For many people, the old saying, "What will be, will be," quite succinctly sums up their attitude toward the future. Oddly enough, many of these same people are diligent practitioners of carpe diem or seizing the day, its challenges and its opportunities. Certainly, seizing opportunities is a common attribute of those who succeed in business. Yet, when it comes to the future, fatalism is not uncommon.

So, what is your attitude toward the future? How would you describe it? To some, the future is like riding a roller coaster in the dark. They are on a predetermined route that they cannot see. Their only option is to hang on and try to adjust as each curve or dip throws them from side to side in the car. There's really nothing they can do about it but react to it as it happens.

Others see the future more like rafting down an ever changing river. They can see as far as the next bend and they can adjust to the changing currents, the occasional rapids and the calm pools. There are some options and choices, but the course of the river and the current that is always pushing them forward cannot be changed.

Still others, probably a minority, see the future as an ocean liner sailing on a broad ocean. They are limited only by their navigation skills, their vision and their courage, all of which they can strengthen and develop as they sail through new challenges and experiences. While it is true that they must deal with the sea, the weather and, perhaps, other unknowns, they have the tools necessary to anticipate changes in their environment and deal with them. For these people, all things are possible.

Whatever our view of the future may be, one thing that we can all agree on is that the future is coming at us faster all the time. The increasing rate of the creation and acceptance of new technology and the social changes that technological change drives, is putting pressure on organizations to respond more quickly than ever before. This requires a new form of strategic planning; one that will allow organizations to respond rapidly to the changes of the Knowledge Age.

For many years, businesses, especially large businesses, have engaged in the process of strategic planning to prepare to meet the future. Strategic planning was modeled on military strategy and was developed for business application in the 1930s. For decades, it was used very successfully by large companies that needed large scale planning and control processes, and it enabled them to prosper. Over time, the popularity of strategic planning spread to include medium sized businesses and even some small businesses as well. However, in the early 1990s, it became apparent to some that its primary method of extrapolating from past trends and forecasting them into the future was no longer adequate for a world in which the pace of change was escalating so rapidly. A better way was needed.
to plan for such a speedily evolving future. These people began to draw concepts from a number of fields including scientific and technology foresight, organizational development, future studies and strategic planning. Concepts from all of these disciplines have contributed to what has now become a new field of interest – strategic foresight.

Strategic foresight is gaining acceptance in many areas of business, in government at many levels and in academic institutions. It is a method by which leaders can learn to view the future more like the ocean and their organization like the ocean liner, thus, enabling them to anticipate shifts and changes in their business environment, be more prepared for them and thereby, have greater control over their organization’s destiny.

Strategic foresight has evolved over the past 10 or 15 years in response to the need for more adequate planning processes in the Knowledge Age, and many companies, including IBM, Phillips, Nokia and others, have had foresight functions within their organizations for years – so have a number of governments. Most often, they have been associated with either new product development (for obvious reasons) or with planning (especially in the case of governments).

More than just a new type of strategic planning, proponents view strategic foresight as a way of thinking, a way of engaging with the future and discovering what it holds or may hold, while at the same time keeping a clear focus on the business and customers of today. At the heart of strategic foresight is the need to change the way we think about how we do what we do; to challenge the conventional wisdom of our business, whatever that business may be.

The key method of traditional strategic planning has been to stand in the present and, using data, trend analysis and a little creativity and imagination, attempt to forecast the future. By contrast, the key method of strategic forecasting is to use data, trend analysis, a lot of creativity and imagination, and attempt to stand in the future and look back on the present. This helps planners discover emerging opportunities (and threats) in the present so they can react to them, rather than be overtaken by them like the proverbial frog in the pot of water that never noticed it was getting hotter until he was cooked!

**Future Studies**

The techniques used in strategic foresight are similar to those used in future studies; however, the purpose is somewhat different. Strategic foresight is essentially a different approach to planning. Future studies attempts to look at possible and probable futures on a national or even a global scale so as to identify preferred futures and marshal social action to cause the future to be different than it would be by simply continuing on the present course. For example, through future studies, we can conclude that we need to change our ways of using the planet’s resources as the world’s population grows ever denser.

A variety of techniques are used in future studies, but two of these are particularly useful for businesses who wish to engage in strategic foresight; they are environmental scanning and scenario analysis. Using structured environmental scanning results (as opposed to just casual observation), business leaders can construct possible scenarios of the future that are more likely to be fairly accurate. Then, they can develop strategies to respond to the various scenarios, whether those strategies are to take advantage of an emerging opportunity or to avoid or deal effectively with an emerging threat.

Environmental scanning is something that we do all of the time. It is simply scanning the environment for precursors, events, signals of many kinds that indicate that changes are coming and
then interpreting their significance. An example might be to attend zoning hearings and monitor approvals to keep track of the shopping centers approved in a particular jurisdiction in order to gauge retail construction activity and inventory potential for the ensuing years.

Scenario analysis is a process of developing and then analyzing a series of internally consistent possible futures. These possible futures are based on the information collected through environmental scanning. Scenarios and their analyses are useful for testing hypotheses, exploring alternatives, elucidating options and choices, and preparing for contingencies. So, how might your company go about putting this method into practice?

**Step One: Scan Specific Indicators**

A strategic foresight project using environmental scanning followed by scenario building and analysis would begin by scanning some specific indicators in the business environment for a period of time in order to detect precursors, trends and any other clues that might reveal critical insights. For example, for a shopping mall developer, retail shopping habits of consumers would be an important area of interest. Considering the rapid growth of retail activity on the Internet, what will the retail scene look like in 10 or 15 years? Will stores be larger or smaller? Will department stores or specialty stores be dominant? What services will shoppers expect at that time? Will parking lots be larger or smaller? Will the open air mall trend continue or will enclosed malls become popular again?

Other factors of interest and importance could include long-term interest rate trends and new construction methods. Certainly, a clear forecast of population growth and income projections are crucial. Utility and road construction plans of local jurisdictions would be important to consider and, given the fact that large malls may draw customers from 80 miles away or more, plans of the State and the Federal Highway Administration might be important.

Developers of large projects have used a variation of environmental scanning for years. In the case of a mall in Virginia, the developer, after reviewing similar factors, purchased the land for his mall development about 12 years before it was actually built and opened. Given the long lead times required for major real estate developments, developers could benefit greatly from a more structured approach to environmental scanning and scenario building. Those of us who experienced the market chaos of the late 1980s and early 1990s can attest to the problems that can arise from a lack of good foresight.

**Step Two: Identify & Monitor Informational Sources**

Once the important trends to watch are identified, it’s then time to identify informational sources about those trends. Sources might include national and local publications of various kinds, meetings, public hearings and any number of sources that would need to be monitored for a time, with the results of that monitoring noted in an organized way. To be of greatest value, sources, other than popular magazines, newspapers and information commonly available to and widely read by the public, should be included. Scanning journals are often used for this purpose.

**Step Three: Construct a Future Framework**

After a period of gathering information on the precursors and trends from the selected sources, a future framework is constructed. The future framework is more than a simple projection of current trends, although those projections are part of it. It also requires the use of some imagination and insight to make a reasonably detailed description of how the world will look at that future time.
The creation of a future framework offers an opportunity to engage many people in the organization and to benefit from their insights and creativity. After all, the future exists only in the minds of people – and people are all different. Your vision of the future will differ from mine, even if we are given the same input from scanning journals. Even others, such as potential customers, partner organizations and elected officials might be invited to participate. Certainly, they will all be important to the actualization of whatever plan is forthcoming, so why not involve them in the creation of the framework in which it will occur? One of the potential benefits of doing so is to gain greater acceptance and “buy-in,” which will be very helpful, if not crucial, when it comes time for action. Regardless of the details of how it is done, the end product of the scanning effort would be a description of the state of local retail conditions and other relevant conditions 10 or 15 years (for example) in the future.

**Step Four: Construct Future Scenario Strategies**

Once the future framework is described, then a series of possible scenarios for the organization’s future condition is constructed. Since the exact future cannot be predicted, a more reasonable approach is to describe several possible futures based on different sets of assumptions.

Scenario building offers an opportunity to expand participation beyond a small group of planners. Due to the need for some confidentiality at this stage, it is probably not as good an opportunity as future framework development, but still more people than just, “the brass” could offer insights and ideas for alternative scenarios.

Once several alternative scenarios are developed, the company can begin to consider which of these possible future situations it would prefer, which one would be its best case outcome and, finally and most importantly, what it might do now to increase the probability of the preferred outcome coming to pass.

**Step Five: Continue to Monitor the Environment & Implement Strategy**

Finally, once scenarios and strategies are developed, monitoring of the environment continues. If the monitors begin to see certain features of one of their scenarios coming to pass, it indicates that the future is evolving similarly to what was anticipated and therefore, the strategy for dealing with that particular situation can be deployed.

**Now, Go Meet the Future**

The past decade has seen massive changes in the way business is conducted as a result of the information technology explosion. Only a naïve person would think that those changes are over. Thus, it seems to me, that the only reason for progressive organizations to ignore the use of strategic foresight techniques in their planning is a lack of awareness of those techniques. Now that I have given you the basic steps in using strategic foresight, you can begin preparing your organization for the future today.

**About the Author**

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