



Future Markets-Radar: A case study of applied strategic foresight

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ABSTRACT

This article describes a project in corporate practice. A large European corporation conducted a project called 'Future Markets-Radar' to identify future market opportunities that lie beyond their present attention. The top executives, who were deeply involved in the project, used a systematic process based on the author's Five Futures Glasses and a comprehensive semantic model of objects of thought, called the Eltville Model and a set of appropriate tools to achieve the goals of the project. The results laid the foundation for future success in future markets, solidified and enriched the corporate strategy and increased the future competence of the people involved. This article proposes a model of the corporate disciplines and goals of future management, a definition of what a future market is, key questions on future markets, a process for early recognition of future markets as well as a summary of the project's results and benefits.

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1. The project

A European corporation with several divisions in diverse markets and more than 30,000 employees had been very successful in doing research and development for several decades. Their activities in foresight were focused predominantly on technologies within their present markets and with a timeframe of up to five years. Since some of their businesses were facing major challenges of substitution and market decline, they started a project called 'Future Markets-Radar' in 2009. The goal was to scan the business environment for future market opportunities that might evolve from the combination of technological futures, on the one hand, and social, economic and biospheric trends on the other. The specific goals were as follows:

1. Identification of future technologies with disruptive and revolutionary character for the four business units;
2. Early recognition of forty future markets outside of the current divisions

The project sought to expand the participants' mental horizon to factors and markets way beyond the present divisions. The results were expected to enrich and solidify the development of the corporate strategy which was scheduled to follow the foresight project.

The FutureManagementGroup, specializing in corporate foresight and strategy since 1991, was hired to provide the futures content and the methodology. The client's project team consisted of first- and second-level executives from different divisions but often with a technological background. Even if specialists like innovation managers or foresight experts assume the largest part of the necessary workload, in our projects, it is usually the top management team that is in charge of triggering, maintaining and financing the activities in what we call future management and of using the results in their corporate strategy.

2. Corporate disciplines and goals of future management

The music industry lost much of its business within a few years because their leaders underestimated the quite obvious and accelerated change from physical records and compact discs to files as media for music (Fig. 1). These false assumptions were

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Discipline	Goals 1	Goal 2	Goal 3
Future markets	Recognize future markets early	Research future markets	Develop future markets
Future strategy	Develop future strategy	Implement future strategy	Support future strategy
Future competence	Build future competence	Train future competence	Energize future competence

Fig. 1. Corporate disciplines and goals of foresight.

possible despite the fact that there already had been a computer that played music as early as in 1949 [1]. The leaders of several North American car manufacturers were not able to imagine an alternative future of cars other than the continuation of bigger and more powerful despite the fact that they had the most advanced legislation (the Californian laws for environmentally friendly cars) right under their nose. False assumptions about the evolution and revolution of markets are destroying corporations and jobs.

Our research and experience as futures experts and consultants have shown that people have four basic motives for foresight, which are curiosity, anxiety, fear and the pursuit of happiness. People are curious about things they do not know or interfere with what they do already know. People are anxious that their familiar world could change in a direction that they would not like, which is why they want to scan the environment for such potential changes. We all fear certain events or developments in the future that we think might be disadvantageous and we want to know more about the likelihood and potential impacts. As we know that seeing more of the future can give us advantages, we seek opportunities to become more successful and happier through looking into the future [2].

In the world of business leaders, these four motives can be expressed in three disciplines with three respective goals, which lead to nine typical goals of future management activities as shown in the following table.

We prefer to use the term ‘future management’ instead of ‘foresight’, since foresight is just one part of the corporate processes and systems to manage the future. The term foresight in its core, meaning to look into the future, does not comprise the entirety of managing the future. This would need additional elements such like vision development and strategy development [3].

The project ‘Future Markets-Radar’ touched on all three disciplines, though. Of course, most of its content, processes, methods, tools and results referred to future markets; nonetheless, the results were to be used in the corporate strategy. With the company’s executives participating in the process, the future competence of the organization was to be increased.

3. Future markets

Any work a company does on the future ultimately serves the purpose of recognizing, entering and staying in future markets. Virtually all leading companies have their teams plus internal and external experts to recognize and analyze future markets professionally [4]. The client in this project did not have a unit that goes beyond the present divisions, neither in terms of time horizon nor in terms of competencies.

3.1. What is a future market?

A future market is a combination of a future solution, e.g., a product or a service, and a future problem or desire for the solution of a problem for which certain people are prepared to pay. The solution and/or the problem are assumed to either grow substantially in significance or to evolve in the future. Examples of future markets include ‘exoskeletons’ for the handicapped, contact lens displays for the police, holistic personal financial planning advice for top executives or individual medication for schizophrenic people. Both the solutions as well as the problems are subject to trends of various classes. The problems and desires are predominantly subject to social, political and economic trends whereas the solutions are subject to developments in technology and science.

3.2. Key questions on future markets

There are several perspectives and intensities which ‘future competent’ businesses can use to look at future markets. A series of questions need to be asked to recognize systematically promising markets and compensate for those in decline, as summarized in Fig. 2. Future Markets-Radar comprises Future Markets-Radar B and C.

3.2.1. What are the evolutionary future markets in present fields of business?

Business leaders need to know and assess the future markets that are assumed to evolve in their field of competence and business. Virtually all products and services as well as all problems and desires are subject to change because of trends of all sorts, be they biospheric, political, technological, social or economic. The markets identified here are general future markets. That means

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