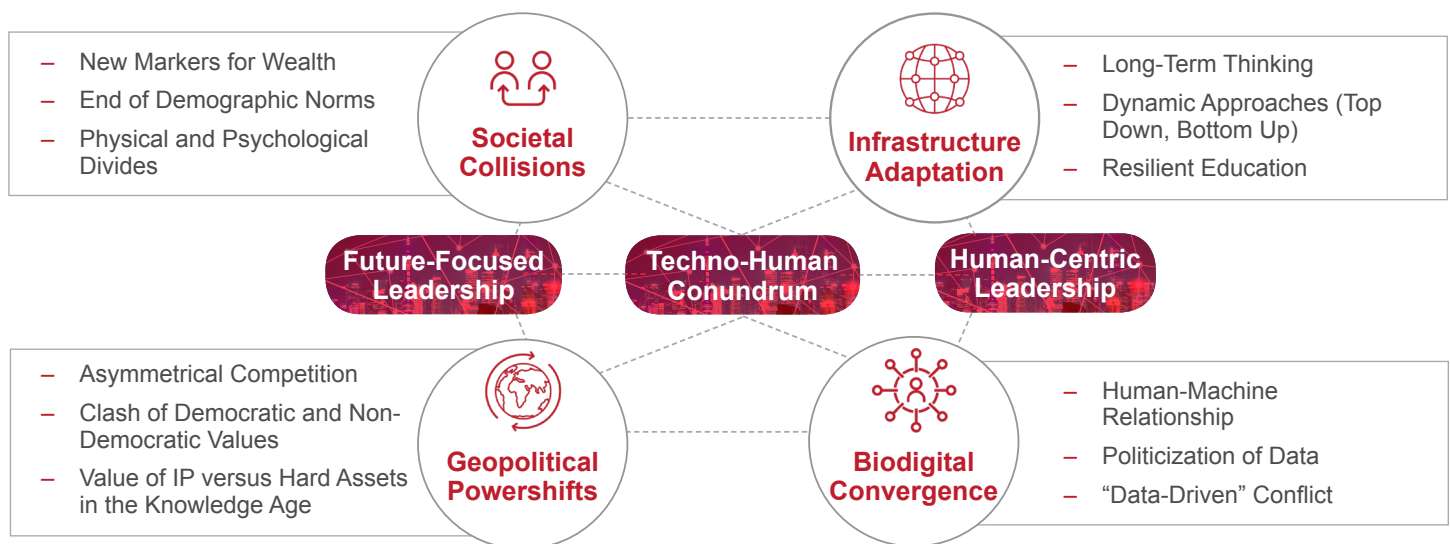


FUTURE SHOCK FORUM 2018 INSIGHTS

On October 15-16, 2018 Toffler Associates hosted its 2018 Future Shock Forum¹ in the beautiful city of Chicago, where we convened an eclectic and energized group of leaders from business, public service, and academia to explore and debate the shocks we are facing and their implications for organizations. These Future Shocks™ disrupt, disorient, and shape the future of business and society. From bio-digital convergence and geopolitical powershifts to infrastructure adaptation and societal collisions, these shifts are creating immense uncertainty and opportunity for today's leaders.

Everyone who joined us for Future Shock Forum 2018 shared diverse questions and perspectives. The nearly 100 leaders faced the probable disruptions with a willingness to embrace change and proactively prepare their organizations. From the opening Spotlight Conversation between Toffler Associates CEO, Deb Westphal, and 2018 Toffler Associates Award in Excellence Awardee, change maker Beth Comstock, the topics of creativity and imagination set the stage for the event. Both leaders emphasized the need to explore the imagination gap and the critical strategies necessary to employ creative, transformational leadership amidst an uncertain, dynamic future operating environment. That viewpoint carried into the second day and the discussion around the risks and opportunities that change and disruption may create and the creativity and enthusiasm needed to tackle each. The event ended with a resolute feeling to face the future with resilience and positivity.

FUTURE SHOCK FORUM: THEMES AND KEY TAKEAWAYS



¹ Future Shock Forum is a modern version of those robust gatherings Alvin and Heidi Toffler held in their home so many years ago. We build on the platform they made by assembling a cross-section of leaders from myriad fields and industries. Each one, in his or her way, is charged with shaping the future for their respective organization, and all are working to create better futures for people living in an increasingly complex global landscape.

OVERARCHING THEMES

WHAT YOU NEED TO PREPARE FOR NOW

1 FUTURE-FOCUSED LEADERSHIP

Technology is exploding, and the pace of innovation is accelerating. We're living in a technology-driven age where millions of sensors are deployed to extract data and fuel knowledge-based decision making across the enterprise. People are getting lost in the midst of data and tools. With the proliferation of sensor technology and data, organizational needs are colored by the 'noise' in the operating environment. We are so focused on having the best data or analytics, that we are only making short-term decisions. While we wait for the "right" or "best" data to make longer-term, strategic decisions, we are losing momentum and miss opportunities that we once addressed when we relied less on technology and more on the innate power of humans. Leadership today requires a more evergreen approach that embraces risk, seeks to understand long-term problems, and explores the distant and unseen opportunities regardless of the potential sacrifices of short-term results.

“It's easy for leaders to discount future-focused thinking as an exercise in futility and instead keep their focus on what is urgent and immediate. That behavior masks the risks ahead. It also prevents us from seeing and seizing opportunities that will position our organizations to succeed and our society to thrive in an unpredictable future.”

– Deb Westphal, CEO, Toffler Associates

What you can do: Identify disruptive technologies, filter out those that are unimpactful to your workforce and customers, and define the implications to your organization and business processes of those that are impactful.

2 TECHNO-HUMAN CONUNDRUM

As technology continues to embed itself in our lives at a break-neck pace, companies are ignoring people, valuing the algorithm over the human. However, across the various waves of technological advancement, the human and their behavior has been (and will be) the only constant. The conundrum lies in the juxtaposition of a changing technology landscape and transforming human behavior. There is friction between old and new values and operating systems and this manifests in how we consume, govern, and conduct business. The change in desires, preferences, and perceived needs has affected the operating environment and how it traditionally provided service(s) to us. As we adopt technology and gain access to insights that were once unthinkable and unknown, individual and collective value systems start to evolve. We work alongside machines, but people are still the workforce and are the innovators. Technology is shaped by us – the human.

“Digitization is forcing change. The more data we have, the more need there is to adapt and to make changes fast. Our management systems are holdovers from 19th and 20th centuries, where it was top-down leadership by mandate as opposed to using distributed resources inside and outside the organization.”

– Beth Comstock, Author and Change Maker

What you can do: Identify what about your organization's structure and processes are essential to your ability to optimize your human workforce and create more value for stakeholders and, more importantly, what aspects are obsolete.

3 HUMAN-CENTRIC LEADERSHIP

The relationship between evolving human behavior and the pace of technological innovation creates disruptions. Movements like the gig economy, artificial intelligence, purpose-driven organizations, robotics, and rise of experience are already impacting our organizations, because they are impacting you, your workforce, and your customers. We cannot merely prepare for the disruptions that we already see. We have to get beyond reactive decision making and seek to understand what is driving human behavior. Understanding your people and the way technology impacts the way they live, work, and buy must be at the center of your leadership approach.



“We are finding more organizations that take a human-centric approach clearly define their organizational values and actively engage their workforce. This better positions them to thrive in the future.”

– Deb Westphal, CEO, Toffler Associates

What you can do: Focus on developing the current and future leadership of your organization with an emphasis on creativity, imagination, and people-focus to truly embed change in your organization.

FUTURE SHOCK: SOCIETAL COLLISIONS

KEY TAKEAWAYS

What are Societal Collisions? Points of confluence between groups with disparate identities, often reforming how we consider our individual and collective roles in society.

NEW MARKERS FOR WEALTH

No longer are people working a traditional “9-5” job with a single employer for a 35-year career. Traditional measures of economic success and reliability are inadequate for today and, more notably, tomorrow’s workforce. For example, the mortgage industry, a driver of economic success for millions of Americans, is facing this challenge. Approval for a home-loan requires 2 years of consistent employment. With a freelance workforce, this measure is inadequate and inaccurately demonstrates an individual’s financial reliability.



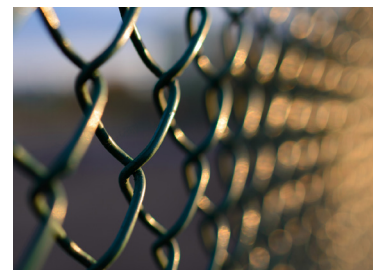
THE END OF DEMOGRAPHIC NORMS

Gender is no longer binary. The behaviors and assumptions we attach to gender are becoming obsolete. This social construction of gender has already begun to alter building layouts (e.g., all-gender restroom), gender-specific brands, the clothes we wear, and familial structures, among others. Organizations are forced to question traditional segmentation, such as gender, race and age. Therefore, organizations will need to adapt to this shifting social norm—bringing diversity of thought and experience into their boardrooms.



PHYSICAL AND PSYCHOLOGICAL DIVIDES

Though the world has become increasingly “global” and interdependent, populations still organize themselves according to borders—both physical and psychological. With the increasing perception of scarce resources across the globe (e.g., environmental, financial, employment) there is rising resentment toward those who people view as “others.” Traditional “-isms” such as racism, anti-Semitism, and nationalism have exacerbated global conflict and continue to strengthen at the public discourse level, again.



FUTURE SHOCK: INFRASTRUCTURE ADAPTATION

KEY TAKEAWAYS

What is Infrastructure Adaptation? An increasingly complex (digitized, electrified, and interconnected) and vulnerable infrastructure ecosystem, constrained by regulatory, financial, and human factors, that impedes innovation, economic growth, and social prosperity and if exploited, represents an existential threat.



LONG-TERM THINKING

Compelling owners and shareholders to think beyond quarterly earnings is a major challenge, however planning for the 70 – 80 year lifespan of infrastructure is necessary. We face a looming crisis because of society's obsession with the short-term investments and results. There is inadequate investment in visioning and architecting the infrastructure that will ensure we remain competitive. It is time to think about how we value infrastructure and if all infrastructure is created equal. Investment in a long-term vision of our infrastructure holds the potential to revitalize depressed and stagnant communities, create resiliency and ensure that all of society can reap the benefits of innovation, attract future citizens, and propel wealth creation.



DYNAMIC APPROACHES (TOP DOWN, BOTTOM UP)

Infrastructure crosses jurisdictions, boundaries, and communities. In collaboration with the private sector, the government must drive a vision for future interconnected and autonomous infrastructure to ensure we are not creating communities of haves and have-nots. The enormity and complexity of adapting our infrastructure calls for a systematic approach. We must take a hard look at today's data as well as future needs and the suite of cities to explore options for advancements. There will be a balance between government and private ownership and investment, but there is a paradigm shift from today's balance.



RESILIENT EDUCATION

Today's education system is not prepared to develop the skillsets we need to drive infrastructure adaptation. The fallacy of a four year liberal arts requirement has created an unbridgeable workforce and associated skillsets. We are biased towards what we think education should be and the experiences students should have, creating a skills gap. The future is going to require complex problem solving, a systems-of-systems approach, and a common lexicon. The balance of who is responsible for educating society on the importance of infrastructure is unclear, but they will ultimately play a vital role in underpinning our cultural resilience.

FUTURE SHOCK: BIODIGITAL CONVERGENCE

KEY TAKEAWAYS

What is Biodigital Convergence? The increasing intersection of humans and machines, and the effects on organizational decision making, structures and the disruptions to strategy, governance, human capital, business processes and business relationships.

HUMAN-MACHINE RELATIONSHIP

Be it your workforce or customers, the ever-changing dynamic between human and machine is continuing to change. The digital revolution has already left the gate; future disruption will come from how people are being impacted by digitalization and subsequently AI and autonomy. Leaders must be thinking of their people, who are looking to understand how it will impact them. Leaders must focus on “what’s in it for them” as organizations seek to transform to remain competitive and relevant in the future. Organizations and their leaders must sense, decide, and act in an exponentially more agile manner to meet human needs.



POLITICIZATION OF DATA

Data ownership is becoming a point of contention as humans and machines increasingly connect. What are the roles of organizations and governments when it comes to data ownership and safeguarding? Trust will likely remain content-dependent. Trust will always be a concern, but the polarization of data will increase distrust in the voracity and use in an age where data is everywhere. In a free-market society, consumers will continue to shape the trust and privacy discussions. For companies, it will be important to set ethics and values early and communicate those to both their employees and customers.



“DATA-DRIVEN” CONFLICT

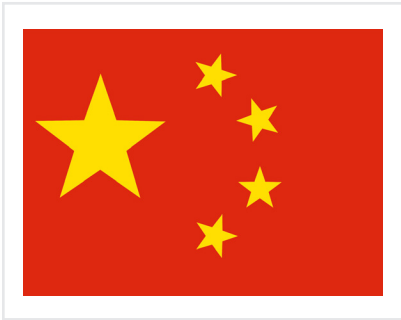
Despite data being ubiquitous, conflict will still arise from people and what they are willing to accept regarding trust, privacy, and ethical usage. There is increased friction in what are considered ethical standards. A conflict between centuries old framework with new perspectives from a younger generation is brewing. The pendulum could swing back and forth at any given time adding to uncertainty and unease. Similar to global returns to nationalism, if we see the same response across the digital world, power will shift creating disruption. When it comes to data and privacy, this friction must be understood and taken into account in delivering services to customers.



FUTURE SHOCK: GEOPOLITICAL POWERSHIFTS

KEY TAKEAWAYS

What are Geopolitical Powershifts? The diffusion of economic, human value, military, political, and “other” power from one traditional entity to a new entity that transcends traditional boundaries, models, and frameworks and disrupts how business and government operate.



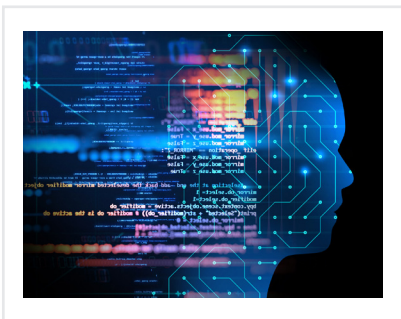
ASYMMETRICAL COMPETITION

The relationship between the United States and the West with China will drive the future geopolitical discussion. China's 2050 vision is to be the world's preeminent military and economic power. Moreover, its ambitions underscore a fundamental objective to improve the lives and conditions of its people. This future-focused thinking contrasts the prevailing quarter-to-quarter approach taken by many American businesses. China's political structure of party rule allows for an environment that is untenable in more free societies like those in Europe and the United States, creating a perhaps unmatched ability to channel resources towards achieving long-term strategic objectives. This reality, however, must not prevent the United States—both industry and government—to establish its future strategic imperatives, especially as the Chinese threat continues to grow.



CLASH OF DEMOCRATIC AND NON-DEMOCRATIC VALUES

Today's companies, government entities, and citizens are learning to function in a highly partisan political system in which decisions and news are largely transparent and shared in real-time, but may or may not be verifiable. This fluid and tempestuous environment prompts the question—what does a new U.S. political architecture look like? The prevalence of social media redefines everything—from the definition of a community to speed of information access. We must reconsider if today's form of American democracy meets the needs of its people.



VALUE OF IP VERSUS HARD ASSETS IN THE KNOWLEDGE AGE

Not long ago, access to natural resources, claims to territories, and ideological differences, among others, defined geopolitical battles. In the Knowledge Age, these struggles will hinge on access to and the defense of intellectual property, high tech, and other information-based capabilities. Already, this “war” costs the United States an estimated \$300 billion per year. We have seen multinational competitors pool resources to develop new technologies that they, on their own, could not. In this future, knowledge is the commodity and resource that will spark international conflict. It raises questions about how companies might invest in capital expenditures versus its workforce. Collaboration and coordination across borders can encourage rapid innovation, but could also lead to unintended consequences and leave questions about intellectual property ownership unanswered.

WHAT'S NEXT? LOOKING TOWARD THE FUTURE

As the event came to an end, our CEO, Deb Westphal, closed the two day, creative-filled conversations with her reflections and insights to propel the group to action.

“The pace of change is so fast and desynchronized. It’s easy for leaders to discount future-focused thinking as an exercise in futility and instead keep their focus on what is urgent and immediate. As we discussed during this event, that behavior masks the risks ahead. It also prevents us from seeing and seizing opportunities that will position our organizations to succeed and our society to thrive in an unpredictable future.”

Indeed, creating a better future is not a task for one person, company, or even one country. It’s a responsibility we each share as global citizens. The questions we explored at Future Shock Forum cut across national borders, bottom lines, and personal leadership responsibilities. Each guest brought unique perspectives and roles. All shared in the challenge of facing disruptive changes that are accelerating at an unprecedented rate and reshaping businesses, societies, and economies.

To Start Planning for the Future, Consider the Following:

- 1 How have technology changes impacted your enterprise, workforce, and customers?
- 2 How are your workforce’s and customers’ expectations and needs changing?
- 3 How are you identifying and preparing to adapt to unknown disruptions?

Future Shock Forum was the spark, but it is up to all of us to stoke the fires. What are your plans to ignite change, dispel uncertainty, and shape the future of your organization, team, and self?

If you want to collaborate, we’ve been thinking about those topics, too. Contact us to exchange ideas – we look forward to continuing the action-oriented conversations!

CONTACT US