

THE ART OF THE POSSIBLE

*Future Building's
Crucial Role in Driving
Innovation Impact*

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A series of perspectives on innovation
from leading practitioners, advisors
and analysts in the field.

Not too long ago, executives at a F500 consumer goods company were facing a daunting prospect. Nearly all of their brands were struggling with stagnant or declining market share. They thought they needed a new growth strategy. But a time-consuming scenario planning process brought them no closer to salvation. What they really needed was *imagination*.

Analytical thinking alone does not produce innovation. Think about Elon Musk declaring war on fossil fuels, Robin Chase evangelizing the sharing economy, or Steve Jobs building computers for our pockets. All three were world-class problem solvers. But critically, they also knew how to shape a vision of the future.

Legendary entrepreneurs tend to be gifted futurists. Yet the methods they employ sub-consciously derive from talents wired into human nature, accessible to us all – creativity, imagination, the ability to dream. These skills are often overlooked or underutilized by innovation and R&D teams. Typically, there is a fear of time-consuming research efforts that are too expensive to be affordable, and

too academic or too implausible to be actionable.

Future Building, by contrast, takes an agile and pragmatic approach. Taking a page from Scenario Planning and almost exclusively focusing on the “emblematic events”¹ paths, it is a lightweight, yet structured, way for innovation and R&D teams to channel their imagination to productive ends.

There are two primary aspects of a strong Future Building practice – Ecosystem Scanning and Narrative Shaping. Both are integral components of the visionary innovator’s creative process.

Ecosystem Scanning

Scanning the external environment is the foundation of Future Building. Its goal is to identify nascent clues about where, how, and when new value can be created in the ecosystem.

Each clue is a piece of information that illuminates an emerging trend – nascent shifts in consumer’s behaviors or values, cutting edge scientific or technology developments, VC investment patterns, industry news coverage, investment disclosures, partnership

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announcements, market launches, public research findings, etc. An obvious example is a clue from 2011 – the public launch of Uber’s ride-sharing program in San Francisco.

One common way to scan the ecosystem is through human effort. Many innovation programs, and some R&D teams, benefit from full-time staff who work as designated innovation scouts. Their mission is to identify and catalogue emergent trends across the ecosystem, as well as formulating viewpoints about what those trends may mean for their company or industry.

However, you don’t need to have full-time innovation scouts to get going. For starters, you can crowd-source clues from elsewhere in your own organization. At most large corporations, if there’s a groundbreaking new technology or market trend, someone is aware of it. Web-based collaboration tools can capture those insights from the field, and funnel them efficiently back to Innovation and/or R&D teams.

Furthermore, there’s now a dizzying array of digital tools that

partially or wholly automate the collection of ecosystem clues.

These tools go way beyond google alerts, ranging from web scraping and sentiment analysis to filtering, clustering, and pattern matching. They help you develop an evolving database of fresh insights that can be mined continuously.

These digital-first approaches allow scanning and scouting to be an activity running in the background, rather than a bandwidth or resource hog for the core team’s activities. You need only monitor what the digital tools are finding rather than digging up clues primarily through your own efforts.

Narrative Shaping

Deliberate focus and smart resource allocation across the innovation portfolio requires an understanding of where the world is headed, and what the future might look like. Narrative shaping takes raw insights, blows them up, and builds coherent views of what they portend for your innovation efforts.

Thus, for insurance and transportation firms, Uber’s early successes in 2011 – 2012 could have yielded important insights

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Trigger phrase	Company	Articulation
What if ... ?	Healthcare Provider	"What if we owned no assets and hired products and services on-demand?"
If only ...	Tire Manufacturer	"If only there were no managers" and "If only there were no centralized decision making".
If this goes on ...	Ingredient provider	"If more people keep developing food allergies, eventually we won't eat any processed food at all."

about the future of transportation, urban living, and the sharing economy.

These insights are starting points for future narratives that are compelling, actionable, and flexible – and which serve as direct inputs into the innovation process. Fantasy fiction writer Neil Gaiman offers a useful narrative-building framework based on three key phrases:²

- **“What if ... ?”** to explore counterfactuals suggested by the original insight. For example, “What if autonomous vehicles completely replaced human drivers?”
- **“If only ...”** to develop scenarios based on far-fetched wishes or aspirations. For example, “If only we didn’t have to spend time commuting to work.”

- **“If this goes on ...”** to explore the implications of extrapolating future extremes from current realities. For example, “If this goes on, location will no longer be a factor in real estate pricing.”

Each of these three phrases force narrative-builders to breathe life into a speculative future world state. From there, a rich variety of creative and cognitive techniques can help your team build rich narratives that flesh out the narrative for this possible future world. Each envisioned scenario should be rich and provocative enough to spark a variety of innovation strategies, inventions, and initiatives – so you can start shaping and capturing business value.

Future Building – A Core Innovation Skill Set

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may appear silly or frivolous. But they play a crucial role in world-class innovation programs, for several reasons.

First, they force the team to think beyond what is already known or can be proven. By venturing into the world of speculation, you remove the team from the cognitive constraints of daily work. This translates into bigger, bolder bets for the innovation portfolio, and a much higher innovation yield for the corporation.

Second, Future Building improves on a number of ad-hoc, homespun innovation practices by structuring and formalizing them. Left to our own devices, most of us take shortcuts in the “visioning” process. When presented with a clue or insight, it is common to immediately formulate ideas about which innovation projects to launch. But this tendency of “jumping to solution” eliminates the majority of our innovative potential.

Finally, Future Building makes the entire innovation process more effective and more scalable. It provides steady guidance about strategic aiming points, uses the power of narratives to keep the team aligned, and offers an important aid to on-the-ground decision-making. It can also help the innovation team explain their guiding vision(s) to the rest of the organization, by converting future narratives into explainer videos, infographics, and other communication vehicles.

It’s time for more companies to take Future Building seriously as a permanent and explicit part of the innovation program. If you’re serious about seizing growth opportunities in a fast-changing, technology-driven world, you can scarcely afford not to.

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Footnotes

¹ Emblematic events are individual plot elements that serve as narrative anchors for scenario plotting. For more, see Ogilvy and Schwartz, *Plotting Your Scenarios* (http://www.managingforimpact.org/sites/default/files/resource/plotting_your_scenarios.pdf).

² Neil Gaiman first introduced the three phrases in his introduction to the 60th anniversary edition of *Fahrenheit 451*. For a good overview, see <http://www.charlesswift.net/?p=35>.

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