

Strategic Foresight - A Method to Investigate the Future in a Structured Way

2017 SPE International Polyolefins Conference



The background of the slide is a deep blue space filled with numerous small, distant stars. Overlaid on this is a series of concentric circles that emanate from a central point, creating a sense of depth and expansion. The circles are thin and light blue, with some brighter, more prominent ones. The overall effect is reminiscent of a cosmic or futuristic theme.

**Foresight is
not about
predicting
the future**

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What is Foresight?

Foresight is a study of the future!

But it's met with some problems...

There are no facts about the future



Future is impossible to predict



All of us carry within us a mental model of the future that we bounce decisions off of many times a day.

- It is tacit.
- It is out-of-date.
- It is singular.
- And most importantly, it is probably wrong.

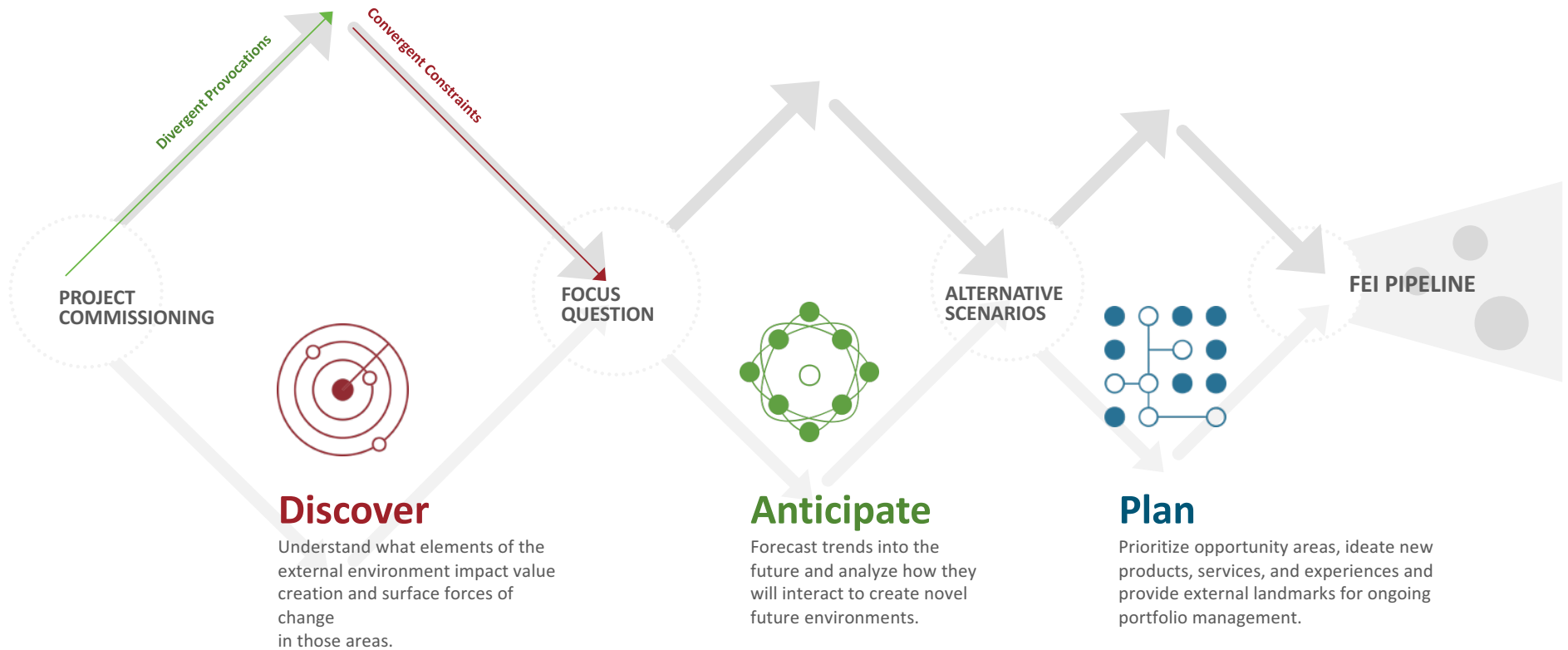


What seems probable can change overnight by scientific discovery, a natural disaster or new regulation

So should we say “It’s impossible!” and move on?

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Foresight Process



A History of Scenarios

Stories about effective scenario planning

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History of scenarios



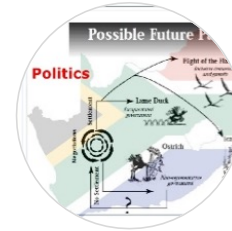
1950's



1960's



1970's



1980's



1990's



2000's

Scenarios: "Internally consistent, alternative views of the future that are provocative, yet plausible, and allow us to become better prepared as the real future unveils itself."



Discovery

Understand what elements of the external environment impact value creation and surface forces of change in those areas.

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DISCOVERY: The Focus Question

The Future is a Big Place.

The focus question ensures that the final results connect back to a strategic need.



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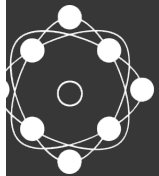
DISCOVERY: The Focus Question

What role(s) will product packaging play in driving consumer choices ten years from now given developments in:

- smart connected products
- personalized health
- renewables
- online shopping
- made at home product manufacture



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Anticipation

Forecast trends into the future and analyze how they will interact to create novel future environments.

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ANTICIPATION: Impact Trees

Economic Bifurcation

Market for Very
High-end and
Low-end
Products

Resentment and
Social / Political
Disruption

New
Values
(Minimal,
Balanced,
Intentional)

Ability to Make
Highly-
Customized /
Personalized
Products

Up-Cycling
Luxury for Low
Income

More Gov't
Control and
Intervention

Populist Party

Non-Economic
Value Class

Sharing /
Inclusion

Products Made
JIT

Intentional Limiting of
Availability

Isolated
Intentional
Communities

New Middle
Class

Wealth as an
Embarrassment

Value Around
Transparency,
Efficiency and
Control

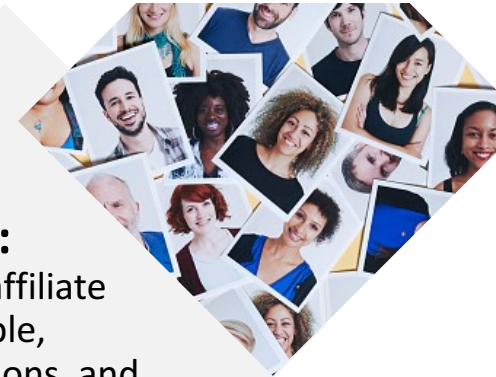
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Ethnographic
Futuring is a
way to **think
about the
ways trends
will change
how people
do things**



CREATE:

How we invent
and build products,
services,
experiences,
and knowledge



RELATE:

How we affiliate
with people,
organizations, and
social structures

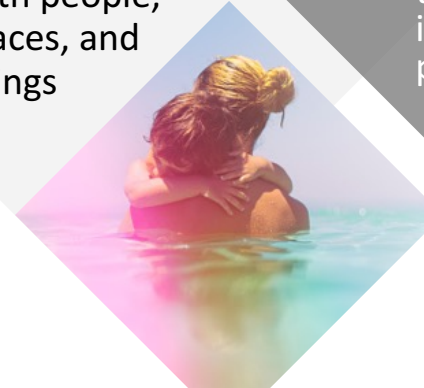


CONSUME:

How we acquire,
use, and destroy
the things we
create

CONNECT:

How we
communicate
with people,
places, and
things



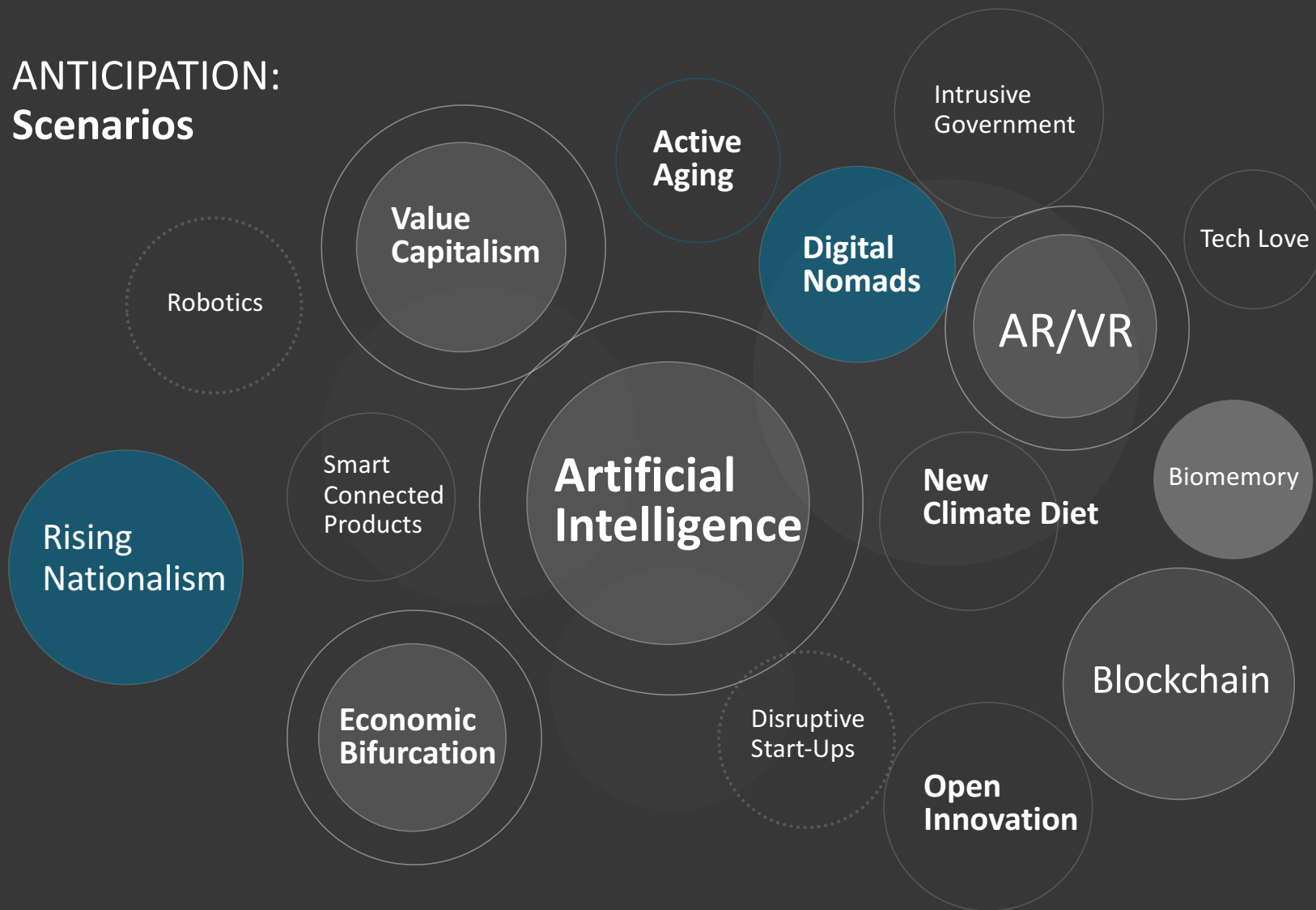
DEFINE:

How we explain the
world around us
through concepts,
ideas, and
paradigms





ANTICIPATION: Scenarios



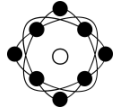
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ANTICIPATION: Scenarios

Scenarios combine individual trends to
reveal unanticipated sources of change.

They use narratives to socialize insights and expand
leadership's understanding about the future



ANTICIPATION

Ambient Intelligence The World In 2027

Guided Consumption

The power of personal devices has moved beyond the smartphone. Between 2017 and 2027 wearables increased in their power, abilities, and connections to AI personal digital assistants. At the same time the cost has dropped on sensors in the environment they communicate with. Over 20 trillion sensors are embedded in public spaces, stores, workplaces, and homes. Algorithms crunch massive amounts of data to learn over time.

Brand is in the Delivery

Personal digital assistants combined with wearables that monitor metabolism, shopping habits, eating patterns, daily schedules, work tasks, and entertainment choices can now anticipate personal desires and proactively order or have made highly customized products delivered when and where they are needed. Word of mouth and traditional marketing are erased and mass manufacturing dies a slow death.

New Social Structures

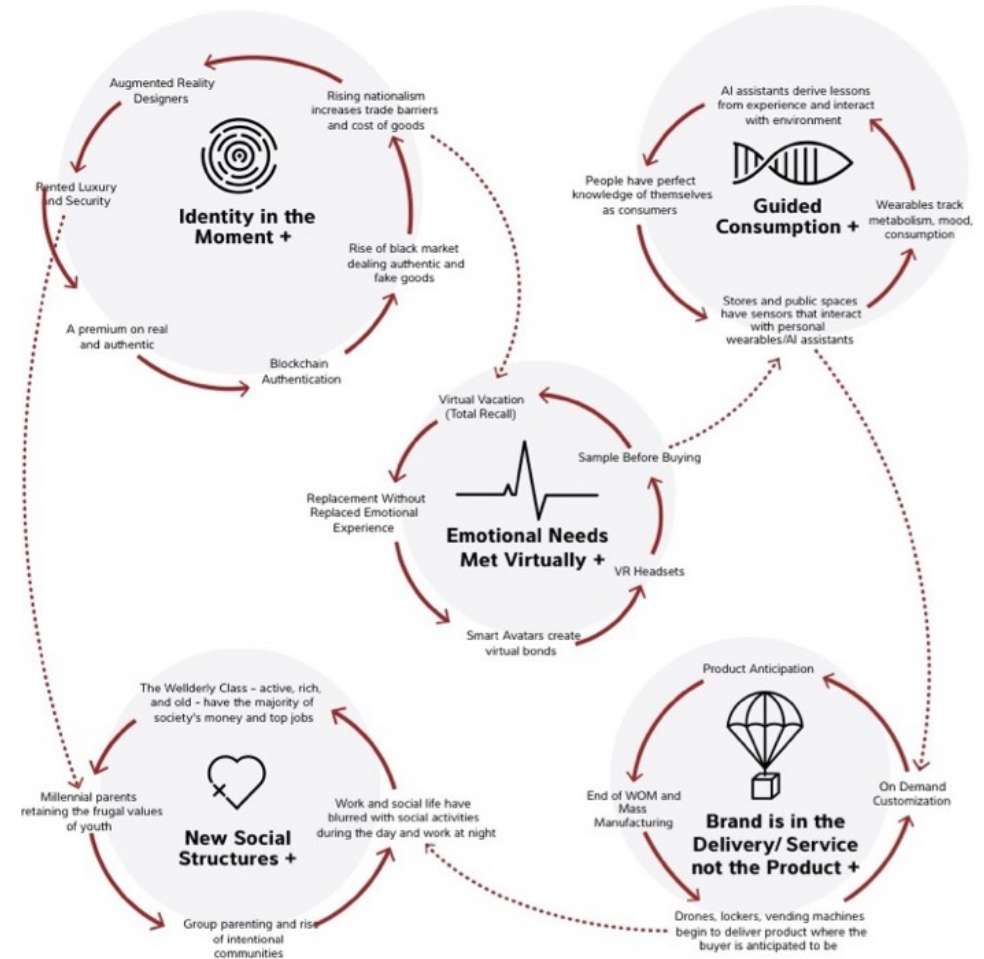
Millennial parents maintain the frugal patterns of their youth as the active elderly hold on to power and wealth. They work and play around the clock, mixing their vocation with family and friends. Like-minded people form intentional communities to help raise children and share living spaces, cars, tools, clothes, entertainment...anything.

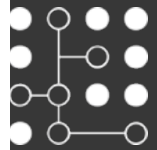
Identity is in the Moment

They choose to rent luxury and security for short periods when they want it rather than own and be forced to store and move items when they change homes or community spaces. This is especially true for large items. Augmented reality allows individuals to "skin" their shared or rented goods to match their personalities by mapping customized colors and designs onto physical objects. Block chain can certify real luxury goods in a sea of black market knock-offs when authenticity and heritage are the main drivers to purchase or ownership vs sharing.

Emotional Needs Met Virtually

Reduced travel and tensions gives rise to virtual vacations and a strong investment in virtual reality experiences. To engage emotions not just the senses, smart avatars simulate real human connections in virtual space. High end AR and VR allow consumers to sample product before buying and their AI digital assistants track their preferences.





Planning

Prioritize opportunity areas, ideate new products, services, and experiences and provide external landmarks for ongoing portfolio management.

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PLANNING: Point of View

What do we **believe** about the future?

What **new consumer needs**
or **desires** might those drive?

How might we **participate** in
delivering on those needs or desires?

How do we have **permission to play**?

How can innovation **create an**
unfair advantage to win?

What **external indicators** would lead us to
believe this Point of View will come to pass?



PLANNING:

Point of View Example

Point of View (POV) is a methodology that articulates **organizational beliefs about the future** and future consumer desires. It is used to **manage an innovation portfolio** over time, **align the company's assumptions about the future** and **synchronizing their bets** to the external market as it evolves.

The title and summary statement is **"sticky"** allowing it to be **socialized across the company.**

POINT OF VIEW:

TITLE

SUMMARY STATEMENT

(Declarative, Aspirational, Relevant, Edgy, Bounded)

Given the trend analysis and scenarios work, **what does the company believe** will happen in the marketplace?

BELIEFS

Conviction about the future

IMPLIED CONSUMER NEEDS

What new consumer needs or wants will these beliefs create?

WORLD WE'RE TRYING TO CREATE

How do we envision serving this need?
What is the value proposition?

What are the customer experiences and product and service offerings to **differentiate in the market?**

NEW CAPABILITIES

Technology platforms and R&D that enable the value proposition and create unique competitive advantage.

EXISTING ASSETS & CAPABILITIES

How can we win leveraging existing assets?

EXTERNAL TRIGGERS

Material changes, looking 5-7 years out that impact the future of this point-of-view
What changes will confirm this point of view?
What change will deny this point of view?

This box feeds **portfolio and annual planning** and helps manage the investment in the project over time, allowing for more or less investment as the POV is confirmed denied by market developments.



Conclusion

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What Can You Do?



**Unpack your assumptions about the future.
Start thinking “What if?”**



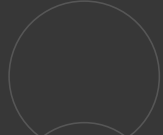
Scan every day



**Pick up a magazine you’ve never read
before...find a signal**



Think about how 2 or 3 trends we know today
will be different in the future



Be a crash test dummy for the future



Call me! Let’s have a chat about preparing you
and your company for an otherwise disruptive
future

Laura Schlehuber

Laura.schlehuber@kalypso.com

281-300-6126

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