Tap Your Inner Futurist: A 21st Century Roadmap for Corporate Real Estate

Reference Workbook to Main Presentation: www.garrygolden.net/CoreNet2012

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Foresight for Business Environments

Foresight refers to our ability to construct images of plausible, possible, and preferable futures based on a formal study of change. It is commonly referred to as: futures studies, strategic foresight, or futurism.

Strategic foresight is used to improve decision-making related to potential opportunities and threats that exist beyond present-day plans, market conditions and organizational capabilities. In recent years foresight has started to shift from an activity limited to executives offices, to being practiced by business units and staff across the organization.

In the practice of foresight we apply a mixture of qualitative and quantitative techniques used in a wide range of applications from forecasting, to scenarios and visioning. Insights are based on a range of disciplines from sociology, economics, organizational behavior, technology forecasting and systems modeling.

The definition of ‘future’ time horizons vary based on clients and industry. Governments and companies involved in infrastructure and natural resources will typically plan using 10-30 year time horizons. Organizations involved in consumer products, services and experiences typically view 3 to 7 years as the furthest practical time horizon. Non-profit organizations tend to focus on time horizons linked to funding resources. Alternatively, news companies, stock markets, celebrity/ad campaigns and consumer attitudes refer to time horizons only seconds, days or weeks ahead.

The aim of strategic foresight is to avoid single-point forecasts (e.g. predictions) and create a range of plausible outcomes (e.g. scenarios within a cone of plausibility) that help us avoid surprises and expand our ability to respond effectively when changes do occur. Foresight is a skill set and mindset that needs to be cultivate and developed over time. This seminar is designed to teach the foundations for self-directed and professional community-based learning.

The Evolution of Foresight – Fringe to Mainstream?

In the early 20th century the study of economics and psychology shifted from fringe and misunderstood areas of academic study to mainstream disciplines that influenced all aspects of public and private life. Today the two fields are integrated into neuro-economics and shape branding and marketing efforts across most Fortune 500 companies. A similar fringe to mainstream transition is occurring around foresight and the study of social change. Foresight is becoming more closely integrated into formal strategy efforts and is commonly referred to as the front-end of innovation. The history of foresight, however, dates back to the early 20th century.

- **1930s – Social Change and Role of Technology**
  Sociologist William Ogburn writes *Recent Social Trends* which explores the notion of a cultural lag as society adjusts to technological change of the industrial age.

- **1950s – Scenario-based Decision Making**
  Hudson Institute Founder Herman Kahn works with government leaders to use scenario-based planning at the height of threats associated with the Cold War.

- **1970s – Systems Thinking and Principles of Interdependence**
  Authors of the book *Limits to Growth* use systems-based modeling to understand effects of non-linear change from the relationships of population growth, industrial production, and natural resource management.

- **1980s – Accelerating Change and Competitive Advantage of Strategy**
  Birth of modern day strategy field with release of Alvin Toffler’s *Future Shock*, John Naisbitt’s *Megatrends*, and emergence of prominent strategic advisory focused consulting firms: McKinsey & Co., Boston Consulting Group (BCG), and Monitor Group (Read: Lords of Strategy)

*The only thing we know about the future is that it will be different. – Peter Drucker*
When asked what single event was most helpful in developing the Theory of Relativity, Albert Einstein replied, ‘Figuring out how to think about the problem’.

**T-Shaped Professional Skills: Deep & Broad**

Business leaders are beginning to embrace a vision where talent strategies are built on the evolution from an ‘I’ to ‘T’ shaped set of skills. The traditional model of ‘I’ shaped skills reflect the depth of subject matter expertise that is core to industry demands. The horizontal line, which makes the ‘T’, refers to a wider breadth of skill sets and mindsets which compliment core expertise. This may include training in communication, organizational change, or project management— as well as non-traditional skills such as storytelling or painting that might be applied in business settings.

Professionals in the corporate real estate world are already *T-Shaped* in many ways with skills that range from— finance to negotiation techniques. Our goal is to consider a wider range of emerging skill sets and mindsets to future-proof our talent strategy: data science and visualization, design thinking, materials engineering, social ergonomics, user experience design, software/programming, and neuroscience.

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**Personal Action Plan:**

Three (3) concepts / subjects that I would like to learn more about:

_______________________________________________________________________________________

_______________________________________________________________________________________

_______________________________________________________________________________________

**Organization Action Plan:**

Three (3) unique *T-shaped* partnerships for our company to explore:

_______________________________________________________________________________________

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**Trends & Emerging Issues - Diffusion Frameworks**

*Trends* are defined as slow changes over time that move in a particular direction and momentum (e.g. Aging Populations, Trade Exports). Trends are extrapolated via forecasting methods to give us the most plausible futures.

*Emerging Issues* are those ideas which require a decision in the realm of private or public policy. We can think of *emerging issues* as those questions which requires us to answer: “Will we...?” or “Will we not..?” embrace X change (e.g. Genetically Modified Crops; Privacy Standards; CO2 Emissions; LEED Standards).

This framework attempts to quantify the developmental stages of trends and emerging issues as they gain acceptance (or not) within society.

- **Emerging** phase indicators are usually limited to niche community discussions.
- **Framing** stage indicators are shaped by supporters/opponents.
- **Mainstreaming** phase indicators are often signaled by appearing on the cover of *Time*™ magazine.
- **Resolution** stage indicators are often linked to legislation, policies or consumer behavior that resolve the dilemma of “Will we embrace X change?”

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**Questions to Consider:**

Trends or Emerging Issues - most likely to **converge** and have an impact on real estate & corporate settings:

_______________________________________________________________________________________

_______________________________________________________________________________________

Trends or Emerging Issues that make me feel **most uncomfortable** and hold the **most uncertainty/risk**:

_______________________________________________________________________________________

_______________________________________________________________________________________

Trends or Emerging Issues that provide the **most inspiration** and represent the **biggest opportunity**:

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In times of change, learners inherit the Earth, while the learned find themselves beautifully equipped to deal with a world that no longer exists. – Eric Hoffer

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**Framework popularized by Graham Molitor**
Overview: Horizon Scanning
Horizon Scanning or Environmental Scanning describes the identification and monitoring of change over time that might represent a future opportunity or threat. A balanced approach to horizon scanning includes both continuous and project-specific efforts — and is based on a wide range of inputs that come from the STEEP categories of change: Society (Culture and Demographics), Technology (Info, Bio, Materials), Economics (Macro, Micro), Environment (Energy and Natural Resources), and Politics (Legal, Regulatory).

There is one major outcome and one major output to scanning. First, we are focused on expanding our knowledge base on a cross section of domains (e.g. demographics, technology, policy). The outcomes goal is to learn about important things that challenge conventional thinking. Second, we are looking to produce outputs known as scan hits which are evidence of change in the world that might have relevance to the future of our industry.

Scan hits (alt: Signals or Signposts) can be applied to formal strategic planning efforts—or used for less formal brainstorming on long-term implications of change using tools such as the Futures/Implications Wheel.

Scan Hits: Criteria and Considerations
In general, criteria for scan hits should be judged on the following elements:

- Source Credibility
- Source - Mainstream vs Fringe (Early indicators)
- Newness/Uniqueness
- Degree of Uncertainty
- Degree of Impact
- Momentum (e.g. trends converging, slowing down, speeding up)

Scanning can be applied across a wide spectrum of strategic activities. When applied to scenario thinking or customer research a scan hit may do one of three things:

- Confirm assumptions of one scenario outcome
- Diminish the likelihood of a particular scenario
- Create a new scenario to consider

Types of Scanning Projects

- Horizon or Environmental Scan—a continuous or periodic survey of broad global changes
- Emerging Issues Scan—a targeted survey of issues that will require a significant public or private policy decision
- Industry or Sector Scan—an in depth, industry specific survey
- Technology Scan—specific focus on technology platforms and related issues shaping culture, policy, and product development
- Delta Scan—survey using primary inputs, usually from a group of experts from diverse fields
- Sigma Scan—a summary survey of existing publicly available horizon scanning documents
Scanning will inevitably include both formal and informal team-based activities. It is important to remember—scanning should be fun and enriching—not a chore. We recommend the following steps as a way to ensure that self-directed scanning will be effective and find real-world applications within your organization.

**Step One: Integrate Scan Hits within collaboratively built Trendscape Maps**
Working with colleagues, establish your Trendscapes (See complete Guide to Scanning for Change - PDF) as the frameworks for monitoring signals of change. The maps will establish a set of larger STEEP (Society, Technology, Economics, Environment, Politics) categories and sub-trends along with buzzwords and resources that you and your colleagues will share as your guide.

**Step Two: Schedule Social Scanning Activities**
Individuals may choose to set their own schedule for scanning, but it is essential to dedicate time for social scanning activities that give structure for sharing results. Consider forming a Scanning Club (or Signals Team) that meets once a week or once a month to share top scan hits and discuss how they might have an impact on how you improve your products, processes, or services.

**Step Three: Apply your Findings**
The final step is to bring life to your scan hits by ensuring that they can be applied to existing innovation and planning efforts—or to use foresight tools such as the Implications Wheel. If you have a formal strategic planning project ahead, be sure to include time for sharing key scanning insights during the early stages of the process. Or have the Scanning Club produce Implication Wheels to share or create fake ‘Headlines from the Future’ that provoke new thinking.

## How do I begin Scanning? Keep it Simple and Social

You have to have an idea of what you are going to do, but it should be a vague idea. – Pablo Picasso

### Scanning
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## Scan Clubs / Signals Team
The easiest way to create a structure—is to establish a Scan Club(s) within the organization that is tasked with overseeing all horizon scanning activities. Scanning Clubs help to increase the output of scan hits and help to build a culture of curiosity as members emerge as evangelists of foresight and innovation. A few could embrace particular trends and help to socialize big ideas that might have an impact on your industry sector.

**Tips for Scan Clubs / Signals Team**

- **Name the Club** — Allow the team (or teams) an opportunity to build an identity and brand associated with their scanning and foresight activities

- **Give them Visibility** — Consider a dedicated space in the office or break room for posting scan hits or scenario headlines that the group produces

- **Gift of Time** — Allow them to schedule 30 minute blocks of time for scanning and 90 minutes for bi-weekly scanning meetings

- **Transparency & Accountability** — Establish expectations that Scan Club members will publicly (or privately within your company) share their social bookmarks (See Diigo™ instruction in complete Scanning for Change PDF) or documents (e.g. shared DropBox™ folder)

- **Events** — Require the scan club to sponsor an internal event for colleagues, partners or a focus group of customers—where they share major insights or run an ideation session
A Starter List: STEEP Concepts & Emerging Issues

Futurists use the STEEP categories as buckets where you place your scan hits. STEEP = Society, Technology, Economics, Environment, Politics. The framework ensures that you are scanning widely across topics and not limiting yourself to one source of social change.

The following list includes meta trend categories (e.g. Urbanization) as well as buzzwords (e.g. Gaming Mechanics) that are italicized. Many organizations choose to keep their STEEP master list on a shared file to enable collaborative editing. Consider this a starter list that will grow as your team expands its horizon scanning activities:

### Social (Demographics/Culture)
- Aging (Boomers/Global)
- Millennial Household Formation
- Urbanization
- Rural / Small Town Divides
- Experience Design
- Globalization (Economic/Cultural)
- Religion / Spirituality
- Education (Lifestage vs. Lifelong Learning)
- Multi-generational Households
- Leisure Industry (e.g. Stay-cations)

### Environment
- Third Places (Built Environment)
- Pop-up Architecture
- Peak Production of Conventional Oil
- Peak [Fill in the Blank]
- Rise of Toxins (BPA-Free)
- Commodity Production Challenges
- Bio Industrialism
- Post-LEED Building Standards

### Politics
- Regulatory Frameworks
- Tax Policies (Corporate/Personal/501c3)
- Values Fragmentation
- Regulatory Harmonization
- Radical Transparency
- Civicware / Govt. 2.0

### Technology
- Cloud Computing
- Location-based Services (LBS)
- Machine-to-Machine (M2M)
- Internet of Things (IoT)
- LTE/4G (Broadband Wireless)
- Big Data / Prescriptive Data
- Algorithms (Machine Learning)
- Personal Assistants (e.g. Watson/Siri)
- Functional Nanomaterials
- Synthetic Biology
- Neuro – Marketing; -Economics
- Textiles / Wearables
- Additive Manufacturing
- Robotics
- Distributed Power
- Autonomous Systems / UAVs

### Economics (Macro/Micro)
- Entrepreneurship
- Social Entrepreneurship
- Base of Pyramid (BoP)
- Manufacturing
- Warehouse & Logistics
- Service/Knowledge Economy
- Creative Industries
- Behavior Change (Gaming Mechanics)
- Neuro-economics
- Trade Policies
- BRIC Economies
- South-to-South Globalization
- Localization

### Industry-specific

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The best way to have good ideas is to have lots of ideas. — Linus Pauling
**Activity Review: Futures Wheel**

**Futures Wheel Activity Steps:**
Take some of your most provocative *scan hits* and apply them using a simple foresight-innovation tool. The Futures Wheel (or Implications Wheel) explores a range of plausible outcomes from important *scan hits*. The goal is to fill each box with a snappy title or short description that represents a dramatic change in the marketplace as a result of the original *scan hit*:

1) Choose a relevant scan hit that is unique and has a high degree of uncertainty and impact (e.g., if it happens, it will really change our industry, or the lives of our customers?)

2) List a *first order* level implication that represents an opportunity, then along the opposite arrow/box list an implication that represents a possible constraint.

3) Move outward along each box following the same pattern of splitting implications into boxes that represent an opportunity and constraint from the same root.

4) When you have reached an end point to your futures wheel choose your most provocative boxes.

Do not feel bound to this particular hub and spoke framework. We encourage you to expand implications further and wider. There are a number of online "Mind Mapping" tools that can be used to create digital versions of future wheels. The Implications Wheel is meant to be a fast-moving technique that is not constrained by current day thinking or reality. The final products should be possible and provocative.
If there were only one truth, you couldn’t paint a hundred canvases on the same theme. —Pablo Picasso

See Slide Deck Example:
Apple Fuel cell Patent $\rightarrow$ ‘Cord-free’ Christmas $\rightarrow$ Office Buildings without Sockets
If man begins with certainties, he will end in doubts; but if he will be content to begin with doubts, he will end in certainties. – Sir Francis Bacon