10 WAYS TO SURVIVE THE FUTURE

A GUIDE TO 21ST CENTURY BUSINESS

The most frightening visions of the future are not the ones full of killer robots, civilization-ending asteroids or mutating nanotechnology. Far more terrifying is the idea of a world that looks almost exactly like the one we live in now, but in which all the rules have changed.

Think about it. Our society might not appear so different today than it was 20 years ago at the dawn of the web, and yet, behind the scenes, just imagine how many trillions of dollars of value have shifted, how many industries have been disrupted and how many entirely new business models have been created!

Surviving the future is no accident. It is a result of deliberate design decisions.

I use the word "design" intentionally. After all, we admire companies that design beautiful things. Steve Jobs' obsession with perfect design, even on components not visible to the consumer, are now part of the mythology of Apple. But was Jobs' greatest achievement the products that made him famous, or the design of a company that continued to innovate long after his passing?

Most companies are simply not designed to survive. They become successful on the basis of one big idea or breakthrough product. That early success then often becomes a rigid code, with top management rewarded for how well they stick to the plan. As customer habits and markets change, they fail to see that everything that made them successful until now is exactly what will kill them later.

Avoiding that fate means asking uncomfortable questions. What is your pipeline for new ideas? How do your best people collaborate? Are your IT teams helping or holding you back? Do your leaders make decisions informed by data or through ego? Just like designing a building or a device, every choice you make on how your business functions will influence the ultimate form of your company.

Naturally, design implies trade-offs. Spending time, energy and resources on one thing means not doing or investing in something else. So pick your battles wisely.

Start-ups have the benefit of starting with a clean sheet of paper. That's a great advantage, but not a sustainable one if you don't plan in advance how to stay innovative as your business starts to scale. That's an issue leaders in large companies know all too well. In some ways, this guide is really for them.

Forget abstract management theory. Re-designing your business for the future is not about re-engineering your processes. It is about starting a company-wide conversation about how to work in a way that really matters. Momentum, not market research, is your friend. Your mission is to re-energize your team, re-imagine a new future for your business and re-discover something of the original magic that was present at the birth of your company.

That's no small task, but here are 10 ways to get started.

10 WAYS TO SURVIVE THE FUTURE

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Learn to See Sideways

Are you paying attention to the right trends?

Worrying about the future is one thing. But the real question is, "Are you worrying about the right things?" Most leaders know a lot about the business they are in, but rarely enough about what might be happening on their periphery. If you are completely focused on meeting your next quarterly target, you might hear rumors of new startups, unexpected shifts in customer behavior or radical technologies in development—but you are unlikely to pay close attention. That's a mistake. Simply looking ahead in your usual direction is not seeing the future. It's tunnel vision.

What you need to do is learn to see sideways. That means engaging with the disruptive ideas, interesting people and upstart companies that exist in markets adjacent to yours but have the potential to impact your industry as well.

NEXT ACTION: BUILD A PERSONAL INFORMATION WAR ROOM

Start your own information war room of trends and ideas by following the smartest people in your industry on Twitter. Subscribe to the blogs of disruptive startups and related technology companies using Feedly. Set up Google Alerts on interesting companies and competitors. Use Pocket to save articles you find and want to refer to again. Take photos of things you notice on your travels or customer visits and store them in Evernote. The clues to your future are everywhere. Start paying attention.

Think Small

Are you placing enough bets on the future?

Executives love "big idea" strategy. They might spend a weekend on a management summit, play some golf and debate the one big deal or pivot that will save their company and get them on the front cover of *Businessweek*. Except, that's not entirely how game-changing innovation tends to happen.

Innovation starts small, and often takes us by surprise. Viagra, Penicillin, Velcro, Post-it Notes—many of the world's most successful products were discovered entirely by accident. And even when planned, they typically float under the radar until they mature. Consider Gmail, the world's most popular email client, which started life as a small skunkworks project only available to employees.

So, does your company have a way for people to work on disruptive ideas? You don't need a fancy innovation department or even an elaborate program. You just need a clear process for your teams to suggest projects, and then bring them to life. While these projects may seem small at first, they are the building blocks of how interesting ideas grow up to become killer applications.

NEXT ACTION: NURTURE YOUR PROJECT PIPELINE

Develop small projects that disrupt your business. Support a program for your highest potential performers that allows them to spend a portion of their time away from their core responsibilities and focus on enterprise problems or opportunities for the business. Make contributing to these new projects a cornerstone in how you evaluate and promote talent.

The Two-Pizza Rule

If a team requires more than two pizzas to feed, it's too big. Jeff Bezos' famous "two-pizza rule" is one that could be applied to any business trying to remain innovative. When teams and meetings start becoming too big, the project you are working on can get lost in the politics and hierarchy of the organization. To keep ideas flowing, keep your project teams and meetings small.

Reboot Your IT Department

*Are you using technology to keep the lights on,
or to get closer to your customers?*

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In the 21st century, everyone is in the technology business. IT systems underpin how your people work, how your backend processes function and how your customers engage with you. Not surprisingly, one of the first ways smart companies look to outmaneuver their competition is through innovative uses of technology.

The larger your business gets, the harder it is for your IT teams to do new and interesting things. In a traditional IT environment, adopting any kind of new technology introduces risk and instability. Old systems have to be integrated, processes documented, budgets approved and resources diverted. That's why, in the past, IT teams hated change. While it may be hard for your company to adopt new technologies, that resistance to change won't save you when your competitor figures out how.

Rebooting your IT department is not about upgrading your systems; it is about taking a hard look at the people that drive it. Are your IT resources focused on fixing machines and installing patches, or evaluating applications that might transform your customer experience? Is the topic of discussion between IT and business about boosting productivity and collaboration, or are they issuing warnings about oversized email inboxes and time spent on non-authorized websites?

In the 21st century IT department, routine tasks are automated or outsourced, leaving teams to focus on engaging the business on how they can do more, in more interesting ways.

NEXT ACTION: RUN A CUSTOMER-CENTRIC TECHNOLOGY AUDIT

Form a working group that includes both line of business managers and IT leaders, and ask them to audit the use of technology in your organization. Map all the applications, such as submitting an expense form, registering on the website or onboarding a new recruit, that impact your customers, both internal and external. Now, from a customer perspective, in which areas is the technology experience letting your company down? And where are the new opportunities to invest and innovate?

Build Your Network Capital

How do your best people connect and get things done?

Employee engagement is one of the biggest problems in business today. Regardless of compensation, more and more people are reporting a lack of motivation, a feeling of alienation and an absence of purpose in their daily work. Even if you are happy in your job, you may have felt the frustration of not being able to find the right person to help you on a project or the right document dealing with an issue you know someone else has worked on previously.

All of these issues are symptomatic of an underlying problem in many large companies, the breakdown of *Network Capital*. Think of *Network Capital* as the health of your company's social graph. In an innovative company, people are densely networked, both with each other and their customers. They feel supported by the people around them, they understand how their actions impact the business and its mission and they know how to get the right help and resources.

Collaboration is the force that takes the individual value of each of your co-workers, and amplifies it exponentially. That's why it is critically important that you take a close look at elements that contribute to successful collaboration in your business, whether it be culture, incentives, technology or recognition. Your business is a network that ties your people and customers together. Without a strong corporate social graph, you would all be better off as freelancers connecting with the occasional email.

NEXT ACTION: SPONSOR A COLLABORATION PROJECT

Take a look at your existing enterprise collaboration platform. If you don't have one, explore implementing one as a pilot. Put together a team of people from different departments and task them to use that platform to work on a project or solve a specific problem without using email. Document what you learn from the process. If the project is successful, use it as a case study to encourage broader adoption across your organization.

CEMEX Connects a Global Workforce

In 2011, CEMEX created an internal social network designed to operate as a platform for open collaboration among the company's global workforce, which consisted of more than 47,000 employees at the time. The investment paid off, especially in product creation—600 employees who were dedicated to developing new Ready Mix cement products were able to collaborate on the social network, and, just four months after the project's conception, CEMEX launched its first global brand of its new Ready Mix product.

Embrace Data-Driven Decision Making

How can your leaders make smarter decisions?

We all make decisions in different ways. Sometimes we base our decisions on past experience, other times on financial reports, recommendations from experts or even intuition. Part of being a good leader is not just making better decisions; it is making them more often. That's because what makes a good decision is not always solely determined by the outcome but from what you learn from making it.

One of the most important characteristics of organizations that are future resilient is their decision-making culture. Does your team feel empowered to run small experiments and adjust their strategy based on the information that generates? Or are they under pressure to make the right decision the first time? In other words, do you have data-driven decision-making culture?

Online retailers are exceptionally good at being data-driven, because they live and die by their ability to drive traffic effectively. Traffic is not a constant because human behavior is always shifting. So rather than just coming up with big marketing strategies, online retailers are constantly running experiments. They A/B test email subject lines. They test imagery, product placement and algorithms. They use data at a tactical level because the feedback they get from experiments helps them make decisions more intelligently.

To prepare your company for the future, you have to change the way your people think about problems. Exploring new types of questions about the way things work is more important than finding quick answers to the questions you already know about.

SMALL-SCALE, DATA-DRIVEN EXPERIMENTATION WILL BE THE DECISION-MAKING STYLE OF THE 21ST CENTURY.

NEXT ACTION: INCLUDE DATA IN EVERY MEETING

If you're going to measure something, measure something that's relevant to your future, not to your past. It doesn't have to involve sophisticated formulas or fancy algorithms—it should just be a new way of looking at what's going on in your business.

To open your next team meeting, pick a new or interesting data point to discuss. Then, as that starts to become a management habit, encourage a culture of experimentation, risk and testing. A wrong decision that generates interesting data is much more valuable than a safe decision that generates a predictable result.

Rewrite Your Cultural Code

If money were no longer a consideration, what would motivate your people to work?

Your company's culture isn't about team lunches, free beer or casual Fridays. Culture is about the shared values that direct the way people work. In a way, culture is your operating system.

A poor culture company requires, just like an inefficient piece of programming, people to micromanage their staff and make sure they fit and comply with the company's mandate and procedures. That inefficiency means your HR department has to work overtime with an unpleasant combination of both carrots and sticks. If you have worked as a leader in that kind of a company, you would know that neither strategy works particularly well. The reason for that is simple. You are not in control of your company or your team. You never have been. Your culture is what's in control.

In a company that has good culture, values provide not only motivation to go the extra distance, but also an inner voice for your people on how to make the best kinds of decisions. Not only does your team know what to do, they are also happy to do it because they feel like their contributions have purpose, meaning and value to the company.

CULTURE IS YOUR OPERATING SYSTEM. IT'S WHAT DRIVES YOUR PEOPLE TO GET THINGS DONE.

NEXT ACTION: RUN A CULTURE HACK-A-THON

Don't try to copy another company's culture. To design your own culture you must first understand what really works in your business today and what your best employees are passionate about. Run an offsite for your team, your department or even your entire company. Forget formal presentations and agendas—use an intuitive facilitator to help your people discuss and discover the elements of your culture that work and the parts that don't. At the end of the day, summarize what people feel strongly about and what they are prepared to take responsibility for. Use this as the basis for your culture code.

StarHub's Core Value: Happiness

Starhub, a Singaporean telecommunications company, is a company that prides itself on innovation. But, according to CEO Tan Tong Hai, that's not the most important part of its culture. The company's core value, actually, is happiness. According to Hai, this value isn't a superficial concept of feeling joy, but rather the deeper satisfaction that comes from empowerment and belonging. For him, happiness at a cultural level means the company believes in its employees and provides them with the tools and authority to do what it takes to make the customer happy. It also means belonging in a place where people respect your capabilities.

Merge Engineering With Storytelling

How will you engage your customers in the future?

The modern consumer is more complex, more informed and more in control than ever before. You can't buy their attention. You can't expect them to remain in one transaction channel. And you certainly can't expect to stay one step ahead of them if you don't make some fundamental changes to the way your marketing organization operates.

In the old days of marketing, your creative people were your storytellers. They pictured your ideal customer and tried to invent clever ways to influence them through advertising. Now, of all the people in the building, they were least likely to pay attention to your engineers—the guys running your IT systems, building your websites, analyzing your data reports and manning your enterprise platforms. In the 21st century that has to change. Storytellers and engineers need to be best friends. Here's why:

MARKETING IN THE FUTURE DEPENDS ON HOW WELL YOU CAN MAP THE COMPLETE CUSTOMER JOURNEY FROM ACTIVATION TO PURCHASE. THAT REQUIRES NOT ONLY CREATIVE IDEAS, BUT ALSO DATA, FEEDBACK AND CONSTANT TACTICAL COURSE CORRECTION.

A true customer-facing organization is one in which every part of the business coordinates to turn lukewarm leads into delighted customers. You don't need marketing in your job title to perform a marketing-relevant role. Marketing is not a department. It should be a company-wide capability. That requires you to have the correct technology and metrics in place.

NEXT ACTION: OPTIMIZE YOUR SALES FUNNEL

Map your customer's journey from beginning to end - from the minute she visits your website to the help agent who fulfills her service request. What you need to create is a holistic sales funnel. Examine the metrics you're using to measure each step of the journey to make sure you're collecting the right type of data. Once you've determined what you need to measure, make sure your platforms have the capabilities to gather those metrics. If not, evaluate and adopt ones that do. With a defined buyer journey, metrics and technology in place, your teams can begin to work from the same playbook.

H.G. Wells and the Dangers of a Divided Society

In *The Time Machine* by H.G. Wells, humanity was split into two races, the Morlocks and the Eloi. The Eloi were the beautiful people living in utopia, while the Morlocks were infrastructure builders living underground. War was inevitable. The story is a great metaphor for the dangerous divide between storytellers and engineers, when creatives are not talking to salespeople and technologists. Make sure these groups spend more time together to get end-to-end results across the customer experience.

Give Yourself a Ship Date

Is your business on a burning platform or a pleasure cruise into the future?

Nothing will kill you more slowly and yet more surely than taking your time. Taking your time is not the same as using it. Innovative companies can use a lot of time getting things right, but they always possess of a sense of urgency. That urgency should not come from your competitors or even your customers. It needs to come from within. And the best way to do that is to give yourself a "ship date."

Years ago, I took a job in a large corporation. Previous to that I had been an entrepreneur. The first thing I noticed was just how different "corporate time" was. When you run your own business, you make decisions quickly. No decision means no dinner. But in a large business, people operate on a very different time scale. Often, they stop making decisions and start having meetings. You know the drill. Meetings create more meetings, which delay other meetings and before you know it, nothing much actually gets done.

> AS COMPANIES GET BIGGER, THEY LOSE THEIR SENSE OF TIME. GIVE YOURSELF A DEADLINE. REAL ARTISTS SHIP.

In the fall of 1983, the team at Apple had committed to announcing and shipping the Macintosh at the next annual shareholders meeting. Despite months of hard work, as the meeting loomed, the team was anxious they were not to going to make the deadline. Things were not as perfect as they would like. But Steve Jobs was insistent. As he put it, "real artists ship." In his view, everyone might have ideas, but real artists deliver on them.

NEXT ACTION: RE-IMAGINE YOUR COMPANY TIMELINE

Deadlines are important, but one is not enough. What you need is a timeline that provides you and your team with a road map for where you want to take your business into the future. Run a workshop session to brainstorm some future scenarios. Clip some images and even write some hypothetical newspaper headlines and arrange them on a whiteboard in a timeline. Your timeline should consist of future dates for product planning and future events for your competitors and other players in the industry. When you release your next product, what will Amazon also be releasing into the market? What will be Google's latest innovation? Now do you see the consequence of not meeting your next ship date?

Slack Gets Creative with Constraint

The founder of Slack, a communication platform, originally set out to build a video game. Long story short—it didn't work. Before the company ran out of venture funding, it tried to quickly come up with a new product. Employees loved the internal messaging app they used to build the video game, so they decided to refocus and make that tool the core product of the business. It was a breakout success, and is currently one of the fastest growing enterprise apps in the market. Nothing fuels creativity like the constraint of a real deadline.

Be Global By Design

Does your company have what it takes to be global?

For many businesses, being global means having offices and outlets in multiple countries. In other words, being global is very expensive; it requires not only thousands of employees, but teams of lawyers, accountants and HR professionals making sure you are playing by all the local rules. But here's the strange thing. While many businesses find expanding to global markets challenging, customers have no problems with it at all. Both in the consumer and professional markets, the Internet has created a truly global market for goods and services.

So whether you are a five-person company, or one that employs 5,000 people in your home country, surviving the future means that sooner or later you need to embrace the global opportunity.

One thing holding many companies back is they're not set up to service customers in other countries. They may have global demand for their product or service, but they don't have an operations strategy for reaching and serving the global customer. More resources are not the answer. The smartest global companies don't just throw money and people at their international expansion to replicate what they do at home. They think strategically to engineer an entirely new type of lightweight global enterprise. Being global is not just a mindset—it is also a discipline.

NEXT ACTION: GLOBALIZE A SMALL PIECE OF YOUR BUSINESS

Ask yourself, "Is there a small piece of my business that could be global? Do we have a product or service that anyone on the planet should be able to buy from me?"

For example, if you're an advertising agency and all of your business is in one small region, how could you create a service someone could just buy online with a credit card no matter where they are in the world?
Do you manufacture a product that might have markets you have never thought about reaching? Why not translate an animated demonstration video into multiple languages and upload it not only on YouTube but also on popular local video sharing sites in other countries?

GoPro Focuses the Lens on Customers

From firefighters resuscitating kittens to astronauts freefalling from space, GoPro has made storytelling the cornerstone of its global marketing strategy. Rather than tell people about the cameras' benefits and what they are capable of, GoPro lets customers show them.

That allowed a small video camera manufacturer to become an overnight global, multicultural success. GoPro's YouTube channel has more than 2 million subscribers and videos have been viewed nearly 500 million times.

Visualize the Future

Do you have a vision for what tomorrow will look like?

It's not enough to talk abstractly about the future of your company. You've got to give it a visual presence. What will it be like doing business with you in the future? What will your stores, offices, warehouses or factories look like? How might the design of your products change? What impact will converging technologies like wearable computers and the Internet of Things have on the kinds of services you offer?

When you create a new product, you create a brand identity for it and develop a strategy to get customers excited and engaged. Why not do the same for your internal customers—your staff? Apply that same passion, devotion and resources to share the vision of your future company through messaging, design and content.

WISDOM BEGINS IN WONDER

— SOCRATES

NEXT ACTION: CREATE A FUTURE INSPIRATION VIDEO

If J.J. Abrams decided to direct a movie about the future of your business, what would be the impact? You can imagine the excitement, the buzz and the energy it would create. Now, maybe you don't have a multimillion-dollar Hollywood budget, a slew of big name stars and a rock star director on your team, but you can also use video more effectively than you realize. Find a young, creative filmmaker and get them to help you put together a short video that tells the story of your future transformation. Search on YouTube and check out future vision videos from companies like Intel, Microsoft and Corning for inspiration.

Now You Know How to Survive. Are You Ready to Thrive?

These are just ten small ideas to get you started. You will need many more, but the real takeaway from this guide should be around mindset. In the future, when you look back at today, you will realize the winners and losers in your industry were not decided on the basis of who spent the most money, or even who had the smartest or most experienced teams. Thriving in the future is about cultivating a culture of adaptability.

So be honest with yourself.

Is your company's current design optimized around defending what you have, or thriving in a world where everything will be different?

The roadmap to the future is yours to create, but there is one thing you should be certain of. *The time to start your journey is now.*

Mike Walsh brings the future to life for business leaders and their audiences. As the best-selling author of FUTURETAINMENT and CEO of Tomorrow, he advises leaders on how to design their businesses for the 21st century and thrive in this era of disruptive technological change.

Mike constantly travels the world as part of his extensive innovation research program. He distills the most relevant insights into high impact keynotes that allow any audience to understand and influence their future. We look forward to discussing your next event and how Mike can work with your team to identify the key levers of change in your business.

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