

# Future-proof





## Contents

Why we need to think ahead page 3

Eleven hacks to the future page 7

Trends and signals for the 2020s page 22



# Being futureproof isn't theory. It's practice.

It's how organisations can think and act, long-term, to achieve sustainable success by:

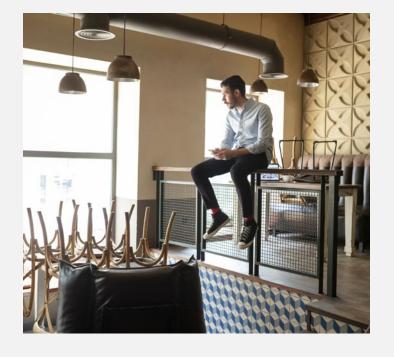
- understanding context;
- defining their preferred future; and
- bringing that preferred future to life.

#### There have been four major contextual storms this century



The Ukraine war

The Russian invasion of Ukraine is the biggest geopolitical shift in 70 years. It's taken the lives of civilians, destroyed cities, driven mass migration, and impacted oil and food prices. Yet alongside a new feeling of vulnerability came new strength, as individuals, communities, nations and bodies acted as one. Today, the world remains on a knife edge between escalation and resolution.



# The financial crisis

The 2007/08 financial crash was the most serious global economic crisis since the Great Depression of the 1930s. It was probably among the top five financial crises in history. It led to the loss of over \$2 trillion from the global economy, and it touched the lives of everyone with a job, savings, shares, a home or a pension.



# COVID-19 pandemic

The global coronavirus pandemic led to over 250m infections and more than 5m deaths by the end of 2021. It precipitated an economic nosedive, put massive pressure on global health systems, increased mental health issues and fuelled a reinvention of the workplace.



# The climate emergency

Climate change is here, now. It's resulting in more extreme weather events, more often. It means more droughts, more floods, more heatwaves, and seawater rises that will change the shape of our coasts. It will have profound impacts on employees, business assets, customers, communities and finances.

The case for future planning has never been clearer. John Drummond, Chairman, Corporate Culture

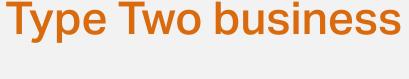
## There are two types of business

#### Type One business

- We create our long-term business plan once every few years
- We conduct a context review before we update our business plan
- We look externally at what others in our sector are doing
- We are driven by our understanding of business risk
- We seek to answer the exam question set by regulators
- Our business plan is put together by a small number of senior directors
- It's aimed primarily at shareholders



Ask yourself, which type are you?



- Our long-term business plan is updated every year
- We continuously have our finger on the pulse of external context
- We look at what any organisation is doing in any sector
- We are driven by our purpose and by opportunity
- We seek to do what makes sense to achieve long-term success
- Our business plan is informed by a wide team of colleagues and customers
- It is aimed at all stakeholders

## **Executive summary**

# The six principles of planning for the future

- Differentiate between trends (based on evidence), signals (that could become trends) and debates (where there are differences in opinion).
- Prioritise issues by 'the need for speed', potential impact on the business, risk of inaction, and opportunity if you act.
- Highlight the links between the issues so you understand them as a connected system.
- Define the probable future (if nothing changes), plausible futures (depending on which dials are turned up), and your preferred future (see Hack 7 for more).
- Turn your preferred future into an evidence-based narrative that appeals to both reason and emotion.
- Don't stop there. Now you need to bring that future to life.

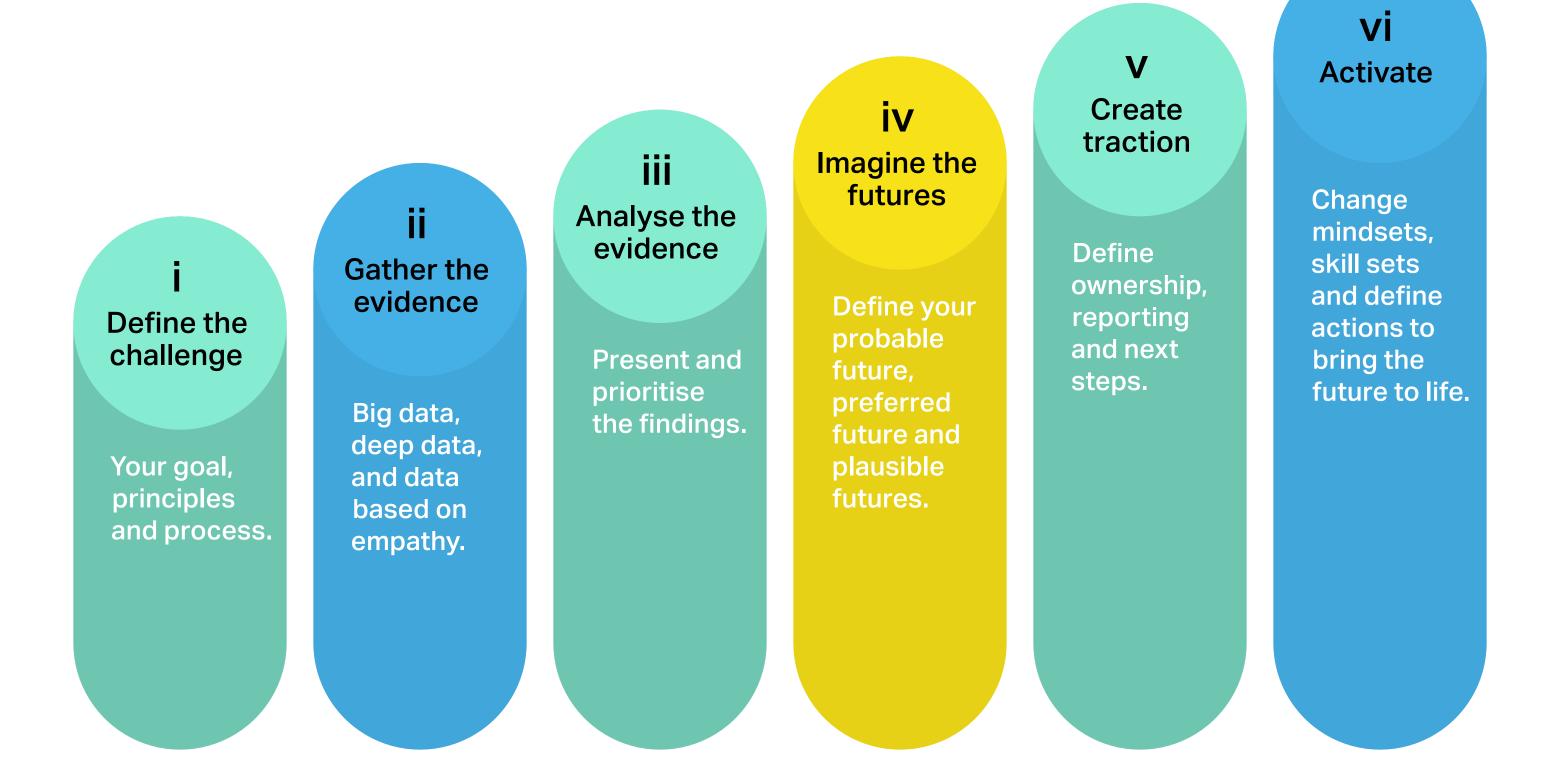
#### The five key steps of a context review

- Conduct a wide and deep review of trends
  - 2 Prioritise relevant issues
    - 3 Show connections between issues
      - Turn the analysis into narratives of the future
        - 5 Bring the future to life



### Plan for the future

Planning for the future is a six-stage process. Imagine it as building a bridge from where you are to where you want to be.



# There are three common problems with traditional scenario planning:

Reviewing the future may be done irregularly.

Effective scenario planning keeps a permanent finger on the pulse of external context.

We might think the job is done, once we've defined risks and opportunities.

The work is only of value if it is activated.

Exploring the future is often conducted in isolation by one part of the business.

To be brought to life, context reviews should be opened up to include people inside and outside the business.

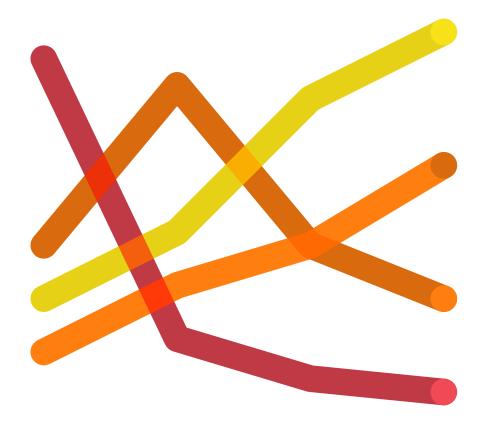
## Differentiate between trends, signals and debates

There are three types of contextual data.



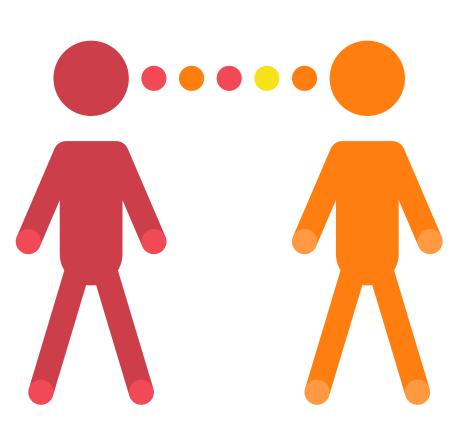
#### Signals

A signal is something significant happening today that could herald incremental change (weak signal) or transformational change (strong signal). For example, more people are living in multigenerational households. We may not have enough data over time, yet, to say that a signal is a signal or a trend.



#### **Trends**

Trends are based on evidence that shows changes over time and potential continuity into the future. For example, we can track population change over long periods of time.



#### Debate

A debate is where there are alternative views about the data or how to interpret it. For example, even population data is massively open to interpretation: the UN and the International Institute for Applied Systems Analysis (IIASA) have different forecasts – that's OK.

# Hack 3 Be more open

As you research context, think 'wide'. There will be a tendency to focus on your sector and your current markets.

Here are some reasons why you need to be more open than that:

- Risks are not sector-specific:
   The financial crash, pandemic and climate emergency impact all sectors.
- Systems are connected:
   Food, energy, water, supply chain, finance and technology are all linked; a narrow focus will miss risk and opportunity.
- Our beliefs may not be true:
   Assumptions, group-think, bias and beliefs may add blinkers to your thinking.

Not convinced? Here are more reasons to open wide:

- There is gold in other disciplines:
   We can learn huge amounts from
   other disciplines including science,
   technology, health, the arts, public
   services, placemaking, social
   anthropology and neuroscience.
- We can learn from nature:
   It's been around for nearly 4 billion years longer than we have.
- We can learn from the past:
   We have hundreds of thousands
   of years of human trial and error
   to tap into.
- We can learn from fiction:
   Film, poetry, stories and music all have concepts and ideas in them that are applicable. Why confine ourselves to the factual?

Tap into opinions that may be contrary to your own.

How to tap into really wide context

Define what you don't know as well as what you do know.

Tap into global media and academic networks, reports and conferences.

Also, check out these potential sources of context: The UN; The Office of National Statistics (ONS); TED Talks; census figures; Cheltenham Festivals; Sheffield Documentary Film Festival; Tortoise Media; The CBI; World Bank Open Data; any of the think tanks; books; scientific papers; MIT Technology Review; WIRED magazine; Delayed Gratification; Nature magazine's briefing email; New Scientist; Trend Hunter; MODUS magazine; charities' annual reports; Mintel; Our World in Data; The Edinburgh Festival and the RSA.

# Hack 4 Agree criteria for prioritising issues

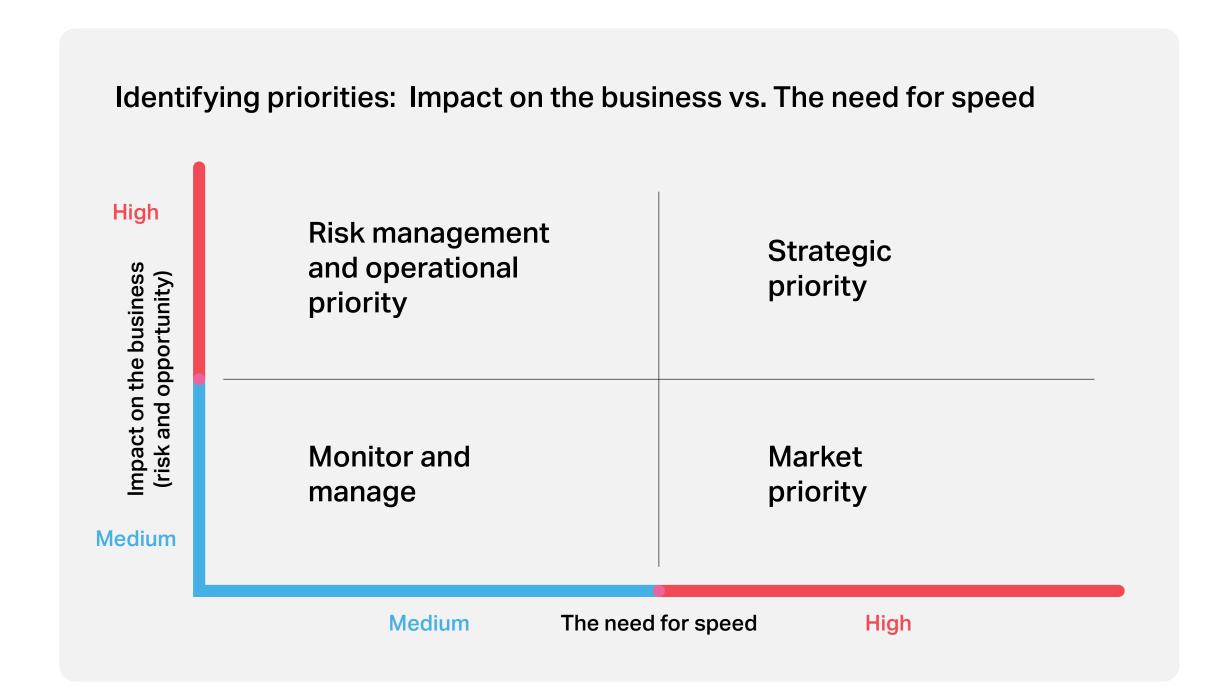
How do we define which issues are more or less important? Start by defining the criteria that matter most to you.

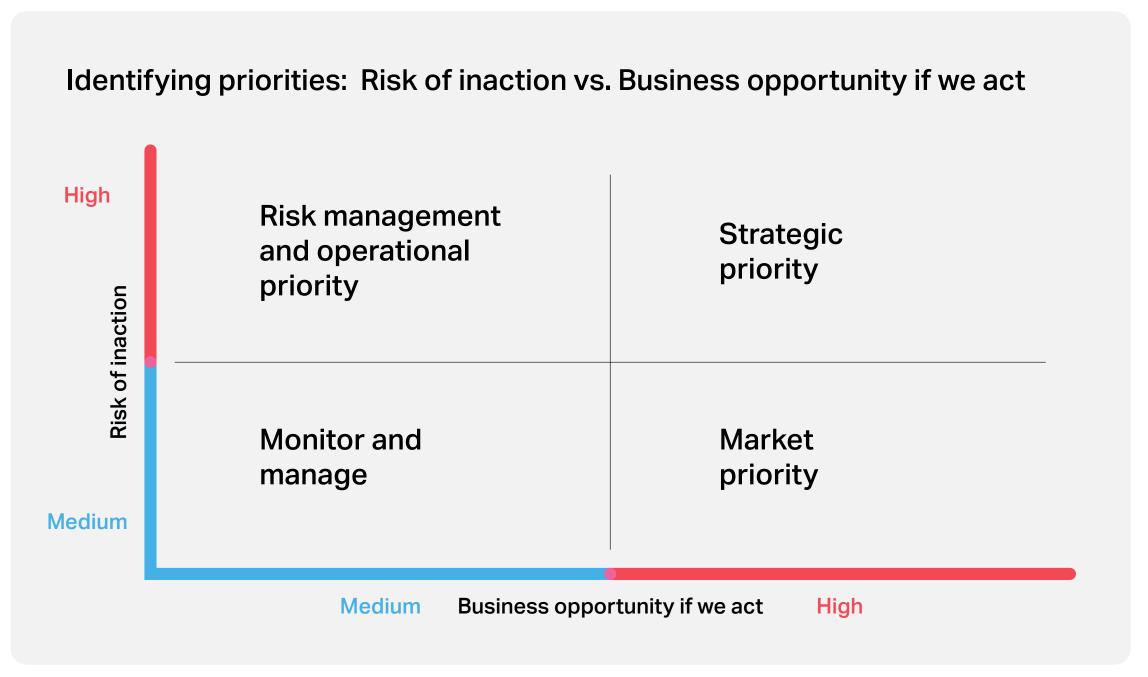
Here are a couple: Will this issue bite me soon? Will it be a big bite? There are plenty of others. Think of it like looking at the same issue through different lenses. Here's a list of potential criteria:



# Hack 5 Use visual models

Visuals help bring your future-proofing analysis to life. For example, we find it helpful to plot issues on two-by-two charts, as shown below.





You might also prioritise your issues on a colour-coded 'heat map', which can help reveal your most pressing challenges.



## Hack 6 Connect the issues

Every issue connects to other issues. It feels obvious, but maybe that's not always the case.

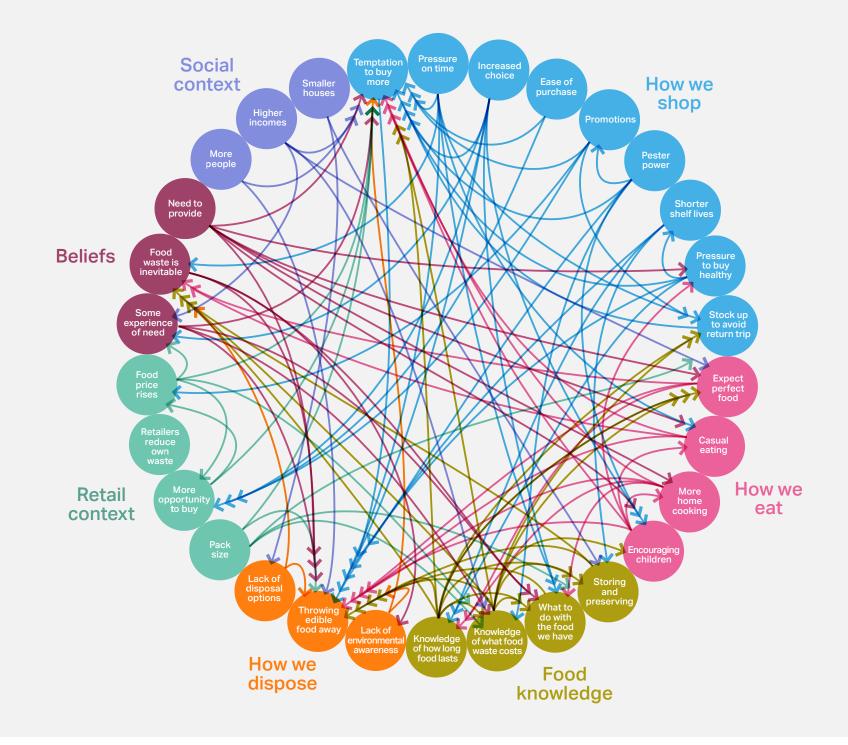
Let's illustrate from the pandemic. A new virus spreads. A lockdown is declared. That's going to have connected effects on the NHS, restaurants, nightclubs, businesses, public transport.

Or maybe there's heavy rain. It causes a big flood. That will then have an effect on insurance, getting to work, tourism, or mental health if your home is flooded. Part of long-term planning involves making the connections.

A group of connected issues, trends or signals is called a nexus. There are three types.

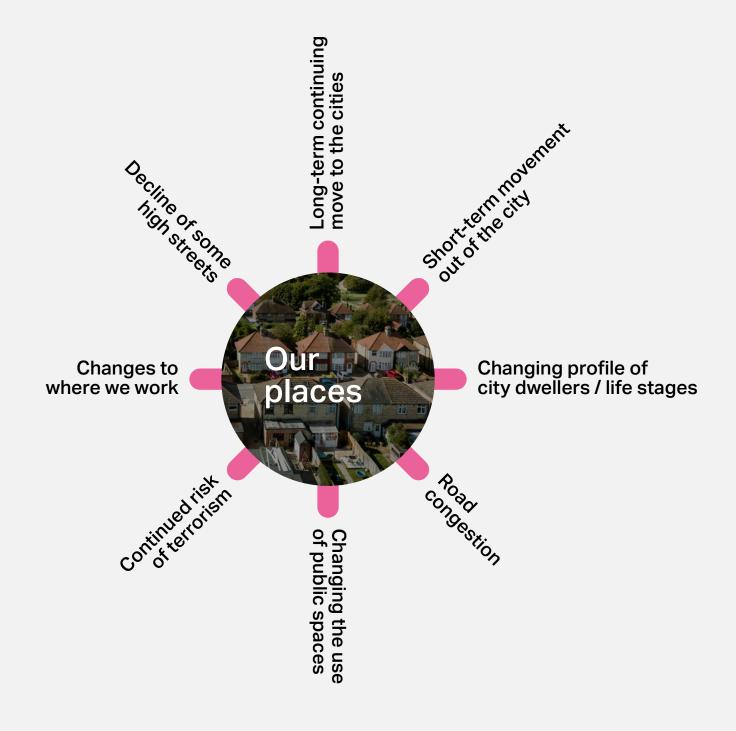
# Nexus Type One: connections within a single issue

You can go deep into an individual issue. Here is an example we created to try to get a handle on the causes and effects of food waste. This analysis helped us to get our head around this complex issue and then prioritise which factors would best lever real change. It was part of a process that led to a dramatic reduction in food waste in the UK.



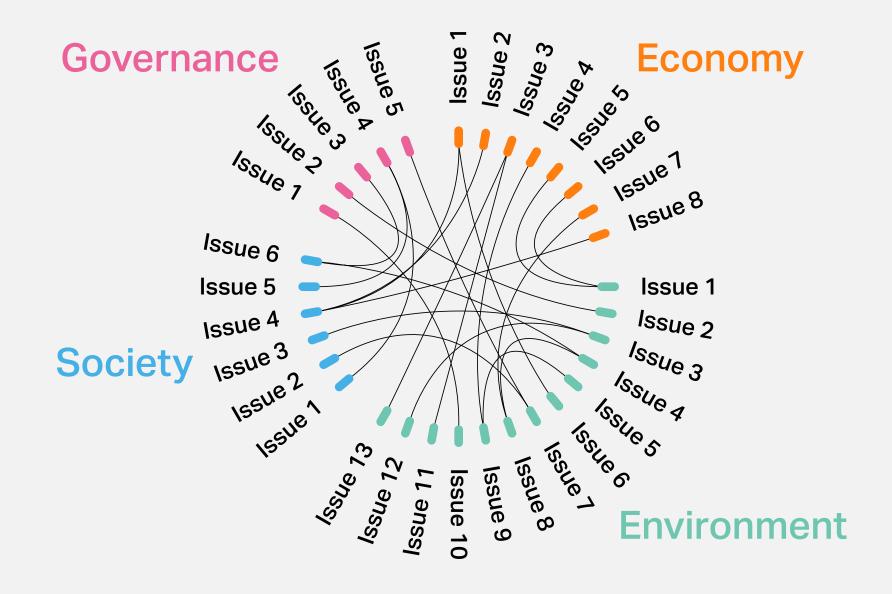
# Nexus Type Two: connections within a topic

You can show the connections within a single topic area. Here's an example connected to placemaking that summarises several current trends and signals affecting the places where we live and work.



#### Nexus Type Three: connections between issues (showing the system)

It can be helpful to draw out the interconnecting links between the issues within multiple nexuses.



#### Define three different kinds of future

Once you have a strong evidence-based understanding of the issues that are likely to have a positive or negative impact on your future, and how the issues interconnect, the next step is to begin articulating the future as a narrative.

The challenge is that there are multiple futures and you need to begin to differentiate between them.

There is the probable future (e.g. if there are no changes to products, places or policy). There are plausible futures (e.g. if artificial intelligence has an increasingly dominant role, or if we act on climate change, or if there is a rebirth of city centres). And there is your preferred future (i.e. what the future ideally looks like for you to bring your purpose to life).

#### The probable future

The probable future, from the standpoint of 2022, almost certainly includes managing the knock-on effects of the pandemic, a change in the rebalancing of work, more people living in cities, a move to electric vehicles, a rebalancing of skill needs, changes in the relationship between people and machines, changes in what high streets are for (reinvention or decline), increased government investment, elevated tensions between nations, another recession, increased migration, sea water rises, more extreme weather events, and disruptions to our core services (health, water, energy and food).

#### Plausible futures

These are futures that may well happen if specific trends or signals really turn out to have a significant impact. For example, there are plausible futures involving:

- Global warming of 2.5°C to 3°C, followed by extremes of drought, flooding, coastal erosion, heatwaves and wildfires.
- Significant conflict between nations, with existing tensions between China/ Taiwan or Pakistan/India that could escalate.
- A positive reinvention of our sense of community with lowtraffic neighbourhoods, the growth of independent shops, more retail experiences and a rebirth of the arts.

#### The preferred future

An articulation of your preferred future isn't a utopian ideal. It's a realistic, pragmatic and positive future that helps bring your purpose to life. The sooner you express it, the better. If you haven't articulated it yet, how can you bring it to life? If you have articulated it, you'll find that it begins to happen sooner than you think.



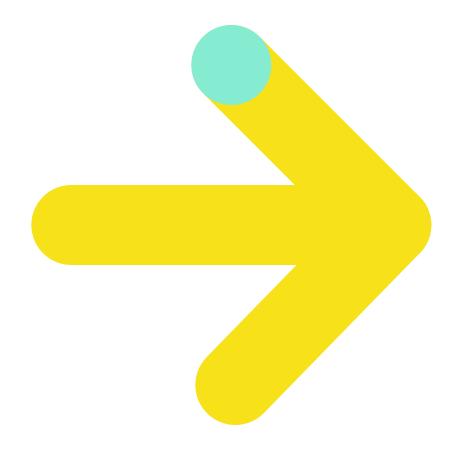
## Continuously review the future

The days of a brief review of the future once every five years are over.

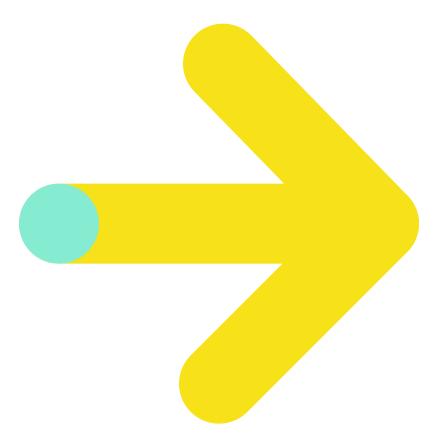
In the face of such uncertainty, we'd recommend three mini-hacks to help keep your finger on the pulse:



Make one of your executive team a Chief Context Officer among their other roles.



Find a way of capturing all relevant current trends and signals on a 'living wall' that's viewable by all colleagues.



Create a Context Advisory Team of internal and external experts to meet at regular intervals and offer informed counsel.

# Hack 9 Tell stories

Stories are powerful and personal. Like us, they are based in place and time. They give us a clothes rack to hang our ideas on. Stories can be about the past, the present or the future. They can be about what it looks like when things aren't working, or when they are. Here are twelve reasons why stories help us hack the future:

- 1 Storytelling is one of the characteristics that make us uniquely human
- 2 Stories create meaning
- 3 Stories aid recall
- 4 Stories create a bridge to shared ideas
- 5 Stories reveal beliefs
- 6 Stories lead to action
- 7 Stories communicate complex information quickly
- 8 Stories create empathy
- 9 Stories create attention
- 10 Stories define our world view
- 11 Stories help us make sense
- 12 Storytelling is social



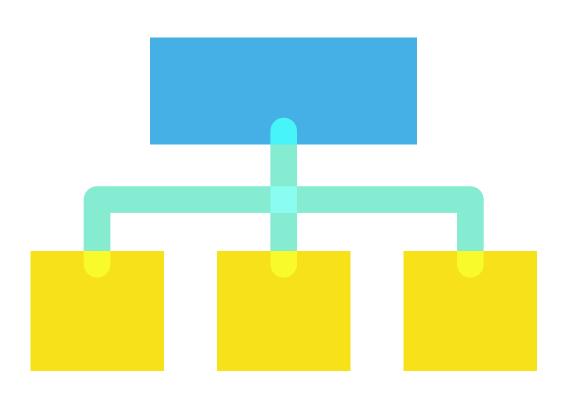
"I've travelled with many of the people from the UN in Somalia, Ethiopia, Bangladesh. At a certain moment in a village where people were dying because of food shortages, a mother handed over her youngest child to me and, before I knew it, I was standing there with a child in my arms. The two words the lady spoke I will remember for the rest of my life. She said: "You know". And I was standing there and said "What do I know?" "You know. When you come back two years from now, I won't have six children any more. You've been here in this village. You know. I know. Even stronger, the world knows". These two words are so true. 'You know'. We know what is happening. And if you then, as a company, have the abilities, if you have that, then you must use it." Feike Sijbesma, ex-CEO of Royal DSM

Watch 'The story of DSM through the eyes of CEO, Feike Sijbesma'. Video made by DSM/OneCamera

## Activate the future by focusing on your culture

The future doesn't just happen; it needs to be created. You have to bring it to life.

We may just tap into our existing culture activities, such as personal objectives and employee communications, or we may decide some new, structured actions are required. The default is often a culture change programme of some kind, and that may be wise; but you do have options. Here are five models to achieve culture change:



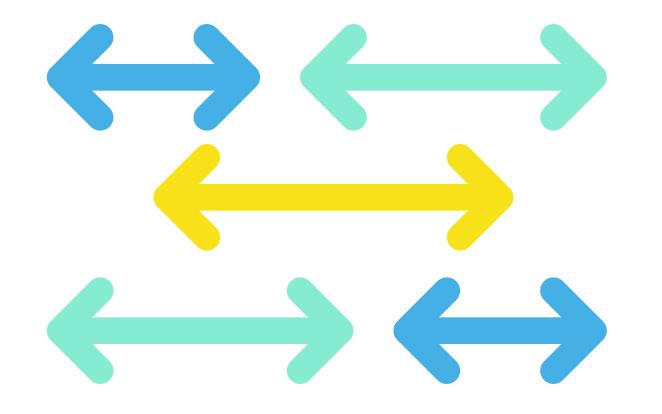
# $a^2 + b^2 = c^2$

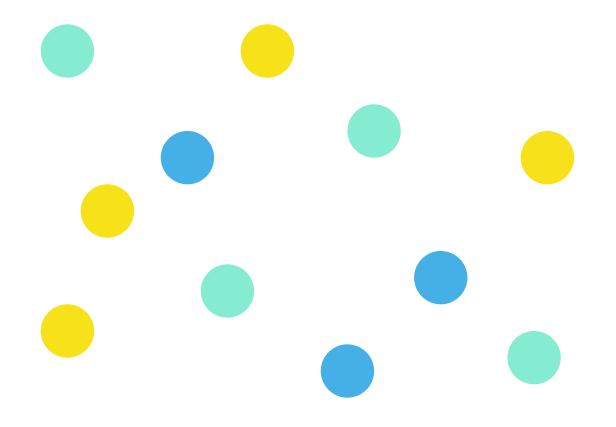
#### Structured culture change

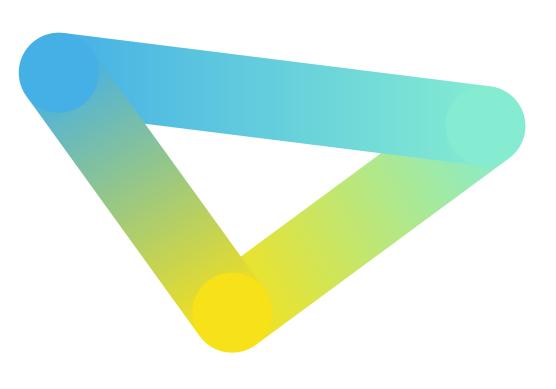
There may be a change in your top team, or to your purpose, values or transformational priorities. You may choose to approach this in a structured way.

#### Messy change

Alternatively, sometimes it's OK to have a messy approach to culture change. You might trigger three or four programmes of action (We call them platforms). These may be platform linked, for example, to training, networks, communications and the physical environment. The culture becomes a composite of each of these platforms, which face roughly in the same direction.







#### Peer-to-peer

Sometimes the best kind of change doesn't involve top-down change at all. It involves freeing people up to form their own networks. For example, the vast majority of Google learning is delivered for colleagues for colleagues. The great value of peer-to-peer networks is that they help break down silos.

#### Micro-behaviours

Sometimes we just need to tweak daily practices. I learned this from Diana Reynolds, who heads up change for the Welsh civil service, in line with the future-facing strategy of the Welsh Government. That future-facing strategy was defined in the 'Well-being of Future Generations (Wales) Act 2015'. One of Diana's methods is to help achieve change through small changes in daily practice, such as how to best open a meeting to ensure everyone is engaged and encouraged to participate.

#### Transformational priorities

Other times you just need to emphasise transformational priorities: the small number of key programmes of change that make the biggest difference.

Whichever approach you take, it requires the activation of elements of your strategy.

# Hack 11 Open up innovation for everyone

Innovators don't believe employees are resources to be managed and controlled; they believe employees are imaginative and innovative.

Innovators don't believe customers are passive recipients of products and services; they believe they are active participants. The challenge is that current methods of encouraging innovation favour the loudest voice, those who are most articulate, and people with characteristics traditionally associated with extroverts. So special attention needs to be given to make it easy for people to contribute ideas on their own terms. We call it inclusive innovation. Here are its components...





My son Andrew and I came across this innovator on the Embarcadero in San Francisco. The very bad advice he gave me was: if I had a nice car, I should cut it in half, use the front seats indoors and the back seats as an outdoor couch in the garden.

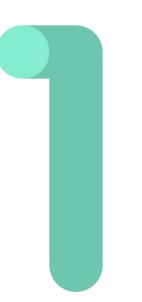
His real innovation was tapping into the idea of exchange. Innovation is not a cult with a small number of high priests. Everyone is creative; there are over nine million photographs and videos posted on Instagram every day, and around 500 hours of video is uploaded to YouTube every minute.

John Drummond, Corporate Culture



# Ten trends, signals and debates for the 2020s

Alongside the eleven hacks, a report on futures wouldn't be complete without an assessment of the key trends and signals we face in the decade ahead. Here's our take on what to expect:



# Adaptation will become as big an issue as carbon reduction

Adaptation will become one of the dominant drivers for businesses and governments. As the Independent Assessment of UK Climate Risk report said in 2021¹: climate change is 'here, now'. And, according to a recent government report², four million people and £200bn of assets are at risk from flooding and the seas.

Debate: Some scientists will continue to debate the severity of the impact. Should they be given a voice?



# We are entering an age of great migrations

Climate change could force 216m people to migrate within their own countries, according to the World Bank<sup>3</sup>. Migration inside and outside country borders will increase nationalism and the risk of social unrest.

Debate: Is there a role for government in encouraging people to consider the value of multiculturalism?

<sup>1</sup> https://www.theccc.org.uk/publication/independent-assessment-of-uk-climate-risk/

<sup>2</sup> https://assets.publishing.service.gov.uk/govern-ment/uploads/system/uploads/attachment\_data/file/300332/04-947-flooding-summary.pdf

<sup>3</sup> https://openknowledge.worldbank.org/handle/10986/36248



# Our governments won't rise to the challenge

A House of Lords report in late 2021 concluded government planning around extreme risks was weak and secretive<sup>4</sup>. Cities, communities and businesses will begin to act in the absence of leadership.

Debate: In the absence of political will, is there a commercial imperative for businesses to encourage community resilience to protect their assets?

# Location intelligence will inform marketing strategies and public policy

Geospatial data is here. The analysis of local data (location intelligence) will become a competitive differentiator for many businesses. Combined with deep data to understand local sentiment, location intelligence will be of massive value for every sector, as well as for governments and charities.

Debate: Will there be a backlash against this data, even if its use is transparent?

# New insights on our humanity will change everything

Everything we thought we knew about our humanity may not be true. Recent breakthroughs in neuroscience and social sciences help us revisit our assumptions. There's new thinking about how we make sense of the world through mental models, how specific beliefs, behaviours and triggers effect neurotransmitters, how the dynamics of our social nature work, and what motivates people to act. These new insights have major implications for products, services, culture, communities and organisational development.

# Mental health will become an equal priority with physical health

The World Health Organization said that mental disorders increased by 50% worldwide from 1990 to 2013<sup>5</sup>. Then came the pandemic. Mental health and physical health – the brain and body – are inseparable. Our governments don't have the will or the resources to provide interventions and strategies on mental health. The private sector will evolve new thinking to help employees and customers thrive.

<sup>4</sup> https://publications.parliament.uk/pa/ld5802/ldselect/ldrisk/110/110.pdf



# The world of work will be reinvented

The great social experiment triggered by the pandemic has led to a reinvention of work. This will accelerate. At the least, it will lead to office redesign, home redesign, new sophisticated uses of online platforms, fuzzy boundaries between life and work, and an increase in the number of employees switching employers. It will take longer, but this trend will also lead to actions for organisations to become more fully human: a reinvention of learning and development, a reinvention of our reward systems, a reimagining of wellbeing, a deeper understanding of context, a renewed emphasis on work with meaning, and a huge focus on the key characteristics that make it easy for everyone to innovate.



# Continuous systems disruptions

We will see continuous systems disruptions with a variety of different causes: health (virus disruptions), water (more frequent and more intense water shortages), energy (gaps between supply and demand), food (supply chain issues, land use issues, changes to consumption) and finance.

# Human seeks relationship with machine

Al, robotics, brain-controlled technologies, virtual reality, augmented reality, biometric IDs and surveillance technologies will increasingly change our relationship not just to machines, but to each other. This will affect our physical nature, causing our brains and our bodies to continue to evolve.

# Markets and big government

The relationship between markets and governments will dramatically evolve. Governments will not have the will, the skill or the finances to respond to the challenges we face. But they will try, and every party will be a party of big government. Markets, responding to demand, and to protect their long-term future, will increasingly step in to respond to challenges. They will do so in partnerships with each other, with government and with cities. This will lead to new forms of governance.

## Conclusions

The role of strategy directors, regulation directors, marketing directors, corporate affairs directors and others are likely to evolve significantly over the near to medium term.

We will, at the least, be expected by shareholders and boards to understand these factors, how they relate to each other, and the risks and opportunities they present to our businesses.

We will also need skills in responding to these factors and, preferably, influencing them.

The tools to understand, predict and influence the future are increasingly available.

Even in these uncertain times, we can accelerate to our preferred future.

Commercial success is now deeply dependent on complex external factors.

### A bit about us

Corporate Culture Group helps individuals and organisations achieve positive, lasting change.

Our teams help clients shape evidence-based, long-term strategies; build strong human cultures; and motivate behaviour change at scale.

#### **How on Earth**

Bringing the future to life for sustainable business

# Corporate Culture

Helping organisations succeed through their people

## Choiceology

Inspiring positive behaviour change with consumers and citizens

Strategic review and stakeholder engagement

Sustainable business strategy

Sustainable branding and communications

Culture, purpose and values

Internal communications

Employee engagement and experience

Behavioural insight and diagnosis

Behavioural design and testing

Behaviour change at scale

corporateculture.co.uk 0845 607 0000





