

Do Something Smart!

There's No Point in Knowing the Future if You Don't Do Anything About It By Chris Christensen, CMC



It's Amazing!

Everybody wants to know the future, but they seldom do anything about it. The “baby boom” was a huge increase in the birthrate immediately following WWII. There was no secret about the number of children that were born in 1946, 1947, and 1948. And you don't have to be a pediatrician to know that babies become kindergarteners in five years. But the public schools throughout the land were ill equipped to accommodate the influx of children in the years 1951, 1952, and 1953. And that's not the worst of it! A half-dozen years later, you'd expect the public schools to be at least partially prepared for those same children to enter junior high school. However, only a handful of communities were prepared for that inevitable increase in enrollment!

It is tempting to blame government bureaucracy and political myopia for the failure to prepare for the obvious future school enrollments. But that situation is only a single manifestation of a prevalent human condition—most of us do not prepare for the future even when we know what is going to happen. And businesses aren't any better than governments are at preparing for inevitable futures. You can think of dozens of examples of agencies, businesses, and individuals who missed the obvious development and were blindsided by events that should have been routine for them. General Motors missed the German and Japanese invasion of small automobiles. IBM missed the development of personal computers. Winchester missed the miniaturization of the computer data storage disk. In general, businesses in America have a poor track record of responding to inevitable changes.

We *Can* Know The Future

It is true that no one can accurately predict the future in all cases—but it is not true that we cannot *ever* predict it. Actually, we often *can* predict the future *with sufficient accuracy to create effective plans* to avoid surprises and exploit favorable developments. We all know this. We



take an umbrella to work in the morning of a bright, sunny day because the weather report predicted rain in the afternoon. We invest in bonds when the S&P 500 sustains a series of losses over several weeks to avoid losing our shirts (because we know bonds tend to be strong when stocks are weak). We purchase life insurance to provide some financial support to our families when we can no longer provide for them. None of these actions are taken foolishly—we use available information to forecast the future and we take appropriate actions based on what we are reasonably certain will happen. Our condition in life is not so much the result of blind luck as it is the expression of choices we have made (some more fortunate than others), but seldom the result of sheer, blind luck.

People and companies want to know the future. Books that purport to forecast the stock market and predict technology developments sell like hotcakes. Companies pay huge sums to consultants who study trends and forecast the future of the marketplace.

There is nothing wrong with trying to predict the future of your company. In fact, if you do anticipate possible futures, you can be better prepared for the events that will happen.

So What's The Problem?

When you ask people and companies why they work so hard to predict the future, they tell you, "So we can prepare for it." But they often do absolutely nothing about it, even when they claim to know what's going to happen.

Even people who know the future are seldom prepared for it. When they have absolute certainty or near certainty about what is going to happen, they just don't use the information in a way that makes a difference.

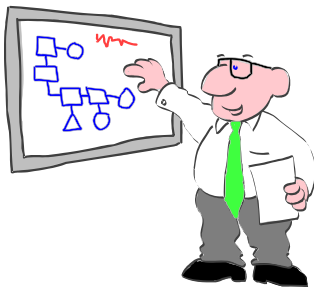
Since they do not take appropriate action, these companies are often unprepared for events for which they could have been prepared. In the worst case, these companies may be put out of business.

But in the long run, what's important isn't the accuracy of the forecast—*it's what you do with the forecast that counts!*



We Should Be Doing Less Forecasting And More Response Planning!

In addition, many companies spend way too much time and money calculating the future without developing plans to respond to what they learn. The secret to effectively preparing for the future is not to spend more time developing an understanding of what might happen, but rather to spend more time *preparing* for those futures that might happen. In that way, the company will be prepared to exploit any future and can avoid being blindsided by nasty surprises.



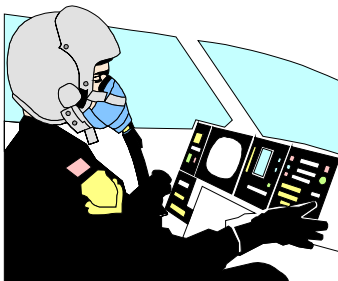
The Power of Intelligent Response Planning

There is incredible power in spending time and money developing response plans. Companies that devote energy to developing response plans have an excellent chance of creating products that will delight their future customers, strategies that will exploit future events, and practices that will position the organization to beat the competition in the marketplace. It is well worth the time and money invested.

You will discover that, if you perform response planning, you will identify many effective tasks that can be taken efficiently and simply to position you for each future. By devoting some time to thinking about what you might do if one future or another develops, you can minimize your investment in what you do to prepare for those futures. And your plans can be extremely effective even though they don't cost very much to implement.

Two Examples

I was engaged by a transparency manufacturer to help them develop new products. During my consulting activities, I learned they were concerned that electronic cockpits might one day replace the commercial airline windshields they currently make. It might not happen for many years, but the long-term strategy of the company depends heavily upon windshield sales, and the prospect of alternatives to the laminated glass windshields struck terror in the hearts of the corporation's executives and design engineers. To reduce this understandable fear, I suggested that they create a response plan for what they would do if electronic cockpits replaced glass windshields. Their response plan consisted of things that they could and should do now to provide products for future electronic cockpits.



Accordingly, they decided to expand their current testing facilities, which included some fairly complex electronic simulations of airliner cockpits. They realized that they could develop highly sophisticated electronic simulators using technology they already had, and these became an entirely new and extremely profitable product line. If the electronic cockpits become a reality one day, replacing transparent windshields, this company is ready for that challenge. They will be able to offer their customers many excellent products to support the electronic cockpit of the future. But in the meantime, they are selling other customers aircraft cockpit simulators for training pilots and for amusement rides. That's smart business whether or not the electronic cockpit becomes a reality.



A woman I know is the head of the training department of a large public agency's IT division. Her employees train everyone in the organization in the use of application software such as MS Office and Lotus Notes, as well as providing training for programmers in how to build and modify software. She learned that the senior management of the agency was considering replacing her entire organization with contracted vendors. They hadn't decided, but there was a possibility that they might outsource her entire department's function. She created a response plan for what she and her employees should do to prepare in order get new jobs in the event the decision was made to outsource. She encouraged each individual to keep his or her resume current, but also suggested that they each take courses to improve their own skills as software trainers. Some of the employees became worried, and started looking for other jobs. But most of her employees merely "got ready" for the possibility of being laid off. The agency decided, in the end, not to outsource, and her staff was secure. But the department had, as the result of this exercise, improved its individual and team skills. Her employees also developed a sense that they could, if they needed to, find other work, so they became more secure and less fearful of being laid off. Once again, its smart business to be prepared to get a job elsewhere quickly even if the employee is never laid off.



In Conclusion

There is no point in knowing the future if you aren't going to do anything about it! It is imperative that we develop plans to mitigate problems we anticipate or there isn't any value in anticipating them. Likewise, if we don't create plans to deal with the fortuitous events we expect, we won't take advantage of the opportunities that come knocking on our doors. Maybe opportunity will knock more than once, but isn't it a lot better to be prepared to take advantage of it the first time it knocks?

And anyway, isn't it just plain smart to plan for the future?
Any future?