

**Future-ivity:
Thinking Creatively About The Future To
Make Decisions**

Prepared for Convergence '99
By Joel Treisman & Ruth Ann Hattori

Workshop Agenda

This will be a fast-paced introduction to a toolbox of techniques to help you think creatively about the future and make decisions.

- Warm Up Exercise and Group Formation
- Workshop Intro
- Overview of Trends
 - Exercise - Identifying Key Factors
- Overview of Trend Convergence and Scenarios
 - Exercise - Converging Trends and Scenario Outlines
- Break
- Overview of Scenario Story Development and Analysis
 - Exercise - Develop and Analyze a Scenario
- Group Report Outs
 - Debrief and Conclusion

Warm Up Exercise and Group Formation

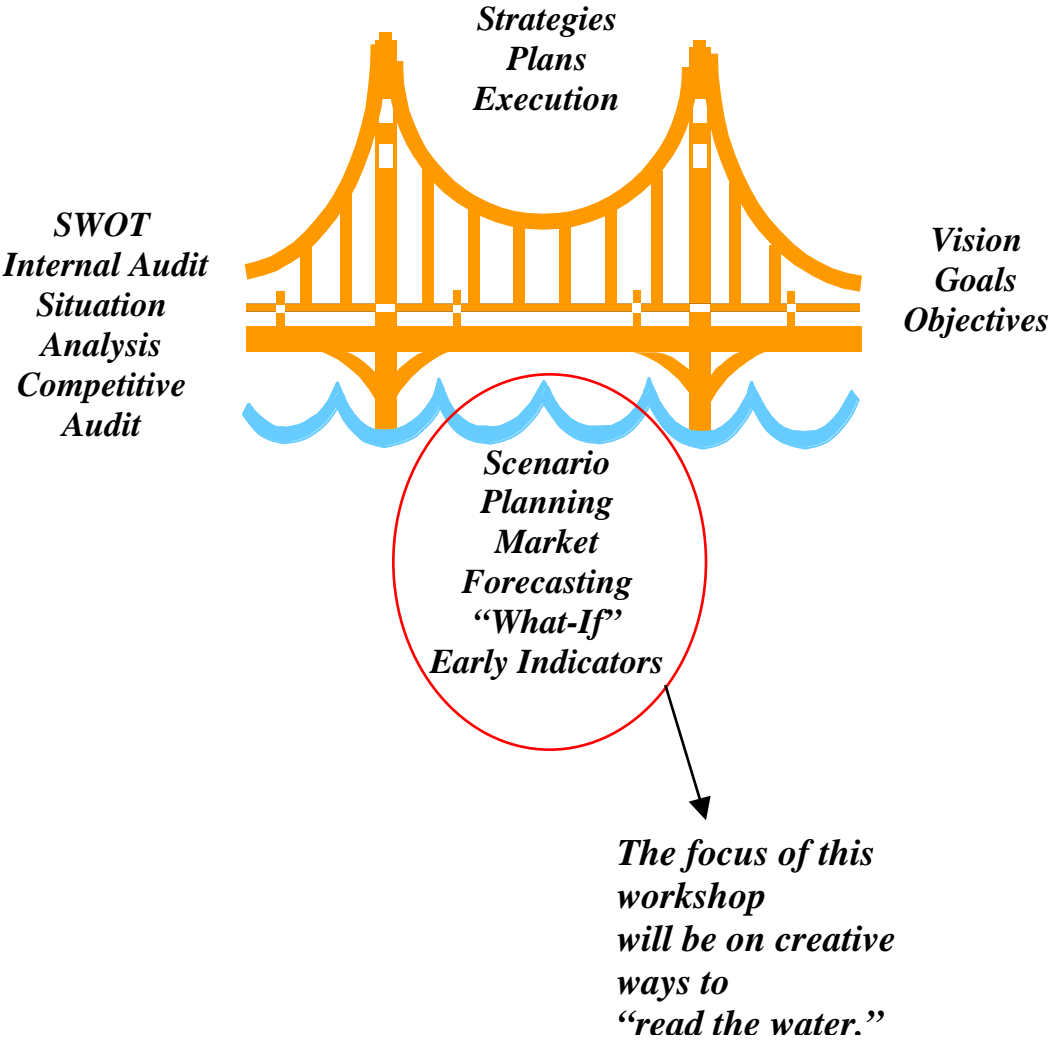
Instructions: Select a role and challenge from the four below. This will provide the context for the workshop. To unleash your creativity, you may want to choose the challenge that is furthest from your area of expertise and job responsibilities. Look around the room at the pictures and props and select four or five that stimulate your thinking about this decision. Take a seat at the appropriately marked table.

- Assume you are the CEO of a leading manufacturer of oral care products. Your Research Director has provided some data supporting development of a kid-oriented “neutraceutical” toothpaste that, if used regularly, will help children concentrate and learn. Should you pursue development of this product?
- Assume you are a member of the U.S. House of Representatives. A number of lobbyists and consumer groups have spoken to you about the financial, medical, and personal costs of our citizens’ poor eating habits. You are aware that most Americans are overweight and out of shape and that, despite the boom in diet books and aids, the situation has not improved. Should you try to gain support for a bill you have drafted that would institute price controls and retail limitations on “bad for you” foods?
- Assume you are a Silicon Valley entrepreneur with a track record of successful Internet start-ups. You have spoken with some venture capitalists who seem willing to back your next venture if it is likely to address a profitable market niche. You are aware of the “graying of America” and the dramatic growth of the Internet. Should you start a company that provides information, products and services to “seniors” via the Internet?
- Assume you are the President of the U.S. You are well aware of the potential demise of the Social Security system and of growing public concerns about “identity theft” and fraud. A panel of Nobel Prize winning scientists has just presented a proposal to launch a program that would implant all American citizens with a permanent microscopic “Social Security Chip” that could securely

store identity and medical data and could be programmed to carry other personal data useful to the "user" (such as credit card numbers and thousands of addresses). Should you direct your Cabinet members to begin preparing for such a program?

Bridging The Future

The bridge is a powerful metaphor for thinking about future. This is how we describe our business to clients and is helpful in keeping our “head in the clouds and our feet on the ground.”



Overview of Trends

As you consider your challenge, evaluate five groups of what we call “change vectors.” Before dismissing one of these areas as less relevant to your challenge, stop and consider even the indirect influence of these trends. The following pages will address each group in more depth.

Consumer

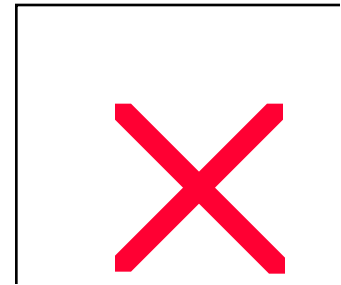
Futurists and trend-watchers generally agree that the changes below are more than fads. These trends in consumer values, attitudes, and behavior have already reshaped entire industries.

- Humanization of technology devices.
- Connectivity to networks of people and information.
- Access to information, knowledge, and resources.
- Desire to relax, recharge, and rejuvenate.
- Desire for products and experiences to provide low hassle, effort, and cost – and high satisfaction.
- Surge in spirituality but not necessarily organized religion.
- “Communities of meaning” — networks of people who share common concerns and passions.
- Growth of “free agency” — the recognition that individuals are unique “brands” rather than commodities in the marketplace.
- Increased desire for adventure and experiences — without sacrificing safety or risking too much.
- Increased concern for the environment and demand for earth-friendly products and services.
- Maintaining personal well-being and caring for oneself to prevent illness are more important.



Retail

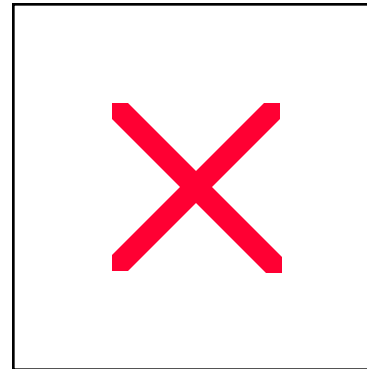
“Blur” describes many of the changes occurring in the retail environment. Store formats are blurring. With consolidation, ownership and familiar names are blurring. The distinctions between manufacturer and retailer are blurring. The bullet points below recap some of the trends contributing to the blur we see around us.



- Major retailers are defending their market share by experimenting with innovative products and services.
- Global retail consolidation.
- The “blurring of formats” as retail chains venture into new product categories, store formats, and locations.
- Increased effort to merge entertainment with products and services in the retail environment.
- Retailer evolution from “merchants” to “marketers” and increased investment in building the brand equity of retail chains.
- Increased investment in (and return from) supply-side automation and efficiencies (e.g., SAP).
- More frequent collaboration between manufacturer account teams and retailers (e.g., collaborative planning).
- Increased investment in “e-tailing” and electronic commerce.
- Recognition that the value of information about transactions may eclipse the value of the goods or services sold.

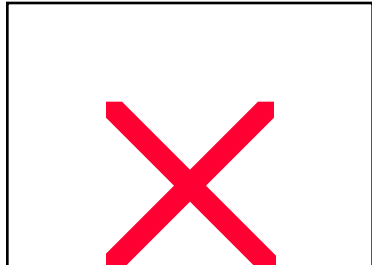
Technology

The pervasiveness and power of technology have already changed mainstream shopping. New technology has created new sales channels (“e-tailers”), new media (websites), and new consumer demands (customer service via electronic mail). The trends below are the tip of the technology iceberg.



- Increased use of the Internet by “mainstream” consumers to obtain product information, communicate with retailers and manufacturers, and spread “word-of-mouth” about products and services.
- Proliferation of “smart” technology and small electronic devices (e.g., PDAs, smart cards, scanners) that can be integrated into products and services of all types.
- Unprecedented experimentation with new technologies and digital media – often without the expectation of a reasonable return-on-investment.

Competition

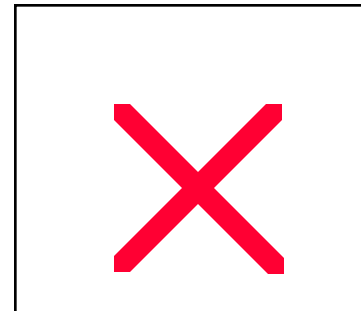


Major competitors and new niche players will continue to seek ways to differentiate their offerings, develop cozier relationships with retailers, and build loyalty among consumers.

- Continued investment in intellectual property (patented technology, trademarks) as a way to differentiate products and gain competitive advantage.
- Current competitors and/or new niche players will introduce brand offerings that merge products with value-added services.
- Increased experimentation with “one-to-one marketing” techniques will challenge who owns the relationship with individual consumers.
- Competitors will continue to experiment with “consumer-direct” sales models, such as selling product via web sites.
- Competitors will continue to seek relationships and collaboration with retail partners on supply-side integration, demand forecasting, and marketing.

Economy

The “new economy” will continue to evolve. Communication and connectivity will drive change. Businesses will have to understand and leverage their “networks” or “business ecosystems” to be successful. Globalization, electronic commerce, mass customization, and government intervention (e.g., telecommunications, Microsoft) will continue to make the economic headlines.



- Continuing globalization of economies, retail channels, companies, and brands.
- Increased volatility in the global economy and markets.
- Institution of some form of government regulation and taxation of the Internet and electronic commerce within three years.
- Transition from a product economy to a service economy.
- Growth of “mass customized” production techniques (and services).
- Increasing likelihood of major tax reform or tax system overhaul.

Exercise – Identifying Key Factors

Assignment: As a group, use the next 20 minutes to identify key “change vectors” and trends that will influence your decision. Each group will use a different creative tool.

Group 1 - Mind-Mapping.

- Use a mind-map to explore all of the key external environmental variables that will have a bearing on your decision. Look for patterns and associations. Try to condense your list down to ten or fewer of the most important variables.

Group 2 - Trigger Words.

- Using the list of trigger words provided, create a list of key factors that will influence your decision. Look for patterns and associations among the variables and condense the list to ten or fewer factors.

Group 3 - Universal Questions.

- Explore the six “universal questions” to identify the variables that will have a bearing on your challenge. Look for patterns and associations among the variables and condense the list to ten or fewer factors.

Group 4 - Back from the Future.

- Envision a future in which this proposal has become a reality. Create a mental movie of life in this world. Roll the movie back in time to the present. In thinking about the chain of events that led there, identify the key links in the chain. Identify the ten most important links.

Trigger Words

Pick two or three of the following random words and, one at a time, force a connection between the word and the challenge at hand to spark ideas about the key factors influencing the decision. Look for a variety of associations between the word and the challenge. Write down the ideas and try to narrow the list to ten or so key factors.

soap	soup	sand	egg	paint	bottle	umbrella
light	bird	ladle	butter	motor	bridge	rope
mattress	summer	ice	zoo	car	road	book
mouse	closet	hammer	sky	valve	taxes	
telephone						
university	file	volcano	suitcase	lamp	war	sailboat
mirror	money	magazine	storm	artist	brick	
prostitute						
diamond	gum	perfume	lingerie	police	CEO	button
sunrise	madman	Congress	truck	monk	ghost	music

Based on a chapter in Michael Michalko, ThinkerToys

Universal Questions

The six universal questions*:

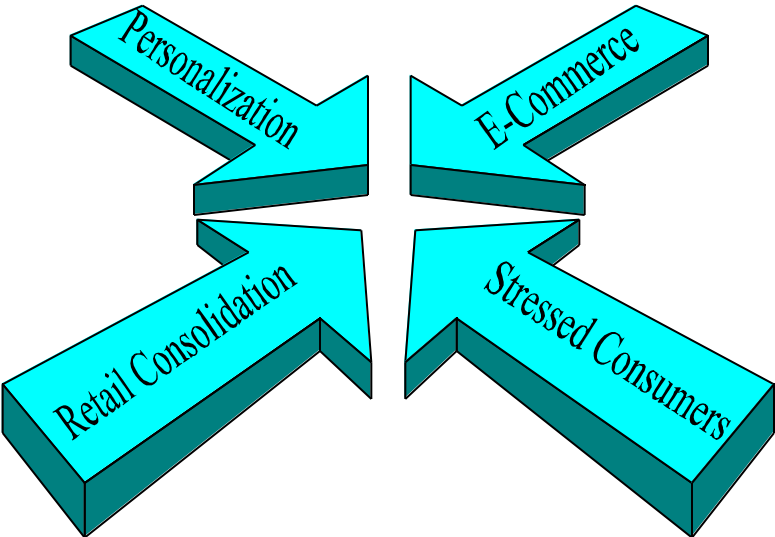
- What is it?
- Where does it happen?
- How does it happen?
- When does it happen?
- Why does it happen?
- To whom does it happen? (Who causes it to happen?)

*Chic Tompson, What A Great Idea

Overview of Trend Convergence & Scenarios

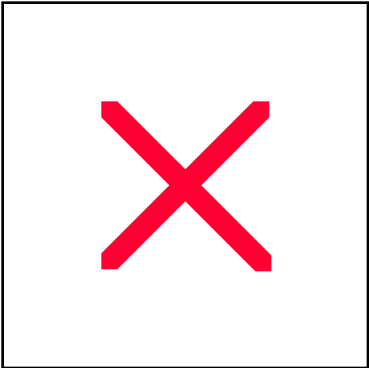
Looking at individual trends and changes provides only a hint of the possible evolution —and revolution —that may lie ahead. From there, you must consider the impact of converging trends on the future and your challenge.

One Example of Converging Trends Shaping Future Scenarios



Converging Trends and Inflection Points

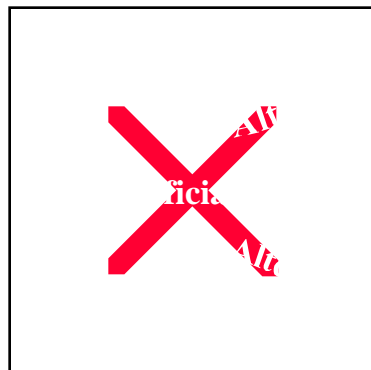
The diagram below illustrates the convergence, over time, of different separate-but-related trends. The total impact of all of these trends together is much greater than that of each one individually. Individuals and organizations able to recognize these converging trends “over the horizon” will be best prepared to make informed decisions about the future.



Value Of Scenario Thinking

Traditional forecasting often fails, because it does not anticipate the impact of discontinuous or unexpected change. Scenario thinking provides a tool for “looking over the horizon,” anticipating and preparing for unexpected changes. Scenario thinking is less about being “right” and “accurate” than it is about being forward-looking, creative, and strategic.

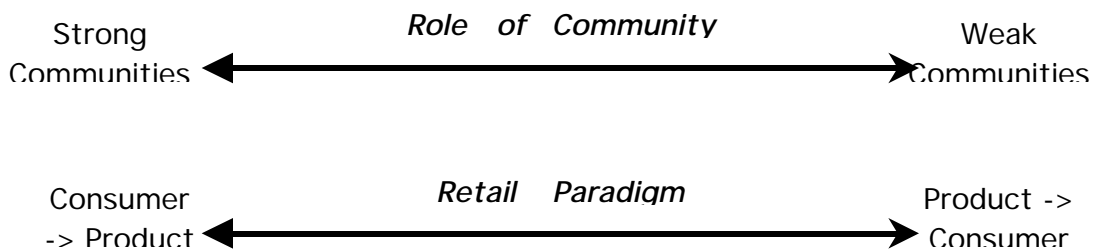
The power of scenario thinking is that it encourages development of more than one view of the future. By considering alternatives to an “official” view of the future, organizations can broaden their “peripheral vision” and develop proactive strategies for plausible-but-uncertain events.



Future Scenario Development

Future scenarios are plausible stories developed around two independent variables or trends with possible outcomes that were seen as both highly uncertain and likely to have a significant impact on the decision or challenge at hand. These become the X and Y axes for a scenario matrix.

For example, for one assignment, our firm identified the future of the two variables below as highly important and highly uncertain. These became the axes for the scenario outline shown on the next page.



An Example of A Future Scenario Outline

Exercise — Discuss Converging Trends and Scenario Axes

Assignment: As a group, spend the next 25 minutes discussing how your decision might be affected by the convergence of two or more key factors you identified and developing a scenario grid.

- Use ten years as your time horizon. The events and scenarios you describe should be plausible occurrences over the next ten years.
- Consider random combinations of trends.
- Think about the impact of event sequences and “chain reactions” relevant to your challenge.
- If you identify new important and uncertain factors, add them to your list.
- Identify the two axes of your scenario matrix. These should be two independent variables (the outcome of one does not influence the outcome of the other).
- Identify the end-points for each axis.
- If you have time, write a sentence or a couple of bullet points describing each of the scenarios.
- Is there a metaphor, picture, or specific image that could represent each scenario?

Overview of Scenario Story Development & Analysis

The art of scenario planning is really the art of storytelling. Unfortunately, in a workshop this short, we can only provide a bare outline of the components and approach to developing a scenario story.

- Scenario stories have a beginning, a middle, and an end.
- Scenario stories usually have a non-linear flow that takes into account the unexpected twists and turns of discontinuous change.
- The four scenario stories on a matrix are each interesting, believable, and distinct from one another.

A Scenario Outline

Summary - In this scenario, retail consolidation continues to strengthen today's dominant retailers, while consumer goods manufacturers continue to jockey for shelf space for their mass-produced products. Over time, the biggest retailers and manufacturers continue to grow in size and influence over the retail landscape. Weekly, daily, even hourly sales and market share analyses continue to play a major role in product and marketing decisions, since transaction data from most-if-not-all retail sales are captured and made available instantaneously through syndicated services.

Exercise — Scenario Stories & Group Decision

Assignment: As a group, spend the next 30 minutes developing one of the four scenario stories on your matrix. Based on your your four future scenarios, how would your group respond to the challenge it faces in 1999? Consider the following:

- If this is a story, what is the beginning, the middle, and the end of the story?
- Who are the protagonists and what do they have to overcome?
- Is this a linear story, a circular story, or a meandering story?
- Here are some techniques you may find helpful in your story development:
 - Develop some sample newspaper headlines you would expect to see in this future. Include some headlines for the beginning, the middle, and the end of the story.
 - Create a circle story. Stand in a circle and have one member of your group begin the story with, "In the year 2009, . . ." Then take turns adding a sentence to the story as you move from person to person around the circle. Make sure to capture this in some way (someone may choose to be a scribe rather than a storyteller).
 - Use some of the visual images and props from around the room to help you tell the story. Keep track of how many of the images you use of the group you gathered at the beginning of the workshop.
 - Tell your story in cartoons, diagrams, metaphors, or in a brief one-act play.

Group Reports On Process and Results

Assignment: Identify someone in your group who can (with the group's assistance, of course), tell the story of what your group accomplished during this workshop.

- Recap your challenge/decision.
- Tell us how you identified the key factors and what they were.
- How did you determine what the scenario matrix would look like?
- Give a brief description of the scenario story you developed. Who were the major players and what happened?
- Based on this scenario and the other three, how did your group decide to respond to the challenge you face today? Why did you choose to go forward or not?

Session Debrief & Conclusion

Let's spend the remaining few minutes debriefing the good, the bad, and the ugly from the last three hours.

- What did you learn from this session?
- What worked well?
- What could be improved?

What's the one thing you will remember from the past three hours?