Strategic Foresight

By Seth Kahan, for and in conjunction with the volunteers, staff and Board of the Promotional Products Association International
What Is the Strategic Foresight Playbook?

Strategic foresight is the capacity to look at the future and spot emerging trends so you can proactively address them.
Speed and Change Are Not Slowing Down

The data shows that the speed at which many aspects of our world is changing is exponential.
Finding Your Scope: Competitive Advantage and Market Leadership

1. Filter out all irrelevant information.
2. Focus on competitive advantage.
3. Focus on market leadership.
4. Discern viable strategies.
The Strategic Foresight Cycle

- Engage Strategists
- Scan the Environment
- Connect the Dots
- Act
- Measure
## Choose Your Plays

<table>
<thead>
<tr>
<th>Focus</th>
<th>Engage Strategists</th>
<th>Scan the Environment</th>
<th>Connect the Dots</th>
<th>Take Action</th>
<th>Measure the Results</th>
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<tr>
<td><strong>Business Model</strong></td>
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<td>55 Proteotypes</td>
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<td>Shifting Perspectives</td>
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<td>56 P.L.O.W.S.</td>
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<td>Identifying Weaknesses</td>
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<td>66 Quantitative ROI—Meaningful Metrics</td>
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<td><strong>Industry</strong></td>
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<td>24</td>
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<td><strong>Customer Base</strong></td>
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<td>Outsider in the Mix</td>
<td>22</td>
<td>Customer Comments</td>
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<td>Customer Focus Groups</td>
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<td>67 Qualitative ROI—Stories That Tell</td>
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Engage with PPAI for updates on industry trends analysis and ongoing professional development.
Strategic foresight and operational excellence are mutually reinforcing activities.
## Capacity for operational excellence

<table>
<thead>
<tr>
<th>My organization...</th>
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<td>has been profitable for the last three years.</td>
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<td>can identify a range of potential customers.</td>
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<td>has grown in recent years as measured by sales, employee count, and/or customers served.</td>
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<td>has access to the resources we need to scale our growth.</td>
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<td>understands how it generates profits (its business model) including which offerings generate the best income.</td>
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<td>observes trends among competitors’ business models.</td>
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## Capacity for strategic foresight

**My organization...**

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<td>can describe our target market in specific terms regarding customer segments, traits, goals, and needs.</td>
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<td>is able to identify our closest three competitors by name and source of competitive advantage.</td>
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<td>can describe our position relative to market leadership in our industry—number 1, number 2, etc.</td>
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<td>has developed several viable business strategies for evaluation.</td>
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<td>can detect trends reshaping our industry, including faint signals of emerging trends.</td>
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<td>has insight into the business environment affecting our customers, including socio-cultural, technological, ecological, political, and legal factors.</td>
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<td>is cognizant of global trends and factors affecting our customers and/or supply chain.</td>
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Engaging Strategists
Expert on The Fly

**Benefit:** The unique opportunity to discuss the future of your space with someone in a knowledgeable position

**What to do:** When you encounter an expert in an informal setting, query them on what the future holds and how it will affect your organization
Outsider in The Mix

**Benefit:** Bolstering your strategy’s likelihood for success by expanding your outlook and accounting for varying ideas, experiences, and opinions

**What to do:** Invite someone to sit down with you and your team
Corporate Think Tank

**Benefit:** Bring together a synergistic group of thinkers to discuss strategies for confronting market disruption. This is a powerful tool for identifying and analyzing emerging trends.

**What to do:** Explicitly brainstorm ideas about the future and what it might hold.
Corporate Think Tank

Sample agenda

1. Welcome and introductions.
2. Presentations by the most advanced thinkers in the room. Allow 10–15 minutes for each presentation, with 20–45 minutes of discussion on each topic.
4. Analyze the implications of your discussions.
5. Discuss the game plan.
2 Scanning the Environment
Customer Comments

Benefit: Understanding your customers and their experiences is critical to success.

What to do: Solicit feedback from the specific demographics that your organization caters to.
Customer Lures

**Benefit:** Test a pilot program or prototype without substantial risk. Look further into the potential success of investing in specific emerging trends.

**What to do:** For a business, a *lure* is a prototype that is showcased before a small customer segment to see how they respond before the business invests in a large-scale program or widely distributed product. Design the lure and place it in front of your customers.
Customer Focus Groups

**Benefit:** Gathering intel on individual customers’ experiences is vital. Using a group to facilitate that kind of data mining can be just as fruitful, while also allowing your organization to save time and money by “batching” the intel-gathering effort.

**What to do:** Invite customers to discuss for an hour.
Internet Inspections

**Benefit:** Accumulate or survey a wide range of views and ideas from many expert sources.

**What to do:** Monitor the internet for breaking news on key companies and leaders.
Judo for Disruptions

**Benefit:** Most people see disruption as bad news. But choosing to see disruption or a major change as a force to be harnessed actually opens up opportunities. Rather than being forced into a corner, leverage the disruption for your organization’s growth.

**What to do:** Identify the disruption and look for counter forces. Figure out how you can exploit the disruption.
Expert Examinations

**Benefit:** Deep insight into specific information, whether it be an emerging trend or intimidating disruption.

**What to do:** Identify an expert who’s knowledgeable in the space you’re researching.
**Shifting Perspectives**

**Benefit:** Break through your predisposed biases.

**What to do:** Schedule a day to meet with your senior leadership team and imagine you’re a competitor of your own organization.

- Your goal: to sink your business.
- Pick out points of organizational weakness.
Identifying Weaknesses

**Benefit:** Locate and pick apart taboo topics about your organization’s shortcomings. This play is an opportunity to actively fine-tune your business to become stronger and more robust in your market.

**What to do:** Study your organization for all potential weaknesses. The four main points of weakness to look for:

1. Train wrecks
2. Danger signs
3. Educational deficiencies
4. Superstitions
3 Connecting the Dots
**Multiverse Charts**

**Benefit:** Make visible the wide spectrum of trends you’ve identified.

**What to do:** Identify 3–5 emerging trends you’ve decided have the greatest potential to affect your organization.

<table>
<thead>
<tr>
<th>TREND</th>
<th>NO CHANGE</th>
<th>MILD CHANGE</th>
<th>SIGNIFICANT CHANGE</th>
<th>RADICAL INCREASE</th>
<th>RADICAL DECREASE</th>
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Secondary Impacts

**Benefit:** Zooming in on secondary impacts will open the door to unique and fruitful territory. This can be the competitive advantage that will propel you to the forefront of your field.

**What to do:** List your most pronounced emerging trends, working to combine two or more trends into unique opportunities.
Risk and Risk Mitigation

**Benefit:** Diagnose the downside to every trend and establish ways to circumvent anticipated disruption to fortify your organization for the future.

**What to do:**

- List the trends your organization is considering taking advantage of.
- Assess all possible causes of failure—everything that could go wrong.
- Evaluate the chances of disruption and assign each a level of probability.
- Assign a second attribute that designates how much disruption it would create for your organization.

<table>
<thead>
<tr>
<th>0 = Nothing</th>
<th>3 = Significant retooling required</th>
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<tbody>
<tr>
<td>1 = Minor</td>
<td>4 = Dramatic retooling required</td>
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<tr>
<td>2 = Addressable</td>
<td>5 = Death</td>
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### Scenario Planning

**Benefit:** Simplify massive and complex change through a simple visualization technique.

**What to do:**
Prioritize the trends you have gathered to identify the two most significant. Create a 2x2-cell matrix to identify the most likely outcomes for each trend.

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<th>&gt;50% of customers outsource</th>
<th>Most customers do not outsource</th>
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<tr>
<td><strong>Ubiquitous 3D printers</strong></td>
<td>3D printers are ubiquitous and more than half your customers outsource</td>
<td>3D printers are ubiquitous and most customers do not outsource</td>
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<tr>
<td><strong>3D printers not adopted</strong></td>
<td>3D printers are not adopted and more than half your customers outsource</td>
<td>3D printers are not adopted and more than half your customers outsource</td>
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Assigning Key Indicators and Continuous Monitoring

**Benefit:** Stay on top of trends as they evolve. This will influence where you invest resources if you choose to create a pilot program or prototype in response to specific disruptions. This play will also provide an early warning system as trends grow or dissipate.

**What to do:** List the most important trends you see and tag each with characteristics from several continuums.

- The **likelihood** of realization: Certain, High, Medium, Low, Remote
- The **speed** of realization: Now, Imminent, Within our current planning cycle, Outside our current planning cycle, Distant
- The **risk to your customer base:** Profound, Incremental and increasing, Incremental but minor
- The **risk to your business model:** Profound, Incremental and increasing, Incremental but minor

Benefit: Stay on top of trends as they evolve. This will influence where you invest resources if you choose to create a pilot program or prototype in response to specific disruptions. This play will also provide an early warning system as trends grow or dissipate.
Taking Action
Prototypes

**Benefit:** You try out an idea without over investing in time or money.

**What to do:** Track customer interaction with marketing, sales, and support of the MVP.
Pilots

**Benefit:** You conduct a small, controlled roll-out to see how your idea performs.

**What to do:** Track customer interaction with marketing, sales, and support of the MVP.
Measuring Results
After-Action Reviews

**Benefit:** Reviewing the organization’s successes to learn from them.

**What to do:** Immediately after an operation, ask:

1. What was supposed to happen?
2. What actually happened?
3. Why was there a difference between the two, if any?
4. What can we learn from this?
PLOWS (Plan, Leadership, Obstacles, Weaknesses, Strengths)

**Benefit:** Develop a keen and precise understanding of your strategy execution and results.

**What to ask:**

**Plan.**
- Did everyone understand what the plan was?
- Was the plan sufficient to accomplish the objectives?

**Leadership.**
- What leadership was in place?
- Was the chain of command clear?
- Were the leaders’ intentions communicated sufficiently?

**Obstacles.**
- What obstacles were encountered?
- How were they mitigated?

**Weaknesses.**
- What weaknesses must be addressed?
- How will they be improved?
- Is follow-up action required?

**Strengths.**
- Which strengths must be sustained?
- How will they be sustained?

**Benefit:** Develop a keen and precise understanding of your strategy execution and results.

**Measuring Results | THE PLAYS | 35**
Quantitative ROI – Meaningful Metrics

**Benefit:** Measure the results of your pilot. Quantify your return on investment (ROI).

**What to do:** Gather numeric information to document customer behavior.
Qualitative ROI – Stories That Tell

**Benefit:** Capture the customer experience and corresponding lessons learned.

**What to do:** Record the narrative of the entire pilot or prototype, as well as the individual customers. Identify individual customers’ circumstances and experiences.
5 Tips to Succeed at Strategic Foresight

1. Customize this book to work for your unique circumstances
2. Tap into PPAI for trends
3. This book was made for everyone - You’re exactly the same in your uniqueness
4. Don’t be constrained by our approach, create your own audiences in your own universe.
5. Try something, anything – and adjust for better results.
Q & A

The Playbook was carefully designed to be useful to you; however, the real test is in the utility it provides to you.