." Penguin Books, 2008.

FUTURES FOR RESILIENCE

One way to think about futures is in terms of resilience. Nassim Taleb, a scholar on risk management and finance, introduced the concept of black swans as a useful model to think about futures. Black swans are events that are perceived to be rare and unlikely but whose impact is often transformational or devastating. They could be natural disasters, new market entrants or scientific discoveries. For example, in the mobile communications industry, we may think of the iPhone as a black swan event. It completely changed the market and drove some major players like Nokia and Motorola to the brink of extinction. The financial crisis of 2008 is another example of a black swan event that had transformational consequences across the globe.

A common misconception about how to deal with black swans is that we need to better predict them. But that is a fruitless effort because, by definition, black swans are events that are perceived to be unlikely or even impossible. What is more fruitful is to create systems (organizational, civic, cultural, etc.) that make us more resilient against such events. Futures can help organizations imagine and articulate plausible scenarios for which they need to become more resilient, so they can take immediate action to address or be better prepared for when a black swan event does occur.

FUTURES AS HUMAN EXPERIENCES

Regardless of the reasons an organization may have for embracing futures practices, it's critical to remember that human beings should always be at the center of the conversation.

Human experience and changing human values and behaviors ultimately make a technology meaningful or irrelevant, make companies grow or collapse and make communities thrive or stagnate. In a way, futures can be thought of as empathy towards our future selves and needs.

When we communicate visions of futures, we strive to do that in a way that creates the most favorable conditions for empathy. We encourage practitioners to visualize these futures, not only with words but with images, storyboards, enactments, performances and objects. These expressions can help the audience not only understand the implications of futures but viscerally feel them through experiences by casting the person at the heart of the future story. We often hear that storytelling is important in making a difference in organizations and enabling change. For the futures practice that wants to make a difference, good storytelling is not enough unless it is manifested in lived experience—human experience.

You can find more discussion about our unique approach to Human Experience design here: <http://bit.ly/220r8hu>



HOW TO USE FUTURES

Futures is not the only answer to the challenge of uncertainty and complexity, but it equips practitioners with the right mindset. Regardless of your industry, there are many applications in which futures can help create new kinds of knowledge—and fundamentally change how strategic decisions are made. Among the many situations for which you might consider incorporating futures as a core skill:

Strategic planning

Any time you are making a decision about the future, you are dealing with uncertainties and unknowables. Futures can help you articulate risks, uncover blind spots and challenge your assumptions about what is possible.

Concept generation and testing

Futures is generative by nature and it fits very well with the generative approaches of design such as ideation and concept generation. You can use a futures-oriented approach to imagine new worlds and design products and services within them.

Innovation portfolio management

Futures can help you identify key clusters of emerging social and technological change, and use that information to make investment decisions. It may even become the key mechanism by which you manage a portfolio of new products and services.

Customer insights

Being attuned to customer behaviors and changing values is key to insightful futures work. Futures can enrich customer insights by imagining new trajectories for behaviors that are only at the fringes today. As mentioned previously, preferences on either side of the extreme can help articulate new challenges and opportunities that traditional market segmentation or predictive analytics cannot.

Brand strategy

The essence of brands is in the narrative of their relationship with their audience. Futures can help articulate multiple possible narratives to help strengthen the relationship with the current audience or find new ones.

Find out more about our work in narrative futures here: <http://bit.ly/1QEZNh5>

Regardless of the immediate goal, futures thinking can help organizations manage risk, innovate, create competitive advantage and be more resilient by revealing unique perspectives, challenges and opportunities that lead to more informed decisions.



CASE STORY

In a recent engagement with a global lifestyle brand, Sparks Grove helped a business unit create a strategy and three year roadmap to redesign their business. Futures methodology helped identify critical uncertainties and create scenario narratives of how the business might succeed or be challenged in the next five to ten years.

The results

The project helped improve the visibility of key stakeholders into unarticulated risks, consequences and missing capabilities that will need to be developed such as revamping equipment and digital platforms, retooling their distribution model and expanding their product portfolio. Overall, this approach helped create a more resilient strategy that balances the long term need for transformation with immediate organizational, cultural and practical constraints.



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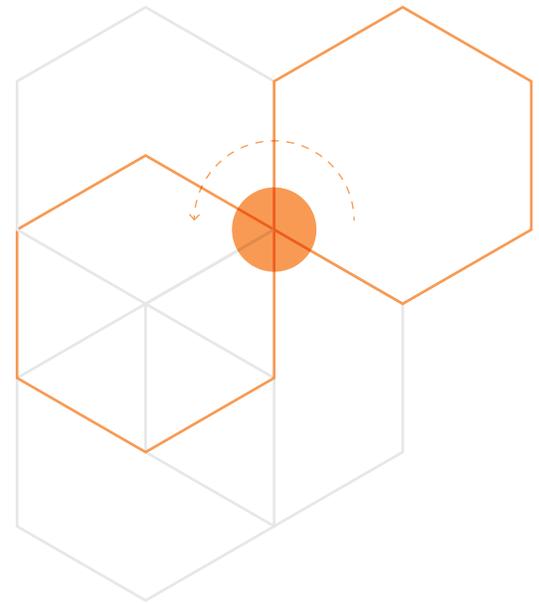
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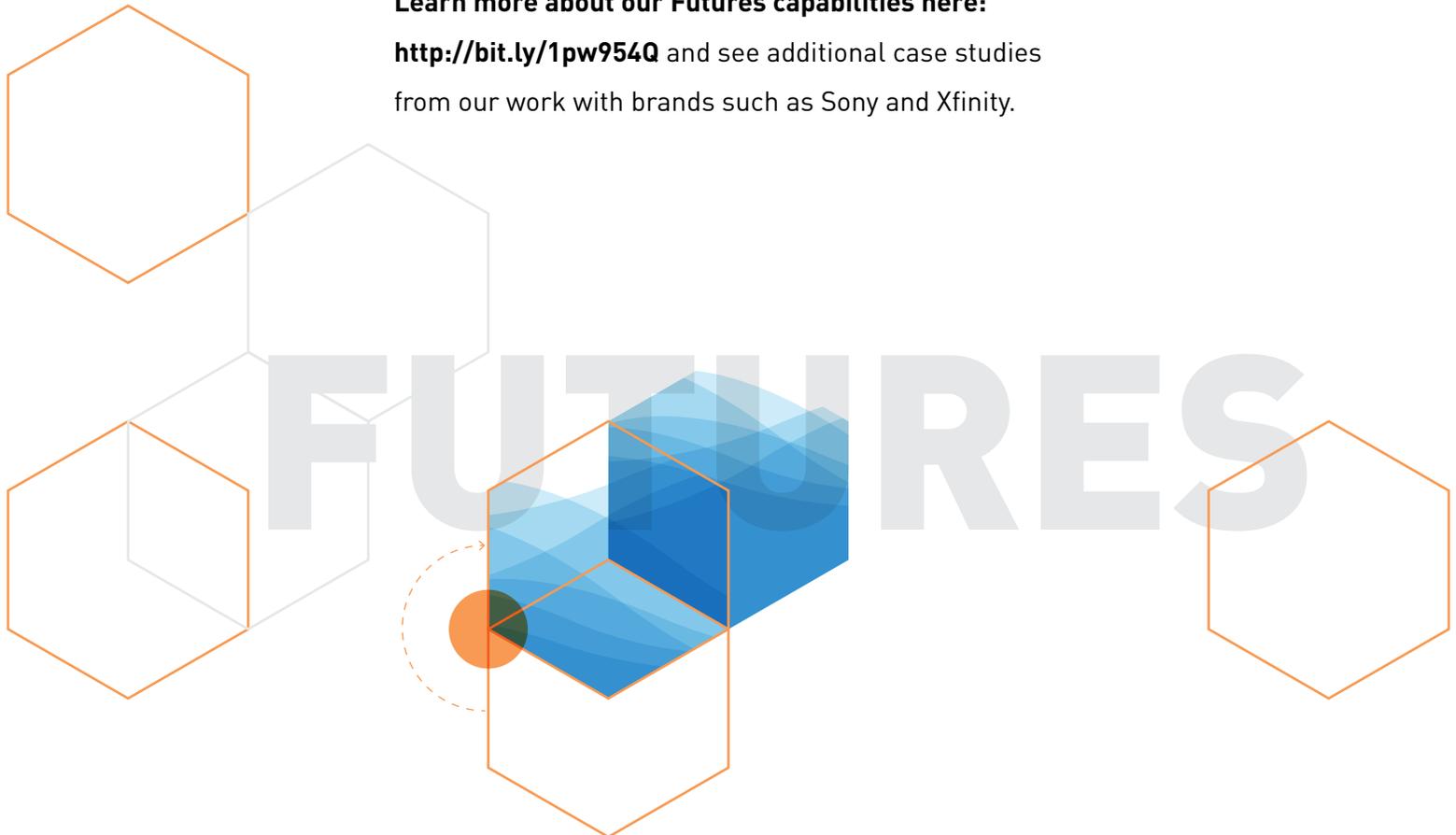


ABOUT THE SPARKS GROVE FUTURES TEAM

We help organizations imagine preferable futures and articulate actions to create them. We combine our expertise in futures methods, experience design, storytelling and technology with our proven track record in organizational change and agile implementation. Our ability to think about long-term futures creates actionable insights and helps organizations make informed and purposeful decisions today.

Learn more about our Futures capabilities here:

<http://bit.ly/1pw954Q> and see additional case studies from our work with brands such as Sony and Xfinity.



We design human experiences to solve business challenges.

Sparks Grove is the experience design division of North Highland, a global management consultancy that delivers unique value, relevant big ideas and strategic business capabilities to clients around the world. North Highland solves complex business problems for clients in multiple industries through an integrated approach and specialty services via Sparks Grove and our Consulting, Data and Analytics, and Managed Services divisions.

At Sparks Grove, we apply design thinking to plan, make and execute experiences across the entire experience chain. We use insight, foresight, strategy, design and development to transform businesses into more human-centered, purpose-driven organizations.



If you're interested in learning more about the ways that Sparks Grove can help you achieve growth through experience, please visit us at sparksgrove.com or call us at **+1 404 961 9900**.