

*It is time
for a
fresh view
of the
future*

Futureproofing is the
leadership discipline for the 2020s:
See, Learn, Decide, Commit.

The world's 2020-21 Covid response reflects a new leadership superpower: Futureproofing

Just as the 2020 Covid pandemic hit, it was clear that the medical community would be strained to handle the crisis. Uncertain how to contain the virus, treat patients, and protect first responder medical workers, one fact became clear. There was a shortage in personal protective equipment (PPE) for frontline workers. Society ran the risk of grinding to a shocking halt unless someone stepped forward to lead.

It was a dramatic moment for companies whose teams perceived a stunning new reality. They had to think differently, shift priorities strategically, and respond effectively. LVMH transformed factory production from perfume to hand sanitiser. GM distributed one million face masks. Clorox upped their game in producing hand wipes. And Marc Benioff, CEO of Salesforce, a software company with no direct ties to public health, spearheaded an effort to acquire and distribute 50 million pieces of personal protective equipment. While the government tried to sort out the pandemic, Salesforce understood that a public health crisis ultimately was a societal crisis that mattered to their entire ecosystem. Based on their deeply-ingrained sense of corporate purpose, Salesforce took action and redeployed a team as a global PPE logistics center. Ron Atay, Chief Business Officer, led the effort and explained how and why they responded: “Marc (Benioff) gave us permission to operate with a sense of urgency and make this project our number one priority above day-to-day work.”

In essence, this company's team futureproofed. They observed the market shift (See), mastered a novel operational shift (Learn), made unified decisions as a leadership team (Decide), and felt compelled to act on behalf of the community (Commit). In record time, they met the demand and continued to stay ahead of the Covid disruptions to provide much-needed resources to the medical community while keeping their core business in operation.

In this case, it was a dire life or death reality that instigated quick action. But futureproofing does not always have to be motivated by something as dramatic as a pandemic. By applying the same process to strategic innovation on an ongoing basis, organisations can prepare to see the future, learn new technologies and business models, decide where and how to apply resources, and commit teams to drive large-scale impact.

How can every company exchange traditional strategy and innovation for futureproofing? What are the core components? How can every team re-tool for the 2020s, using futureproofing as their new point of departure? Futureproofing begins with a fresh view for a bolder path forward. The first two steps are See and Learn, and the process ends with Decide and Commit. Before I explain the details of the end-to-end process, let us look at the disciplines that lay the groundwork for today. —



Futureproofing is based on four core capabilities: See, Learn, Decide, Commit.

Popular business methods from the past cannot keep pace with today's priorities

Today's teams struggle to bring early stage ideas to corporate scale. The best tools they have to tackle that challenge were built years or even decades ago and were designed for different purposes. Let us look at the individual components that comprise traditional toolkits to set the stage for why futureproofing is such a critical next step.

Future view

To **model the future**, companies can draw on classic management tools invented decades ago to calculate future projections or engage in scenario planning (which originated in the 1950s – more about this later), or Blue Ocean or even science fiction exercises (originated in the late 2000s).

Strategy

Walk into leadership **strategy** meetings today and you might find a SWOT diagram on the whiteboard. The session might start off with a listing of the organisation's perceived Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T). Based on a model developed in the late 1960s, it was a point of departure that framed the conversation on what to do next with where we are today as a starting point.

Process design

If the conversation includes a look at a company's **processes**, that model might be accompanied by a stage gate framework, which was introduced in the 1950s to explore logistical options and/or a five forces model (1979) that assesses competitive pressures.

Efficiency

A more current set of models might frame the discussion if the topic is **best practices in operational efficiency**, where models like Six Sigma or Benchmarking from the 1980s are still applied. Those tools were originally developed to help the global automotive industry keep up with Toyota and other Japanese car companies.

Innovation

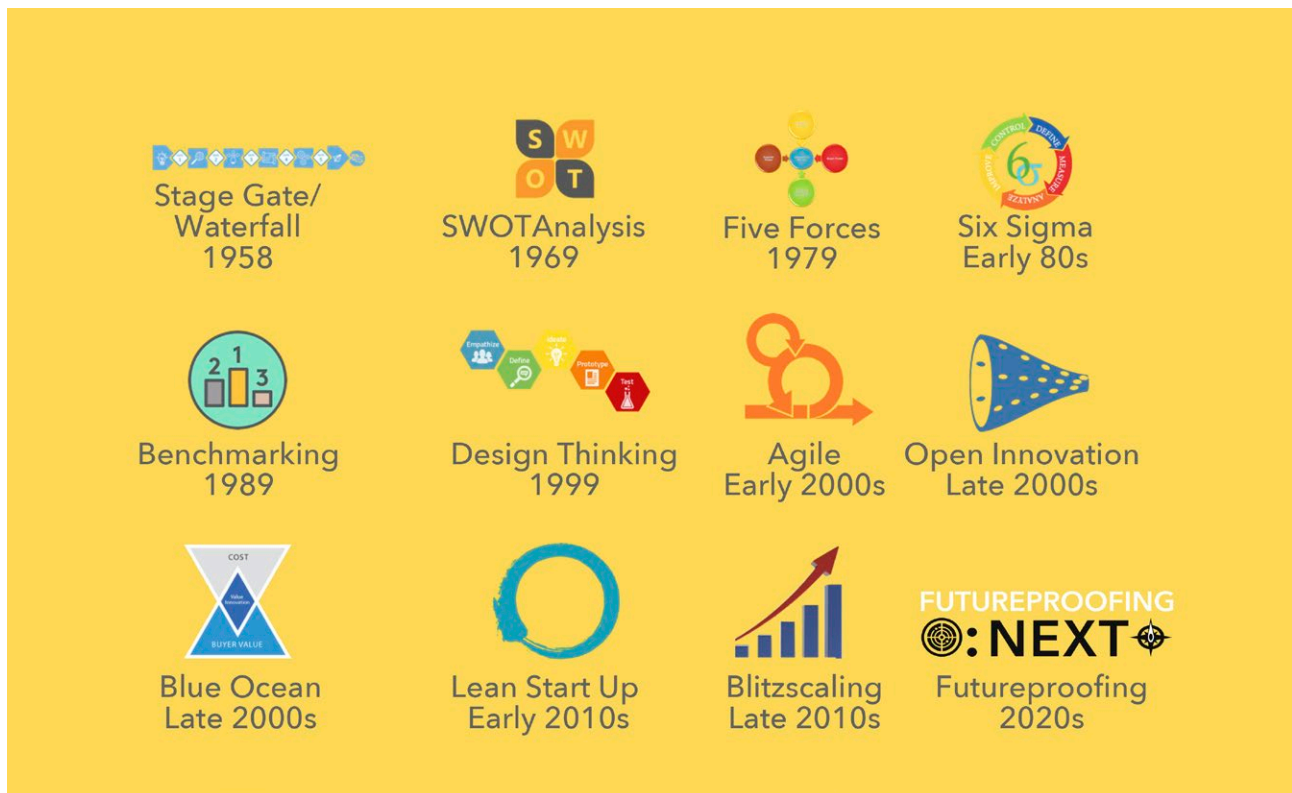
We also have the advantage of applying tools invented in 1999, when **innovation** became a more widespread practice. Teams can uncover and address customer preferences using **design thinking** or widen the net of ideas through **open innovation or crowdsourcing**.

Lean startup

The 2010s brought **Business Model Generation and Lean Startup**, providing two additional disciplines to frame strategy. When an organisation needs to infuse startup DNA into their culture those playbooks can help teams experiment with emerging technologies and test new business models

The Covid pandemic in 2020 brought even more urgency to the need to rethink strategy and innovation

Companies that thrived during the pandemic uncertainty of 2020 – like the companies in the opening examples – lit a fire of urgency to move beyond these traditional approaches and replace them with futureproofing, a discipline founded on the See, Learn, Decide, Commit principles.



After decades of piecing together combinations of discrete disciplines, companies still come up short. Futureproofing is the approach for the 2020s.

Royal Caribbean and Norwegian Cruise Lines read the tea leaves early on when Covid hit. It was clear that the travel industry was in for a rough ride with anticipated cancellations in the near term and huge challenges for bookings for months to come. The first thing they did was to clearly envision the future state for their companies where vacationers could feel safe from infection, governments would be at the table with them to navigate restrictions and border concerns, and healthcare experts would have a seat at the table to bring research, epidemiology, virology, and safety expertise. They had a lot to learn before they could decide the course of action and commit to a new path.

Step one was to piece together the new realities (**See**): Cruise ships had been at the forefront of the news with the Princess cruise line being the site of one of the first highly publicised public outbreaks of Coronavirus. In a leadership move that reflected tremendous insight and early action, Both Royal Caribbean Group chairman and CEO, Richard Fain, and Norwegian Cruise Line president and CEO, Frank Del Rio, rose above their competitive mindset and devised a cooperative task force for

fact-finding and strategic recommendations that could serve the entire travel industry.

The cruise companies recruited former secretary of Health and Human Services, Governor Michael Leavitt and former Commissioner of the US Food and Drug Administration, Scott Gottlieb to lead a team of experts to determine what it would take to create a safe and healthy environment for travelers (**Learn**). They studied multiple dimensions of the impact of Covid from testing to customer experience and published recommended protocols (**Decide**) that could serve not only their cruise lines, but the travel industry at large (**Commit**).

The result was a combination of practical guidance for the entire travel sector and innovative alternatives to traditional cruises with a health-first mindset.

Salesforce's quick response and Healthy Sail Panel's commitment to lead a cross-discipline collaboration illustrate the potential impact when proactive leaders take action in the face of emerging market forces.

Unfortunately, most organisations still struggle for a coordinated system to follow. Covid only made it worse.

We have a big delivery problem....

93%
of companies are expecting
massive industry disruption over
the next 24 months

Only **20%**
of CEOs feel ready to react
to these changes

Despite the advances in innovation, companies struggle to get initiatives across the finish line.

*At the beginning of 2021,
leaders expressed their
needs for more up-to-date
guidance on how to bridge
the gap between 93 %
of companies knowing they
needed to change and only
20 % of leaders feeling
ready to do it.*

That is what inspired the originally-conceived discipline called 'Futureproofing Next' – bringing together a practical method to help teams respond quickly, effectively, and with full conviction.

We need to adopt a 'Goldilocks' mindset about the future

Read trends quickly, imagine where your organisation might head in the future, shift priorities for today, take bold action.

Our conflicting attitudes about the future have not always served us well. On one extreme of the spectrum, it is easy to feel paralysed because we are not certain where early trends might end up. On the other extreme, we can feel overwhelmed by too many imaginative possibilities. The first principle to apply to establish a futureproofing mindset is what I call the 'Goldilocks Principle', a practical integration of two opposite poles: deliverability + futurability.

FUTUREPROOFING DEFINITION:

To take 'agency' over our futures. To commit to a future state that embraces emerging trends in technology, commercial possibilities, and societal dynamics. To focus less on prediction and more on how to envision and achieve bolder business impact.

“We are not victims of the future. As business leaders, we have agency over the futures we want to create.”

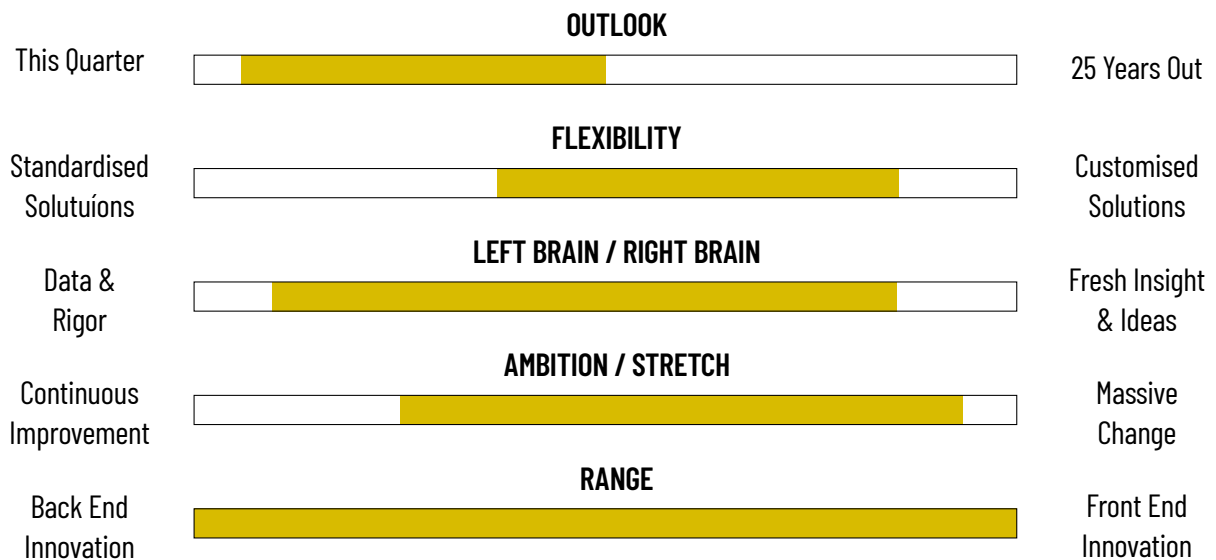
Andrea Kates, co-founder of Futureproofing Next

In the children’s story, Goldilocks finds a chair that is too hard and one that is too soft. Finally, she lands on the ‘just right chair’.
The ‘just right chair’ for a future mindset is in the sweet spot between disciplines like predictive analytics, where

the emphasis is on understanding how current market dynamics will play out based on today’s realities (the ‘too-soft chair’) versus science fiction thinking, where we dream of flying cars, but do not necessarily act today on those imagined scenarios (the ‘too hard chair’). —

The Goldilocks sweetspot

Striking a balance between deliverability & future-ability.
Not too hard, not too soft, just right.



Leaders in the post-Covid era need to think about the future differently, striking a balance between incrementalism and science fiction thinking.

In a prior era when change happened slowly or in industries that did not face disruption at a rapid pace, companies could afford to live in two extremes simultaneously.

Under those market conditions, the relatively slow pace of true disruption allowed a single organisation to operate day-to-day based on extensions of current strategies and spreadsheets on one side of the house, while imagining future scenarios on a longer time horizon on the other side of the house.

Take for example Royal Dutch Shell in 1965, a global leader in energy sector and #14 on the list of top companies. Management was equipped with a ‘left side of the spectrum’ analytics platform called Unified Planning

Machinery that took advantage of computer-guided decision making and simultaneously brought a ‘right side of the spectrum’ discipline into their culture called scenario planning, which created narratives that painted pictures of the world Shell might live in 10 years out.

The two disciplines existed in two silos. The company could afford to operate that way because competitive threats came slowly and largely from predictable industry players.

By contrast, today’s market forces us to live in both of those worlds simultaneously, to get the ‘just-right’ view of the future driven by the dominant forces for leaders in the 2020s. We need to read signs of change and opportunity quickly and mobilise teams to make the right moves for the future, today.

The roadmap begins with eight I’s

The end-to-end futureproofing process integrates strategy + innovation + futurecasting and drives commitment to strategic innovation.

Most of us believe that there is more our companies or our teams should be doing to advance to the next stage or to establish a foothold in a new direction. We know there

The pace of change, fueled by technology innovation allows competition to advance faster and move into global markets at a pace that does not allow the luxury of keeping the ‘today’ side of the spectrum separate from the ‘future’ side of the spectrum. One example: According to the visual capitalist, to hit 50 million users, it took the auto industry more than 60 years. Compare that with the adoption rate for the internet (7 years), an app like WeChat (1 year), or a gaming trend like Pokemon Go (19 days).

“To keep up with the speed of innovation, everyone in business needs to Futureproof: fuse business expertise with a good dose of technology insight and a commitment to a bolder future.”

Chenyang Xu, Co-Founder Futureproofing U and former Siemens Technology to Business General Manager.

Leadership commitment is key:

“Transformation is not about leading with technology – it is about leading with our hearts and our minds. We must first see clearly where we want to take our organisations, and then use every tool and technology in our power to advance to our Next. Futureproofing Next is the end-to-end process all leaders need to visualise the future we want to achieve and strategically map out the tangible steps we must take to actually get there.”

Jessica Ross, SVP Finance, Office of Transformation – Salesforce

could be a technology to drive growth, a new partner we could work with, a new product that could serve our customers better, or a business model we should institute. We feel the pressure of rapid innovation around us. Too often we hesitate because it can seem overwhelming to know where to start.

Futureproofing’s 8-part process is designed as a roadmap to actively integrate the future into today’s priorities and bring ‘venture ideas’ to scale.

SEE: Inside Now + Integrated Forces

The new point of departure begins with a focused sprint that paints a clear picture of where you believe your team should head next. Incorporate trend data from other industries to inspire more accelerated change, briefings on relevant technologies and insights on shifts in the market (customers + society). Produce a document that outlines your top aspirations and clearly articulate the ‘why’.

LEARN: Imagine Next + Inform Next

Assign small teams to identify the technologies and business model opportunities that could be applied. Go beyond buzzwords. Engage experts. Engineer experiments to test and learn.

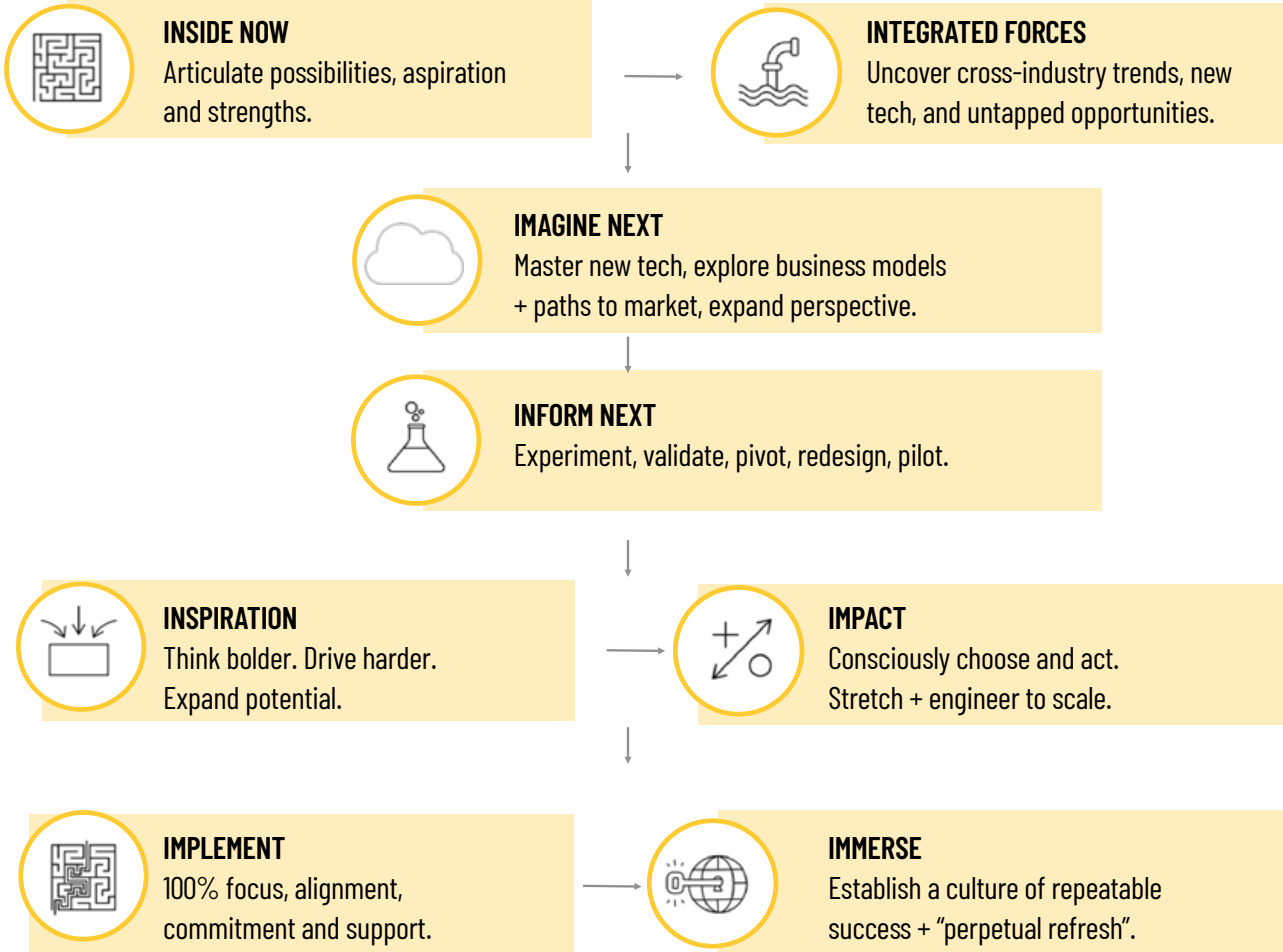
DECIDE: Inspiration + Impact

Significantly expand the potential of your early-stage experiments. Engage in co-creation and open innovation with novel partners. Extend small-scale successes to larger platforms, geographies and routes to market. Get leadership and teams on board to amplify the early-stage initiatives and build buy-in.

COMMIT: Implement + Immerse

Convene leadership and teams to commit to the new initiatives. Formally articulate your reasons to move forward, agree on how you’ll drive toward success. Reinforce the culture that blends innovation + execution with clear milestones for growth.

The future beyond innovation



FUTUREPROOFING NEXT

You can read more about this topic in the new book 'Futureproofing Next' by Andrea Kates, published in May 2021.



The 2020s shine a spotlight on the need for a skill we have not been taught - 'futureproofing'. Futureproofing equips leaders with a fresh attitude about the future. The driving forces at the heart of futureproofing are 1) Speed - quick responsiveness to change, 2) Future vision - amplified by new technologies and innovative business models, and 3) An integration of strategy + innovation + execution + leadership commitment.

At its core, futureproofing equips organisations to 1) **See** more expansively, 2) **Learn** rapidly, 3) **Decide** where to invest resources for maximum impact, and 4) **Commit** to a bolder and better future.

We have moved beyond the era where traditional strategy, future scenarios, design thinking, or innovation applied as discrete disciplines will suffice. Welcome to the Futureproofing Era. ×