

The Business of Foresight

Lessons From the Corporate World

TEXT JOANNA LEPORE
ILLUSTRATION SOPHIA PRIETO

Every business needs foresight. But not every business needs a foresight function.

That may sound positively blasphemous coming from someone who set up and expanded foresight at two of the world's biggest brands – McDonald's and Mars. Or from someone who founded a network to support the growth of the corporate foresight practice.

Not to mention from a futurist who believes foresight is a must-have, not a nice-to-have, in business. And I truly do. But equally, I believe a business needs to be ready for foresight before it invests in it.

This begs a series of questions: what should foresight in business look like? Should it be done inside-out, anchored in an internal foresight function and spread across the business, or outside-in, brought into various business functions from external support? How should its impact be measured and demonstrated?

One thing is certain: foresight in business takes many shapes and forms, depending on organisational reality, context, culture, and objectives.

Businesses get it, but are they ready?

Most businesses already have some form of futures-focused activities to generate intelligence about what lies ahead, whether or not it has a formal title, a boss, or

a budget line attached to it. Often, these foresight activities hide in plain sight tucked under other functions, like sustainability, consumer and market insights, risk management, or cultural strategy.

Whether the quality of this “incognito” foresight work is sufficient, whether it is systematic enough, or whether it is truly used to inform decisions are different questions. But when businesses are ready to move from ad hoc foresight to more systematised foresight – when they are ready to turn it from nice-to-know to proactive decision-making – that is when they need a dedicated foresight function.

For now, a formalised foresight function mostly remains a competitive advantage. Increasingly, I witness how foresight work is becoming part of the conversation to widen strategic perspectives. Businesses are desperate for the kind of broad, fresh, robust thinking that foresight brings.

Most leaders are acutely aware of the pace of change and of the need to adapt their business model to keep up. Experts and business leaders across industries, like those in the AXA Global Risks report and PwC’s annual CEO survey, consistently highlight that market volatility is greater now than it was just a decade ago. The only safe bet is building systematic anticipation for what may lie ahead, so that decisions aren’t solely led by intuition, past choices, or what one smart expert (often a tech guru or a consultant from the big four) tells you.

And yet, judging the success of foresight and claiming legitimacy as a corporate function isn’t straightforward. I’ll get back to that.

Demonstrating the business impact of foresight

Foresight in business comes with a unique set of challenges that foresight professionals don’t typically face elsewhere. Foresight inside corporations needs to be tightly aligned to business objectives, and effective inside their corporate structure.

In some foresight forums you’ll hear passionate and exasperated futurists ask why their work isn’t landing and why businesses aren’t changing. It’s clear that on both fronts, they’re wrong. Business has vastly diversified and adapted. Business executives *are* wide awake. Foresight is making an impact.

One example of this comes from within Foresight Inside Group (FIG), a network I co-created with my foresight peers in Disney and JLR, Adam Walker and Benjamin Moncrieffe. Here we host a select set of large-scale organisations with dedicated resources and a clear focus on foresight. Members include big legacy businesses like AXA, PepsiCo, HP, Globo, and Ford. While the network is a space for individual foresight leaders to share challenges and opportunities of our field,

what matters most is that these businesses have made a clear commitment: foresight is valuable, and foresight is necessary.

But there's also a vulnerable admission that there is room to improve. Ultimately, we all just want to make an impact. That's a desire we share with independent futurists outside the corporate world. But where they may chase meaningful societal or environmental impact (sometimes with grand, sweeping sentimentality), those of us working inside business focus on business impact.

For those on the periphery of the business world, this may seem like an impossible task. After all, how can one small team inside a large enterprise push the CEO and leadership team to think beyond the quarter, and to the next decade? How can true transformation happen inside a system designed to deliver predictable profits?

Well, no one said it was easy. But creative, change-driving individuals have existed in big business since their beginnings, pushing legacy-thinking past short-term obsession. And they didn't necessarily call themselves futurists. But as we say in foresight, adaptability and patience are the virtues of the future. As they are in our field.

Those who enter the foresight field are generally adaptable, flexible, and resilient. But not always patient.

When I speak with other corporate foresighters, it's one of two stories. They are either gloomy about the things that get in the way of foresight, focused on obstacles and frustrations, exasperated that their efforts are not landing. Or, they have their head in the clouds and sing a song of instant success, soaring past impossible challenges with pride.

I've been in both places. Being able to tell people that you have more demand than supply of foresight, that you need to resource for more foresight, is magical. The low of being told your budgets are being cut and your projects are not a priority is heartbreaking. After ten years in marketing and strategy, prior to foresight, I personally feel it hits a little harder in foresight, because the mountain is so much grander and the rock you're pushing up that mountain is so darn heavy.

The reality is that foresight in business, at least for now, often sits in an uncertain spot. And can flip at the drop of a hat ... or a drop in share price.

Although foresight can pivot exceptionally well from more distant outcomes to support immediate planning priorities, crisis management, and shareholder agendas, it's not always seen that way or given permission to prove it.

Perhaps the biggest problem that corporate foresight faces is precisely that it hasn't defined what success looks like. Most foresight practitioners would acknowledge that demonstrating impact and measuring tangible outcomes is important but often also hide behind the vague argument that foresight's deeper value is often misunderstood in business cultures obsessed with counting and measuring everything.

But, as I often say, we don't get a free pass. We can't afford to be naïve and expect to get resources for foresight and not have to show what impact is being made on the business, just because it's foresight.

Now, let's for a second recognise that many other business functions, ones that have been around for much longer, can get away with vague, somewhat connected but not directly correlative measures for success. But they, unlike foresight, have had the time to prove themselves. In many cases they have longitudinal studies showing the value their long, extended process delivers. Foresight has a handful of research and real-world case studies, from a much shorter time in play.

So, we are still working this out.

Return on Investment (ROI) isn't just an interesting tension, it's the biggest issue that faces our field in business, and it's the one many foresight teams aren't prepared for (ironically). They must answer it, knowing fully well that it doesn't define the total value of foresight. Knowing, right or wrong, that foresight will be compared side-by-side with other corporate functions, despite it being quite an un-corporate-like function. Knowing a vast amount of the value from foresight can't actually be measured, because as Peter Drucker said, we're trying to help the business not necessarily to grow bigger, but to grow better. Admitting defeat, in a way, to the finance department, while pushing on diligently with the practice.

In FIG, we're working on figuring this ROI thing out. Amongst our member organisations, ranging from those who have had foresight for a long time like Shell, to those just starting out like Nestlé, we share the same challenge. We either continue to have to show, explain, and prove our value, or we know we will have to soon. One thing we all agree on is that this isn't just an inevitability, it's a necessity for our survival. And it's the right thing for our businesses.

It also shows why it's important to put businesspeople who can capably stretch themselves to futures thinking (not always an easy find) into foresight roles, to prevent the foresight practice from becoming disconnected from corporate reality and business objectives. Those of us who have "served our time" in corporate roles

know the expectation is always to drive a measurable outcome. There are no exceptions. Not even for a function promising to “future proof” your business.

Instead of agonising over the correct measure for corporate foresight, it is more important to get something on paper that you can commit to, ideally framed in the familiar context your business operates within. To “hack” the process, in my past corporate foresight roles I’ve “borrowed” and re-applied my SMART (specific, measurable, achievable, relevant, and time-bound) goals from other roles to my corporate foresight role. For example:

1. In Marketing at General Mills, I had to improve the ROI of our multi-million-dollar media budget. In foresight, I can help improve the ROI of our marketing plans by guiding investments toward the media platforms that will be most relevant and lucrative in the future, and not just what performs well today.
2. In Innovation at Mars, when mapping future innovation white space, I had to deliver a better success rate for new products launched than the historical average (which wasn’t that hard, the average is very low). In foresight, I can help steer innovation exploration toward emerging future white spaces, and identify pilots that can drive incremental revenue in those emerging areas.
3. At McDonald’s, I had to marry the vision of health and wellbeing in the food industry with “right to play” factors of the brand. In foresight, my goal became helping teams refine a future vision they wanted as part of their legacy, aided by a roadmap, within unfolding time horizons.

But ... best laid plans, right? Sometimes conditions change so drastically in the external business environment or internally through restructuring, that the very best results can’t save you.

Grounding the future

Foresight as a formal organisational activity can take different forms and there are many pathways to its implementation. While the methods applied can differ in each business and the approach may need to be more “business” than “futures”, the foundations should be robust.

Frequently, in my corporate foresight roles, I would be called in to do presentations to teams of all seniority levels and areas of responsibility to offer “inspiration” about the future. The first question I’d always ask: “Have you had a speaker like this before and what was the feedback?” Almost always the answer was the same. That the speaker was really interesting, opened their minds ... and left

them confused. “We didn’t know what to do with the information. It felt disconnected from our industry and business reality. It was too far out into the future.” Once you know this, it’s actually a very easy solve, and helps you shape communication about the future for a business audience. You have to make it real, and really relevant to today.

Some of my favourite internal presentations were buddying up with external speakers. They would come in and do the provocative inspiration, and I would ground it back down to earth. This worked well when I had cultural theorist Matt Klein come in to present to the McDonald’s customer experience team about the changing media landscape. Matt was excellent at poetically pulling out examples of fringe culture. Then I followed up with what it meant for the Big Mac.

As corporate foresight practitioners, we don’t always have to be the most interesting person in the room. Sometimes we can be the translator that makes it relevant to the business context. I used to introduce myself at Mars and McDonald’s as the “outsider inside”. “I am in the business with you, I get it.” The balance here is important – if you’re seen as an external nice-to-have consultant, you’re easily removed from various parts of projects and seen as only valuable for “the trends bit”.

Which leads me back to foundations. A corporate foresight practitioner will know the field of foresight, its history and ethos, the various agreed upon methods, and how they can be applied, and watch for new and emerging methods that can pressure test thinking. With this grounding, they move past being just another businessperson trying to make trends relevant, or an exciting “in-house futurist” bringing in something new and sexy. They are a grounded, practical, multi-disciplinary decision maker that brings something truly unique to a business.

We often say of other business functions that the greatest measure of success is if they’re no longer needed. Very quickly does the world around a business change, very easily do business leaders get swept up in shiny new targets, very insulated a business can feel causing it to lose relevance. Because the future isn’t a destination, it is a moving target, foresight will always be needed. ■



