

Why Study the Future?

The study of the future and its uses in global corporations has expanded greatly in the last two decades. But little has been written about how these studies are conducted or used. This is a story worth making more widely known for three reasons:

- It may encourage businesses that have been reluctant to explore the future.
- The current economic recession highlights factors in business that must change, as well as new opportunities that lie ahead.
- The basic intent of studying the future is to change peoples' minds and then their behavior.

Clearly, the opportunity to compare experiences in exploring the future can benefit even the most sophisticated practitioner.

In the 23 years since I established a firm dedicated to the study of the future, I have seen striking changes in the reasons for conducting futures studies in business. Through the 1980s, the single most common statement by executives who sought our assistance was, in one form or another: "We believe that we have been talking to ourselves too exclusively." These companies turned to futurists for an alternative perspective on their concerns.

As familiarity with futures studies grew, their value gradually became more widely understood, sought out and practiced at all levels of business. This welcome change expanded the scope for futures work.

Another welcome change was the dropping of silly questions like, "Where do you get your crystal ball?" That question suggests anxiety about whether executives would be sponsoring work of questionable validity and thereby damage their careers. Over the past dozen years,

the study of the future has ceased being seen as outlandish, extraordinary, bizarre or risky. For most firms, the exploration of the future is just another means of coming to understand the business environment.

Another change is the shifting time horizon. Fifteen years ago, a client who was willing to explore the future beyond a decade was unusual. Today, clients are usually interested in the 10–20-year future; many have interests well beyond 20 years. The study that resulted in our book, *2025: Scenarios of U.S. and Global Society Reshaped by Science and Technology*, was begun in the mid-1990s and presented a 30-year perspective important enough to business that 17 firms sponsored it.

Within the corporation, the points of interest about the future tend not to be well coordinated, much less integrated. Human Resources with its numerous concerns about work and its management is frequently a highly active futures center. Research and Development, responsible for the long-term viability of the organization, is definitely high on interest in the future. Market research, as opposed to marketing, often has a strong interest in the future, but tends to have a relatively short time horizon. Corporate planners are implicitly interested in the future, but often seem reluctant to turn to futurists, perhaps seeing them as competitors. The Executive Committee and the CEO are, relatively speaking, less common clients for the futurist, because they are the ultimate decision-makers and have futures prospects served up to them by units within the firm.

Another important trend in business's exploration of the future is an expanding breadth of interest. For example, R&D groups are not restricting their interest to the scientific and technical futures, but are increasingly concerned with the social, economic, political, and environmental context into which a new product,

process or service will be launched.

How the Future Is Practiced

In light of the above changes, it seemed desirable three years ago to put together an account of how the future is practiced in American and European business. I invited people associated with futures studies in seven firms to write articles for *Futures Research Quarterly* (Vol. 17, No.3, Fall 2001), a journal of the World Future Society. Right off, one can see differences in the internal auspices under which futures work is either conducted in or introduced into the corporation.

DaimlerChrysler, which I take to have the world's largest collection of working corporate futurists, has a central core that is relatively stable. A second ring consists of corporate internal and external members who stay for one to three years, including rotating people from around the worldwide company. A third, outer, ring consists of people on shorter-term assignments, including academics, graduate students and other specialists. Together, the three groups ran to about 30 people, as they do today. Offices are in Berlin and Palo Alto, California, where a permanent team is based, with temporary, job-specific trans-Atlantic transfers.

As at Siemens, the DaimlerChrysler futures study group is an internal consulting unit and consequently may work for many clients on multiple schedules to meet different needs. The two groups also function as the interlocutors with outside resources such as consulting firms or individuals who specialize in the study of the future.

In other cases, exemplified by Goodrich and Honeywell, the study of the future emerged from top management's interest in corporate planning. Quite different models show up in the case of an organization in which staff has substantial freedom to explore the

future landscape and to call on outside resources for help.

The Dow Chemical story reported on a relatively small but important R&D unit within the firm that found the future a potential and then a practical subject of interest. More or less working at the middle level for a number of years, Dow "futurized" its R&D unit.

In contrast is the DuPont story. Ups and downs on the roller coaster of recession and prosperity eventually pushed the firm into a broad-scale, systemic approach to the future. This ended up being captured, in the article by Terry Fadem, in a most interesting phrase: "The future is now routine." That is, the units of the business do not need any special prodding, probing, questioning, or incentives to think about the future. Today, the future for DuPont is routine in every unit and presumably in everyone's thinking.

One conclusion from the seven businesses is that—throughout—the location, responsibility and continuity of the examination of the future varies widely. What does seem to be a core minimum requirement is top management forbearance, a willingness to explore the future and to see what comes of it. Even better is top management's enthusiastic support and eager reception of results.

Another aspect of the diversity of approaches is in the internal lexicon of companies. Each company has two or three phrases which are almost peculiar to that firm. There is no problem understanding them; they simply illustrate the value of metaphorical thinking and how little cross-talk there is among the futures researchers in different corporations.

For example, at Goodrich people use "futuring" to mean the study and prediction of the future. They use "future vectors" to cover trends and developments shaping the future. Siemens has created an attractive neologism for backcasting: "retropolating."

Lessons Learned

Each author had his own "lessons learned." Without attempting to summarize and integrate them, here are other lessons that become clear from reviewing the seven accounts:

- No one organizational model works for everyone. The organizational model has to fit the corporate culture, the basis of its initiation, and its continuing experience with the exploration of the future.
- The futures study brings about intellectual change and a reorientation in thinking on the part of the participants.
- Real problems remain with getting the message to—and the follow-up action from—the top-most level of the business. This in part reflects the point made years ago by a distinguished futurist, Roy Amara. He foresaw a shift in orientation in future studies from intense emphasis on methods, techniques, formulas, data, and models to a complementary goal: communicating the message.
- A commitment to explore the future can permeate the organization, sometimes down so far that nearly everyone becomes involved. At other times, only 100 or fewer people participate in futures work. As a futures project expands and explores its company's universe, it well serves the company's interest to draw upon experts in various fields within the company, thereby causing a spreading oil drop of interest in the futures study and its implications.

No Universal Approach

The seven accounts show that no single organizational approach is universal. More evidence, more stories and more experience will be required before one can draw solid generalizations. About best practices, for example, it is my experience that relatively large corporations commonly use ad hoc task forces to explore the

future. However, few of them are as complete, comprehensive and effective as the one that Stephen Hirshfeld described at Honeywell.

On the other hand, there were some surprising absences. The role of business, trade and professional organizations as agents for exploring the future was virtually unmentioned, explicitly or implicitly.

That reflects a terrible lapse among associations, which are not realizing the opportunity they are missing. It may also show the relatively questionable or low regard in which they are held as organizational planning aids by their business members.

The Urgent Drives Out the Important

The Lucent story, as told by John Peterson, has all the elements of a Greek or even Shakespearian tragedy, with elements of fate operating relentlessly. On the other hand, it is a beautiful illustration of a point frequently made by Henry Kissinger, that the urgent drives out the important.

The Goodrich Corporation story, told by Brian Costa, implicitly highlights how a supplier to an industry made up of relatively few firms can both simplify and on the other hand intensify the exploration of the future.

Thomas Schwaier of Siemens and Christian Neuhaus of DaimlerChrysler each illustrated a well developed, finely tuned and highly effective organizational futures group, fully integrated into the organization and having a clear vision and a definite practice with regard to how it operates and serves its clients.

The German experience makes it clear that, unlike the American hit-or-miss, episodic approach to exploring the future, in the multinational research-based company there is a productive role for a permanent futures unit serving the entire firm.

The DuPont account shows how slowly an important concept becomes broadly accepted in the research-based firm. Rather than duplicate that snail's pace of realization, the smart business can speed up the process to its advantage as a top-down initiative.

The Dow Chemical Company account by Hines, Kelly and Noesen is a most engaging story of how, with steady determination in the face of limited forbearance or even indifference at the top, people at the mid-level can begin to change the organization and instill in it a continuous awareness of the need to explore the future. Two of the three authors were long-term employees held in high-enough regard within the organization that they were able to stick their necks out with some confidence that they would not be decapitated.

The account by Hirshfeld is one of the most extensive and detailed of how a top-down initiative in exploring the future can be successful, and how a long time and extensive funding are required to make that work. Particularly noteworthy is the building of the large internal constituency for the study of the future by having more and more people involved as the process matured and evolved.

Why We Study the Future

In my view, the reasons for exploring the future within a corporate context have little to do with making specific predictions—such and such will occur with this or that probability in X time frame. Those predictions are, at best, a step along the way toward what one really wishes to accomplish.

I see three desirable accomplishments from exploring the future:

- Most companies are expert-based; they depend upon experts at every stage and in every function to generate and sustain the business. Those experts, in order to remain experts, devote a large part of their time and their intellectual effort toward staying on top of their

subject. Consequently, one principal reason for studying the future is to widen intellectual horizons and make people aware of factors outside of their normal expert concerns that may converge on their interests in anywhere from 5 to 50 years, presenting an opportunity or a substantial risk, or demanding change for other reasons.

- After creating greater awareness in time and topic, one needs to show how the knowledge generated in the exploration of the future has implications for current planning. If the future does not reflect itself in planning, then it would be merely expensive entertainment.
- My final reason for exploring the future is far and away the most important, one from which all other reasons are derivative. It comes out of the recognition that organizations of all sorts—not only corporations—fail. Projects, plans and programs founder, and even entire organizations can disappear. The central feature of all organizational failure is that an individual or a few people at the top had assumptions about the future that were unsound. Consequently, the primary reason for exploring the future is to help people become aware of their own assumptions. The obvious step—asking them about their assumptions—does not work because their most important assumptions are so deeply imbedded in their intellectual structure that they are not even aware of them.

I see the study of the future as a technique for jabbing, probing, pushing, and squeezing people into awareness of what they believe, and making that explicit to themselves and, even better, explicit to a working group. One then has matters for discussion that are truly important to the future of the organization.

We so often hear, "That's impossible" or "The Chinese will never..." or "It's unthinkable that women would..." These are the kinds of statements that

one hopes a futures study will evoke, because in explaining the rejection of any statement about the future you cannot help but reveal some of your own assumptions.

For those of you new to strategic futures studies, *Bon Voyage!*

Bibliography

Futures Research Quarterly (Vol. 17. No. 3. Fall 2001), A special issue edited by Joseph F. Coates.

Contents:

John W. Peterson. *Applying Scenario-Based Planning at the Edge of Chaos—One Perspective on an Attempt to Re-Calibrate 'The Blinded'*

Brian Costa. *Strategic Transformation at Goodrich*

Thomas M. Schwaier. *Inventing the Future, Not Only Predicting the Future—Futures Research at Siemens AG, Corporate Techno1ogy*

Christian Neuhaus. *Futures Research at DaimlerChrysler: Stocking up with Plans and Visions*

Terry J. Fadem. *Practicing the Future Today*

Andy Hines, Kerry Kelly and Scott Noesen. *Viral Futures at Dow*

Stephen F. Hirshfeld. *The Role of Futures Research in Leading Global Companies*