

# MAKING SENSE OF... **FORESIGHT**

A Selbey Labs Series.



# SELBEY LABS – OVERVIEW

The world is increasingly complex, and Selbey Labs helps makes sense of it with practical, useful and effective strategies to adapt, evolve and thrive.

We bring together research, foresight, innovation and consulting to inform brand and business strategies, create or evolve products and services, and understand both the audiences you serve and those you'd like to serve. Our aim in everything we do is to ensure we help clients remain resilient and successful. Using a dynamic blend of data, behavioural science and research, Selbey Labs delivers a deep identification and understanding of emerging opportunities and threats, giving clients more time to prepare and/or react.

We regularly publish reports and research as well as hosting events that focus on macro-trends, key socio-economic drivers, sector-trends, audience trends and wider cultural shifts. Our approach is to make sense of emerging trends and gain useful, relevant and actionable insights that can drive growth and value for clients.

**For more information, contact us at**

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[www.selbeylabs.io](http://www.selbeylabs.io)

### Reports - background

These 'Making Sense of...' reports are intended to act as an introduction to our thinking and approach. They're written by Sean Pillot de Chenecey, Head of Foresight and Strategy at Selbey Labs, who is also the author of successful business books. Our report into innovation was based on his book 'Influencers & Revolutionaries' whilst our report on trust was based on his book 'The Post-Truth Business'. This report is based on his Business School lectures and forthcoming book on foresight. He discusses all of these subjects in his podcast 'The New Abnormal', alongside a range of other cultural/social/business issues.

Please note that we welcome feedback to these reports, which are intended to illuminate our specialist approach. Our team would naturally be keen to discuss them with you and outline how our research, strategic foresight, innovation, advisory, guided fieldwork & safaris, ideation sessions & workshops could be of assistance regarding your requirements.

### Pulse Checks

The offering from Selbey Labs in this area provides clients with a rapid deep-dive understanding of niche audience needs, hopes, desires and attitudes with rich ethnographic and cartographic outputs and actionable insights.

### Signal Strength

The exciting new podcast series from Selbey Labs explores emerging threats and opportunities for complex and fast forward brands, and is hosted by our CEO, Gerry Hopkinson.

Please contact: [gerry@selbeylabs.io](mailto:gerry@selbeylabs.io) and/or see our website [www.selbeylabs.io](http://www.selbeylabs.io) for more information on Selbey Labs.



# SELBEY LABS INNOVATION SERIES:

Making Sense of Innovation

Making Sense of Trust

→ **MAKING SENSE OF FORESIGHT**

Making Sense of Hospitality

Making Sense of the Future City

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Making Sense of Retail

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Making Sense of the Wellness Economy

Making Sense of Fintech & Insurtech

# MAKING SENSE OF... FORESIGHT

The World Economic Forum reports that “leaders are trying to better understand new business models that will enable them to survive in a world permeated by frequent shocks”.

Those leaders have always had to anticipate and embrace change, but today, change is happening in an era of time-compression and acceleration. Hence a recommendation not to apply old thinking to new problems.

Meanwhile, management theory has long stressed that leaders have been facing volatile, uncertain, complex, and ambiguous (‘VUCA’) futures; but business schools now teach another acronym, where matters have been further complicated by a world that is ‘BANI’ as in brittle, anxious, nonlinear and incomprehensible.

Dealing with these new challenges calls for new approaches. Hence the need for greater understanding and usage of the role that foresight plays in planning and implementation, when making strategic decisions with confidence has become

increasingly difficult. That’s why Selbey Labs constantly scan for emerging issues and signals of the future, working on catalytic foresight and scenario planning activities that illuminate potential opportunities and threats facing businesses.

To do so, we utilise a dynamic methodology that empowers teams and organisations to develop the insights and skills required to successfully prepare, adapt and thrive in a changing world. In doing so, we align with the approaches taken by a wide array of leading thinktanks and management consultancies, via our actions in:

- Challenging engrained assumptions and views about an organisation and its future
- Illuminating vital issues influencing strategic direction
- Creating catalytic and meaningful scenarios
- Clarifying plausible futures
- Assisting in the development of corporate awareness and insights

In a much-cited Bain & Co survey of over

1000 executive (frequently quoted in futurist circles) topping the list of the 25 most popular management tools was strategic planning, with the one expected to increase the most being scenario planning.

But to understand why the subject of futurism is such a favourite topic in boardrooms, despite a desire of leadership teams for facts, rather than views sometimes misinterpreted as ‘mere speculation’, let’s go back to the future to establish some context. Doing so will hopefully illuminate why ‘the future’ is a vital subject for both military and business strategists alike...

**“WE HAVE NO GENUINE IDEA OF WHAT THE FUTURE MAY HOLD BECAUSE OUR PRESENT IS TOO VOLATILE, WE HAVE ONLY RISK MANAGEMENT AND THE SPINNING OF THE GIVEN MOMENT’S SCENARIOS. PATTERN RECOGNITION.”**

William Gibson



# A HISTORY OF FUTURISM

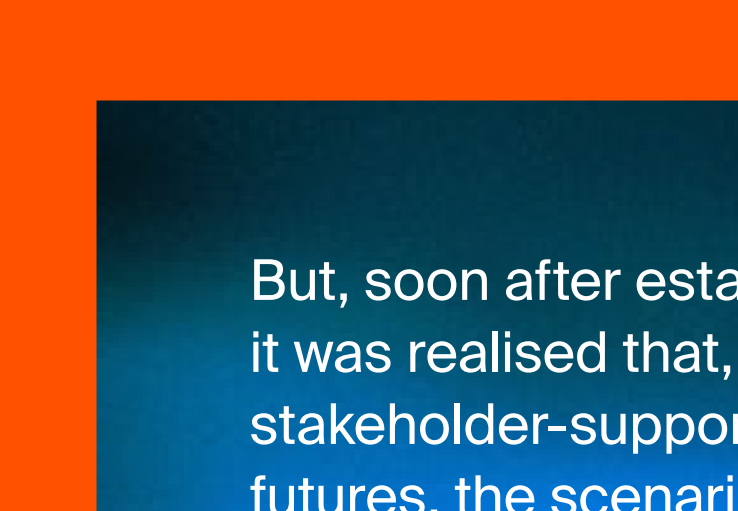
The area most obsessed with facts, one can safely argue, is science. Yet, when it comes to thinking about the future, the world of 'science fiction' has always been closely associated with that of 'science fact'. Which, of course, is a dichotomy when scientists aim for evidence-based truth. "But no other professional group is more inspired by an imaginary world that frequently forecasts its own, than scientists" according to The Times. "Ordinary scientific R&D works within the realms of the possible, through observation and experiment, trial and error, demand and supply. Science or 'speculative' fiction writers go much further, envisioning a world that does not exist, yet".

Key figures widely linked to that realm include Jules Verne, Edward Bellamy, Ray Bradbury, Douglas Adams, etc, whilst HG Wells, Arthur C. Clarke and William Gibson are possibly the most immediately referenced of them all, regarding the specifics of businesses. Industry commentators often

cite pivotal moments in futurism such as the 'Professors of Foresight' speech at the BBC by HG Wells, Arthur C. Clark's collaboration with Stanley Kubrick on '2001: A Space Odyssey' and the endlessly mentioned quote from William Gibson "the future is already here, it's just not evenly distributed". Each had an immense impact on futures-thinking, along with the viewpoints of those such as the 'Future Shock' author, Alvin Toffler.

Whilst the creator of scenario planning in a commercial context is often cited as Herman Kahn, the company mentioned more than any other regarding the development of futures-thinking are Shell. Their department dedicated to the subject was established in the 1960's and has had an immense impact on the way in which organisations and leadership teams approach their future-planning activities.

Initially set up to reflect a need to change from solely focusing on financial data (and as the saying goes 'the only function of economic forecasting is to make astrologers look respectable') they aimed instead to understand the catalysts of external volatility, and their teams were acknowledged as being absolute leaders in the futures-discipline.



But, soon after establishing their futures department, it was realised that, in order to gain and retain stakeholder-support, instead of talking about ‘probable’ futures, the scenarios they created should instead be presented as being ‘plausible’. That was in contrast to the approach of their European colleagues, who opted to focus more on what ‘should’ happen, from the perspective of outlining a corporate future.

The tensions exposed by those two different approaches, and there are numerous alternatives of course, exposed a problem entrenched within futures-departments. That tension, for instance, is the challenge that they don’t contribute directly to financial outputs, because they simply cannot ‘prove’ their worth for those obsessed with accountability, when those figures often need to be justified in the present. Managers of these units therefore have to endlessly stress that their outputs are bound to illuminate uncertainty and avoid rock-solid predictions.

So, how can futurists demonstrate the value of their ‘uncertain insights’ when decisions made on their findings may be a matter of life and death?

# MILITARY PLANNING & STORIES OF TOMORROW

Closely aligned to the world of business, are the military establishment. To briefly outline the relevance of this, in Post-WW2 America, strategists at outfits like the Rand Corporation and US War Office were closely intertwined in sharing a view that the world was too complex to be predictable, yet they had a vital need for prediction. But they knew that forecasts can only be done accurately and with a sense of utter believability when everything is known and predetermined. Which is a Catch-22 problem.

The normative situation for the military, in this context, is that they constantly view the changing world around them and try to anticipate future events, seeking to illuminate covert and overt threats, with time-horizons set across the immediate present, near and distant future. Meanwhile, they've long realized a need for 'adaptive leadership' as a core skill for modern leaders, who are thereby able to pivot and adapt to situations as they arise.

**“THE BEST TIME TO FIND, TRACK, AND ACT ON A TREND WAS A DECADE AGO. THE SECOND-BEST TIME IS RIGHT NOW.”**

Amy Webb

This is where 'determined strategies vs emergent strategies' come into play. The approach taken here, briefly put, is that military scenarios are divided into separate predetermined certainties (the implications of which involve the required capabilities and resources being identified and made ready) along with those deemed as 'uncertainties'. Those relate to future challenges which require a practical acknowledgment of the needs that may therefore arise linked to differing locations, timeframes and types of enemies.

Why is this relevant to business? A great deal of media attention was focused on Britain's Armed Forces in this regard, with the announcement that 'faced with the tech future arriving on fast-forward, policymakers and strategists have increasingly been resorting to science fiction writers to help them imagine what is accelerating towards us'. An example saw the Ministry of Defense commission future-warfare stories from science fiction writers. When these 'Stories from Tomorrow' were published, the MOD's chief scientific advisor stated that "defense needs to harness the creativity and vision of the 'useful fiction' sector to further stimulate foresight and innovation, and the outcomes need to highlight options and alternatives, from the perspectives of 'What If and So What?'. (Which sounds a lot like a typical boardroom challenge).





Those ‘fictional intelligence’ stories involved, for example, geo-political upheavals caused by climate change – which is exactly the sort of thing that the activist group Extinction Rebellion have been warning us about for years. A key point with XR, of course, is that they’ve provided endless amounts of data-based climate projections, giving their viewpoints the credibility of scientifically backed evidence.

As for the ‘adaptive leadership’ skills so desired by the military, for an example of a company sharing those desires, one could point to IKEA. They’re often associated with management excellence, and so it was interesting to read how, in an interview with the Financial Times, one of their top executives reflected how the team missed the perceived stability of the past ‘when trends were predictable and this could be translated into a credible multiyear business plan. Now, the risks, the uncertainty, everything that used to be in a ‘risk matrix file’ is more or less happening right now’. As a result, instead of setting out specific goals for the year, they set scenarios ‘which give the business flexibility to act as the outlook changes, acknowledging that widely different outcomes are possible, stressing agility in how to operate’.

**“TO BE SURE, CREATIVE DESTRUCTION WILL OCCUR. OBSOLETE PRODUCTS, FIRMS, JOB CATEGORIES, AND SERVICES MUST FALL BY THE WAYSIDE TO MAKE WAY FOR NEW IDEAS.”**

**Nouriel Roubini**



## SO... 'HOW TO FUTURE'

Based on dynamic thinking from futures-thinkers, authors, academics and practitioners across an array of fields and institutions, we utilise a hybrid approach that combines best-practise with the latest catalytic thinking. Therefore, whilst we naturally adapt our methodology based on the specifics of client-projects, at Selbey Labs our core methodology begins with a client presentation where we discuss an approach based around gathering research, before illuminating the insights gained, develop plausible futures and generate actionable outputs. We do so noting the dynamics and catalysts of change, and how these relate to our clients, before collaborating to develop a strategic response. That process can then be started again in due course, and indeed we recommend that this is indeed a rolling activity.

Regarding a 'typical' project for a client, the starting point for any futures activity is, of course, to clarify the particular timescale to which the project relates, due to the basic realities of more certainty being (hopefully)

offered by shorter / tactical timeframes, which typically exist for tasks being implemented with two years. Regarding this, the quantitative futurist Amy Webb says "we continually interrelate the past, present and future within the context of our personal experiences, the groups we belong to and the projects we work on. If you aren't thinking in terms of time zones, you cannot effectively plan for the future."

Activity such as strategic planning is usually briefed up to a five-year timeframe; whilst longer-scale projects relating to more significant innovation work e.g. for our clients, ongoing tasks relating to the built-environment or factory development require foresight activity looking up to a decade ahead. We stress, however, that it's important to think across these types of self-imposed timescales, whilst noting that the 'issues-impact' on the same brand, for instance, may mean different affects at different times. That's why it's key to conduct trend research on an ongoing basis, ensuring that changing conditions are noted as they become known.



**"THE END RESULT OF SCENARIOS AREN'T ACCURATE PICTURES OF TOMORROW, BUT BETTER DECISIONS ABOUT THE FUTURE."**

Peter Schwarz

# TAKING A FIVE-STAGE APPROACH, WE BASE A 'STANDARD' PROJECT ON THE FOLLOWING FRAMEWORK:

## STAGE 1. SIGNALS & TRENDS

To begin the research phase of the project, we draw on a range of inputs, looking for information across social, technological, economic, environmental, political, legal and ethical areas. The reason why, according to the journalist and author of 'Anthro Vision' Gillian Tett, is that "if we are going to navigate an increasingly complex world, it is crucial that we try to listen and learn from as many different professions as we can". These learnings, for example, could include an eclectic mix such as an announcement of 'surprising' demographic news, a leading-edge tech demonstration, a report about the latest scientific breakthrough, articles about new lifestyle choices, demonstrations reflecting deepening political splits, statements from all sides of the culture wars, a change in the annual Hard/Sharp/Soft Power Indexes, a catalytic new service transferred from one side of the world to another, or an unexpected Oscars winner, etc.

At Selbey Labs, we link with our partner network throughout the Selbey Anderson Group (and beyond) to scan the world around us, seeking out these signals of change. To give the resulting information coherence, in true MBA style, we then match that against the classic framing of the 'Five Forces' (the bargaining power of suppliers, threat of substitutes, bargaining power of buyers, threat of new entrants, and industry rivalry) as espoused by Harvard's Professor Michael Porter, which relate to the competitive intensity of a specific sector. At that early stage, emerging and future opportunities and threats may already be illuminated, meaning, for instance, that coherent business planning discussions can take place and the development of future propositions, or the fine-tuning of existing ones, can begin to be framed. And, this is also the time for a workshop...



# STAGE 2. WORKSHOPS (INCLUDING TASKS A-C)

Despite workshops having a very bad name, we all know that when conducted properly, they can be incredibly worthwhile. That's why the need for a really dynamic workshop phase is crucial at this phase, being the 'catalyst of change' for the remainder of the project.

## Task A

We like to run these in different stages, kicking-off with all involved outlining a typically-held sector belief regarding the brand or organization in question, before critiquing that belief, describing how things might be done differently, and noting leverageable ideas from other rivals, areas or indeed sectors, that could be used for beneficial effect.

## Task B

Once we've mapped the already-identified issues as above, we can then start building our scenarios. Selbey Labs utilise the 'four alternative futures' approach to this subject, that was initially developed by Jim Gator who, in the early 1970's, established the renowned Research Centre for Futures at the University of Hawaii. His approach to scenario planning has been used ever since, and absolutely crucially, involves an illumination of geopolitical risk and thus risk management. The thinking he developed essentially focused on:

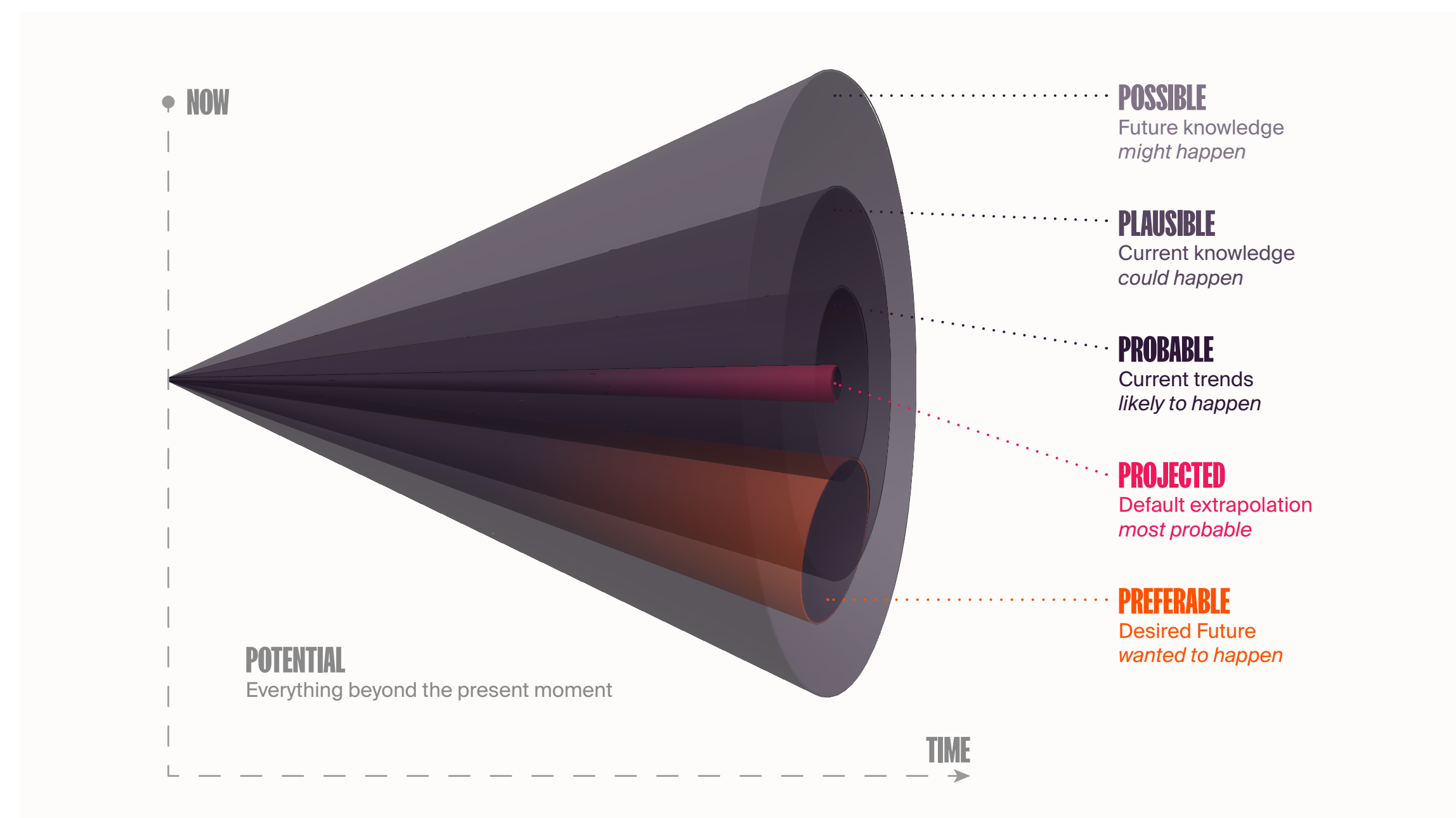
- Continuation (Growth) - Why and how the business sector may grow, and how the organisation could leverage a key opportunity re: this scenario.
- Decline (Collapse) - Why and how the business sector may collapse, and what the organisation could do, to alleviate the danger posed.
- Discipline (Constriction) - Why and how the business sector may constrict, and how the organisation could adapt/reframe re: this scenario.
- Transformation (Disruption) - Where and how the sector is / not expected to witness innovation and what the organisation can do to leverage opportunities.

## Task C

Those outputs are then linked to the 'Cone of Possibilities'. That approach, created by Charles Taylor (and as used by the US Army's War College) has been subsequently developed further and divides any created 'future concepts' into subsections, where our scenarios can be placed, with those possibilities being given flexible titles regarding futures, being divided into the:

- Projected – essentially, business as usual
- Potential – anything beyond now
- Possible – futures that may happen that leverage unknown innovations
- Plausible – futures that could happen based on current realities
- Probable- futures that are likely to happen based on today's trends
- Preferable – futures that ought or should happen

**Note:** a dystopian future, as per the warnings, for example, of Greta Thunberg or George Orwell, can also be added to this flexible list.





## STAGE 3. RISK MANAGEMENT

Having built those scenarios, and framed them within identified possibilities, we then focus attention on illuminating and evaluating risk. Whilst the dynamic Nouriel Roubini will always be associated with the famous ‘Black Swan’ that he used to describe the shock of the 9/11 attacks, in a business risk-management context, the same ‘animals of change’ analogy can be used via representation of animals framed in the following ‘risk matrix’:

- Black Elephant - Known Unknowns (Extended present / contextual / negative, requiring collective action e.g. pandemics)
- Black Swan - Unknown Unknowns (Pos/neg, previously unimagined.) Responsible for big social & historical change
- Black Jellyfish - Unknown Knowns (Things we think we know & understand but are more complex and uncertain than we expect. How normal things become postnormal)
- Grey Rhino – whilst thinking of the future, we must never ignore the rhino that may be charging towards us, representing the ever-present threats of today

Using this type of matrix can go towards enabling a key benefit identified by Peter Schwarz, one of the ex-heads of Shell’s futurist department. According to him “to act with confidence, one must be willing to look ahead and consider uncertainties. In an unpredictable context, freedom is the ability to act with confidence and a knowledge of uncertainty”.

## STAGE 4. TOWS + ACTION PLANNING

We then move on to highlight and develop opportunities with our clients, leveraging the different futures that have been identified. Taking the above approach enables client-teams to also consider opportunities that may arise across different timescales, via the illumination of tension points, clarifying the depths of perceived needs and desires, before noting on the anticipated speed and impact of the futures-issues outlined, and focusing them towards who or what may be the target of those issues. As part of this, a catalytic tool we enjoy leveraging is to ‘backcast’ or ‘retroplan’ how things may have been done, looking back from a futures perspective.

## STAGE 5. 'SPECULATIVE FUTURES' & OUTPUTS

The final stage of a foresight project further highlights another key benefit of scenario planning – collaboration. This approach really comes into its own when the teams involved collaborate across a range of departments and disciplines e.g. including human resources, public affairs, risk management, strategic planning and innovation re: new product and service development. The types of outputs that these projects generate are typically presented via detailed speculative futures thinking that have storytelling as their prime function. We effectively ‘moodboard the world ahead’ and to do this, collaborative ‘guided envisioning’ sessions are utilised, the results of which aim to sum up two different viewpoints that describe, in detail, what those futures may be like.

This entails an illumination of exactly what it will be like to live, work and do business in those detailed scenarios. These will have an easily remembered and engaging name and can be presented as moodboards and ‘media articles of the future’. That combination is key for creative storytelling and internal/external engagement, which can then be directly linked with (and act as a foundation for) specific areas of further investigation. However, it should be noted that those scenarios, while being hopefully perceived as plausible, may also be commented on as being the opposite. Teams need to be made aware of this typical type of response at an early stage of the project, to underscore credibility in an era when, according to Forbes “business is not running as usual, and leaders must deal with growing uncertainty, complexity and ambiguity in their decision-making environments”.



# VIGILANT, NEUROTIC, VULNERABLE OR IN DANGER?

Key benefits of foresight activity will then hopefully be seen as delivering additional robustness to a business, enabling teams to see alternative views of the future, and thus being able to plan for, and adapt to, those futures when they may arise. This essentially enables us to answer the challenge of 'shaping the future or being shaped by it' with confidence.

A dynamic example of this is demonstrated by a study conducted with 70 large European companies (including Cisco, Deutsche Telekom, L'Oreal, Pepsi) by EDHEC Business School which found that companies which strategically prepare for the future outperform other companies – both in terms of profits and company value.

The study applied a model developed by Professor Rene Rohrbeck to measure the maturity of the company's corporate foresight and their ability to work strategically with future challenges, but found that very few companies actually prepare systematically for the future. The study used a model which divided the companies into four categories according to the challenges of their markets:

- Vigilant – companies that work determinedly with corporate foresight in their market.
- Neurotic – companies that might adapt course of action to market movements but do so without long-term or strategic perspective.
- Vulnerable – companies that have strategies, but which don't sufficiently address the market challenges.
- Co's in Danger – that might have strategies, but whose strategies are completely insufficient.

After the company's maturity was measured, the profitability of the 'neurotic' and the 'vulnerable' companies was 37% lower on average compared to the 'vigilant' while 'companies in danger' were lagging behind the 'vigilant' by 44%. The study clearly demonstrated, according to Prof Rohrbeck, that companies benefit a great deal from systematically preparing for the future.

## SUMMARY

According to a futures report from McKinsey “being prepared is more creative and more effective than planning. Re: complexity, traditional planning is dangerous as it contains too many assumptions to be reliable and risks offering certainty where none exists. The best one can do is to identify a plausible variety of futures and interrogate them for implications and consequences”.

Which is why futures-projects are both so fascinating and so crucial for successful businesses. Indeed, according to geopolitical strategist Peter Zeihan “challenges and opportunities beckon: cultural, economic, technological, climatic, demographic, geopolitical. Exploring ‘Brave New Worlds’ is amazing...”

To finalise this report, it purely remains to state that our key aim is to achieve that famous call to action of helping clients ‘win the future’.

By establishing trust, building resilience, reducing risk and developing breakthrough, creative thinking; organisations utilising the dynamic types of futures-approaches outlined in this report will be enabled to successfully adapt, evolve and thrive in a changing world.

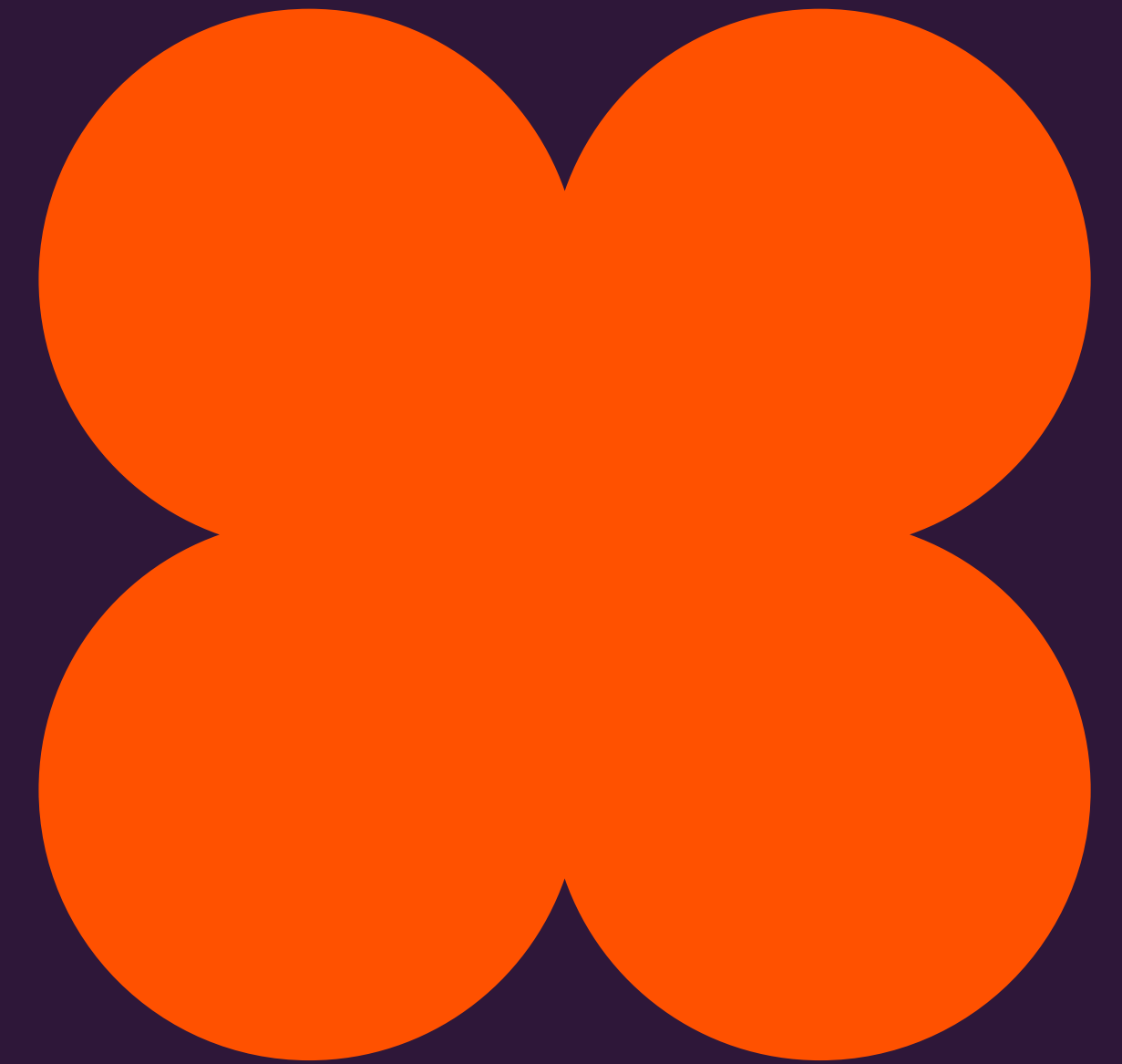




# SELBEY ANDERSON OVERVIEW

The UK's fastest growing integrated marketing group, Selbey Anderson is an integrated marketing and communications network that finds and unlocks hidden value for people, agencies and brands. It operates globally to help businesses solve complex marketing challenges.

[selbeyanderson.com](https://selbeyanderson.com)



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Breaks new ground in brand and ABM for high-growth technology businesses.

 [digitalradish.co.uk](https://digitalradish.co.uk)

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**GREENTARGET** [greentarget.co.uk](https://greentarget.co.uk)

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Creative Digital Development Agency builds tailor-made digital products, platforms and websites.

 [orckid.com](https://orckid.com)

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