

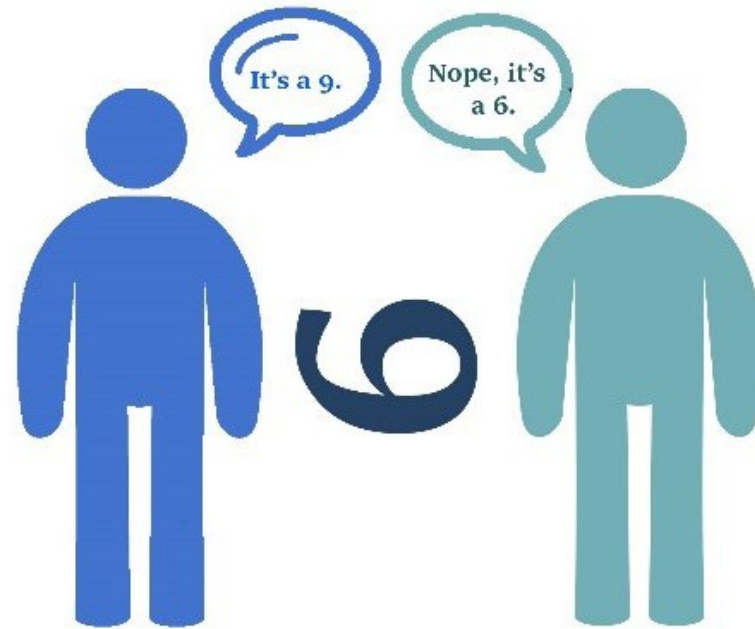
Marrying Competitive Intelligence & Strategic Foresight

By Iris Stein



Competitive Intelligence (CI) professionals have traditionally provided key decision makers with strategic direction by providing strategic insights via a deep understanding of the current markets, industries, and the players involved. Strategic Foresight professionals are trained to create functional views of alternative futures and possibilities, with the goal of preparing organizations for potential threats and enabling them to identify hidden opportunities. These two disciplines have a lot of common ground yet each one attempts to help organizations from different vantage points. The CI professional attempts to analyze past and current events to anticipate the best actions for the future of the firm. The futurist anticipates the future and devises plans for how the firm can arrive at the desired results. While this may seem very similar, the outcomes can be very different as what you see from here might seem different from there.

Strategic foresight offers an additional perspective. Using various techniques to mine the external environment for trends and create maps of the emerging landscape, strategic foresight allows organizations to test their decision-making, develop pragmatic strategies, envision breakthrough innovations, and create transformative change. Both approaches have unique value, yet by combining CI methodologies and tools with the strategic foresight's mindset and techniques, individual practitioners and organizations, at large, can reap mutual benefits. This article explains why competitive intelligence professional should add strategic foresight to their arsenal and the benefits it would bring.



Delivering CI in a Fast-Paced World

CI has adopted and developed a wide and varied toolkit aimed at gathering, analyzing and delivering strategic insights to senior management. CI is a process which demands industry knowledge, and the practitioner needs to be attentive to incorporate the changes that have taken place in the marketplace. Today's world has been coined as VUCA (volatile, uncertain, complex and ambiguous) by the U.S. Army War College which describes the high speed of enormous change,

“Strategic Foresight is the ability to create and maintain a high-quality, coherent and functional forward view, and to use the insights arising in useful organizational ways. This includes, for example, to detect adverse conditions, guide policy, shape strategy, and to explore new markets, products and services. It represents a fusion of future methods with those of strategic management.”

Richard A. Slaughter

ambivalent outcomes, and obscure unfolding of events in today's business world (Casey, 2014). Living in an age filled with constant disruption, the CI professional's traditional approach could greatly benefit by marrying with the tools offered by the world of strategic foresight enabling CI professionals to be more innovative and adopt a new mindset as well as a new approach to strategy. The traditional CI mindset can be trapped by unconscious bias, misperceiving the implication of events and overwhelmed attempting to filter the signals from the noise. Strategic foresight offers a methodology and new set of tools offering the proficiency to overcome these obstacles. This article discusses some of the many hindrances CI professionals face in today's VUCA world and explains why strategic foresight would make a good partner and increase the skills of the CI practitioner.

The Three D's – Data, Decisions & Discernment

There are three main factors that make up the bulk of the main difficulties faced in the CI field today. In today's overwhelming VUCA world, we need a new mindset that allows us to cope with the following issues.

Data Overload

The amount of new data at our fingertips is growing at incomprehensible speed. In the course of a day, the average person in a Western city is said to be exposed to as much data as someone in the 15th century would encounter in their entire lifetime (Vince, 2013). Part of the difficulty that we face is trying to filter all of the information available to us. How much information can our brains handle? Studies show that the human brain can unconsciously process about 11 million pieces of information per second. In comparison, our conscious processing abilities are only about 40 bits per second (DiSalvo, 2013). That means that over 99% is unconsciously processed. So, despite the enormous amount of data at our fingertips, we are only conscious of a tiny fraction of the enormous amount of information surrounding us.

What's more, the size of the digital universe is expected to double every two years at least which means we can expect a 50-fold growth from 2010 to 2020 (Gantz & Reinsel, 2012). Big data is playing a major role in the amount of information available as data generated by

“When walking alone in a jungle of true darkness, there are three things that can show you the way: instinct to survive, the knowledge of navigation, creative imagination. Without them, you are lost.”

Toba Beta

human beings and machines is growing ten times faster than traditional business data. In today's world of data overload, we desperately need new mental models to help us cope, interpret and filter all of this information.

Decisions, Decisions, Decisions

How many decisions do we make each day? According to a variety of internet sources most people make an astonishing number of decisions every day - from 23,000 to 35,000 decisions (Lally, 2016). Yet, how many of those decisions are we actually conscious of? According to a 2012 study from Columbia University only around 70 of those decisions are made consciously (Iyengar, 2010). That means that we are only truly aware of less than 1% of the decisions we make on a daily basis.

When we make automatic decisions, we function on autopilot and allow our perceptual filters and unconscious biases to decide for us instead of using logic or rational thinking. This type of decision making affects not only our personal lives, but also has a strong influence on events in the workplace. So, why do we make unconscious decisions? In the past, we often had to decide what action to take quickly - to survive. If you don't notice the lion between the bushes, then you are dinner. When we need to make a speedy decision, our autopilot mechanism allows us to react quickly to the physical dangers around us. While most of our unconscious biases and assumptions helped our ancestors survive, today's problems are more likely to be solved using our higher order thinking skills. Daniel Kahneman, the Nobel Prize-winning author of *Thinking, Fast and Slow*, observed that decision makers get stuck in a memory loop and can only **predict the**

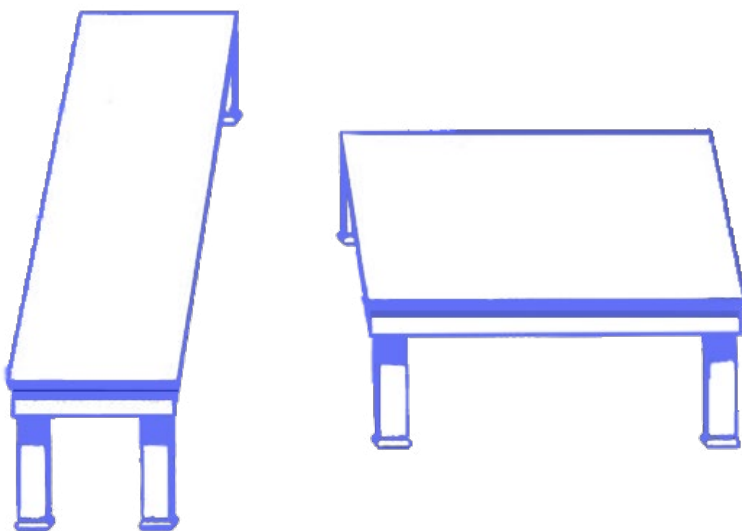
“A cloud masses, the sky darkens, leaves twist upward, and we know that it will rain. We also know that after the storm, the runoff will feed into groundwater miles away, and the sky will grow clear by tomorrow. All these events are distant in time and space, and yet they are all an influence that is usually hidden from view. You can only understand the system of a rainstorm by contemplating the whole, not any individual part of the pattern.”

Peter Senge

future as a reflection of the past (Kahneman, 2011). CI professionals need to ensure that their abilities to form decisions, as well as the management they report to are formed with the least amount of unconscious bias as possible.

Discerning Reality

Before we attempt to solve a problem, we need to understand the issues and confirm that we have an objective view of reality. Are our perceptions realistic? As many of our decisions are based on our perceptions, how can we be certain that our perceptions reflect reality and are not distorted? For example, Roger Shephard in his book “Mindset” shows the illustrations of two tables (Shepard, 1990). While at first glance it seems obvious



that the two tables have different dimensions. The table on the left seems longer and narrower than the table on the right. Yet, if you measure the images with a ruler, you will find that they have exactly the same dimensions but are oriented in a way to lead us to perceive them as different - a type of optical illusion. This is a simple example of how our perceptions can lead us to believe that what's in front of us is in actuality - different from reality. Can we trust our current mental models to perceive new information correctly? After all, it is our beliefs, assumptions, and the way our deep internal pictures of how the world works that affects what we see and shapes our recommendations and actions.

When it comes to perception, psychological studies show that we are extremely selective. You are probably familiar with the Invisible Gorilla experiment, usually shown in marketing classes. Students are asked to count the number of times a group of people throw a ball around a room (Chabris & Simons, 2010). The study participants reportedly do amazingly well at counting the number of throws, but most fail to notice the student running across the middle of the scene dressed up as a gorilla! This study makes it clear that we tend to pay attention to what we are focused on but fail to notice and incorporate even absurd or unusual incidents that take place in front of our eyes. The gorilla video shows how our existing mental models can limit and prevent us from breaking free of our automatic perceptions, assumptions, and biases. If we are to find the best solutions to our present-day issues, we need to free ourselves of these limitations and adopt methodologies that allow us to expand and perceive information in a new way.

Strategic Foresight Benefits Adopting New Mental Models

Considering the poignant and critical crossroads that are currently affecting the survival of our species, we face the need to make critical decisions. What actions should we take to react to counteract the extreme climate changes globally affecting us? What can we do to protect ourselves and our children from acts of terrorism? How are advanced technologies such as artificial intelligence going to affect homo sapiens? In these times of turmoil our organizations need to make far-reaching decisions with multiple implications. We need to rely on new mental models that will help us cope with these types of decisions.

Competitive Intelligence Professionals & Mental Models

This is precisely where the CI professional's role comes in. The CI expert analyzes information and makes recommendations so that the decision makers make informed decisions based on concrete and valid intelligence. The quality of the recommendations we make are governed by our ability to provide unbiased intelligence that will serve our decision makers and organizations in the future. In today's world of data overwhelm, that is not an easy task.

So, the question is - can we change our existing mental models? Our assumptions are derived from past experiences that are stored in the brain, and they tend to strengthen with reuse until they become the status quo. When something surprises or confuses us, or if we feel lost or are unsure of what we should do, we call on our assumptions to help us close the gap in our understanding. This might lead us to believe that we can't change these mental models, but neuroscientists tend to disagree. Recent experiments show that not only do we have the ability to change our behavior, we also have the ability to change our brains (Lotto, 2017). Beau Lotto explains that perceptions are actually a series of impulses that our brain receptors distribute and organize to create electrical patterns. These patterns proceed by forming links to the various areas of the brain. Lotto encourages readers to become observers of their own perceptions and suggests a variety of methods for making physical changes to those patterns which would alter the perceptions and neural pathways that shape

our brains today. What that means is that we have the ability to not only change our actions – but according to Lotto, those behavioral changes will actually alter our brain structure to enable us to incorporate and adapt to taking alternative approaches.

Adopting New Mental Models via Strategic Foresight

Strategic foresight, the study of the future, has long recognized the importance of information bias and how dangerous our personal prejudices can be when trying to decide what the future might look like. This discipline offers a variety of approaches that can be utilized to reduce bias while envisioning the future and anticipating what changes to expect in the varied areas of our lives.

That is why strategic foresight offers a variety of tools and methodologies that allow individuals and organizations to break free from their limitations of present perspectives and navigate towards envisioned individual and corporate futures. For example, strategic foresight offers techniques that guide us to rid ourselves of biases when exploring and reframing how we look at situations. In this way, strategic foresight brings about a more diverse and non-biased mode of thinking that increases one's awareness of their assumptions and mental models. Strategic foresight helps us look past our present-day models and ideas, acting in the most effective way to recognize disruptors on the horizon of business and society. One of the best ways to uncover our biases around disruptive change is to immerse ourselves into proactive visions of the future. **Just like the invention of the microscope offered a new way of seeing and measuring microscopic life, strategic foresight tools offer a new way of seeing and measuring our modes of thought.** Foresight professionals have been using assumption and bias discovery as a critical element in organizational, cultural, and workforce development long before its current focus in various fields.

“If we spoke a different language, we would perceive a somewhat different world.”

Ludwig Wittgenstein

Overcoming Bias & Cultural Changes

The most difficult part of overcoming biases - whether they are our personal biases or strategic decisions at work - is by recognizing that we have them. Since most of our biases and assumptions are set to autopilot and we are unaware of their existence, we do not question the role they take in our decision making. What are some actual steps that we can take to recognize our biases and assumptions? The first step is to recognize the fact that we all have biases but we need to evaluate whether those biases are holding us back or helping us move forward. We need to understand what types of biases we tend to fall back on and when we tend to rely on them. Strategic Foresight offers tools specifically aimed at overcoming unconscious bias and probing into the deep-rooted individual and organizational beliefs and allowing biases to surface.

Commitment to overcoming bias is a journey, and it takes time and effort. We won't see results instantaneously, but it requires ongoing efforts and even making a few bold decisions along the way. **Using strategic foresight tools enables us to step back and observe our current mental models and their limitations.** They also offer us the ability to adopt new neural pathways that are



needed to help us become more strategic, innovative, and adaptable to change. Companies must focus on paying attention to the human factor in the making of strategic decisions to increase their abilities of making carefully considered ones.

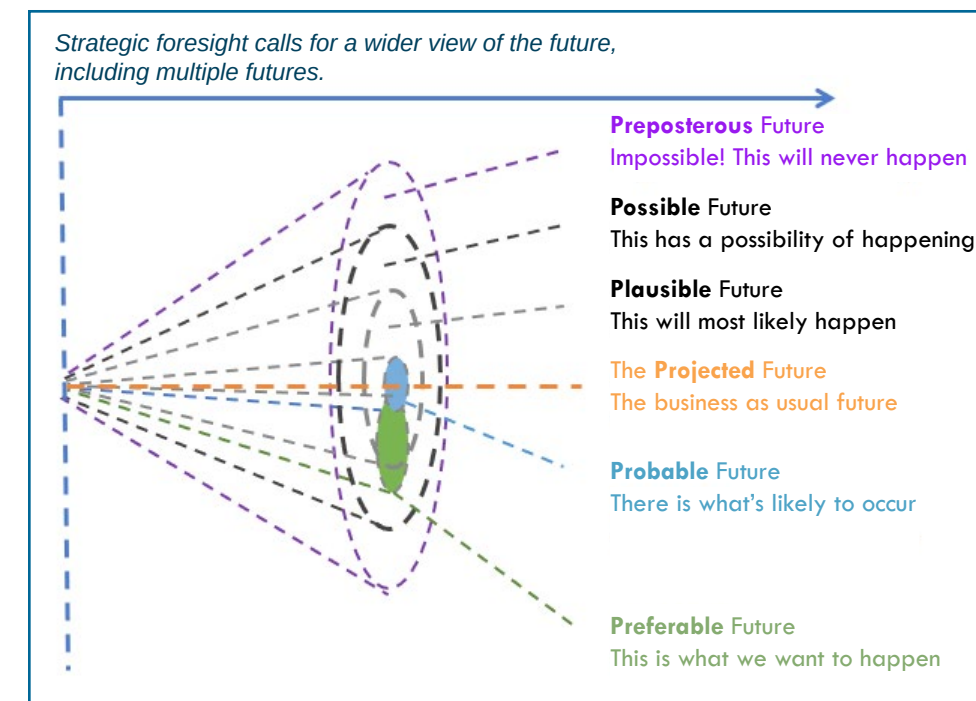
Strategic Foresight Toolkit

Futures thinking tools can provide assistance in improving decision-making, implementation and the ability to cope with future challenges. An abundance of tools is available to assist leaders and their organizations to adopt futures thinking. The use of these tools with the strategic foresight mindset is a powerful combination including visionary approaches to environmental scanning, systems thinking, and dealing with wicked problems. The Futures Wheels may be used in conjunction with other tools to form a work flow towards building multiple scenarios while other tools such as the Causal Layered Analysis (CLA) which can be used for a variety of purposes including change management. The benefit to CI professionals is that this range of tools offer the CI professional a new way of coping with the incessant changes ahead. **Many of the tools are complementary to the CI set and provide additional strengths and value to our existing repertoire.**

The types of tools that you might encounter may differ depending on the course of study you choose. The Futures School certification program enabled me to complete the training with a set of structured, practical and interconnected tools that allow you to continually build upon the previously collected insights. There are a variety of approaches from different schools and programs, depending upon the organization and department which presents them. Programs that sit under a technology department may stress a different set of methodologies from one that stems from a political science department. Many strategic foresight programs offer a more holistic approach which invite you to incorporate a more universal approach.

The Foresight Strategic Outlook

Another key benefit of the future approach is the **long-term strategic outlook**. Strategic planning is usually based on past-based, spreadsheet-based models that are used to extrapolate a linear plan of the future. These traditional models often fail to accurately forecast the future and present a narrow future view of an "official future," which tends to blind leaders to threats and opportunities outside of this path. If the expected future does not appear, leaders are left in the dark and need to begin the strategic process from scratch. Instead, strategic foresight calls for a wider view of the future, including multiple futures. Each type of future includes a different level of transformation of possible events. Using this approach drives an understanding of



how the future will bring about certain changes and enables organizations to plan for how they can react to those changes. In addition, firms can plan on how they would like to influence events to create a desired future. This is referred to as the pull and push of the future since the future is both created by us and for us. One of the key outcomes of strategic foresights work is the development of multiple scenario analysis in which a variety of different futures are created, allowing us to set early warning systems with greater clarity and understanding of the events preceding and following them. This also enables us to be more nimble and quick in altering strategic plans if unforeseen changes take place allowing us to set up early-warning systems on various levels and issues.

Innovation

As strategic foresight suggests a **various range of possible futures**, it tends to support the ongoing development of new radical, preferred, and probable ideas and approaches, too. Organizations have frequently benefited from their ability to produce innovative ideas and transform ordinary teams into creative ones. Why does strategic foresight enable innovation? In the same way that competitive intelligence places an emphasis on the past and current events, strategic foresight looks towards the future. While CI looks at the industry and its forces, foresight is concerned with **how various industries are developing and influencing each other**; it is about the goals, purposes, and design for where the organization is heading and how it should get there. It is the foresight specialist's role to expand the traditional narrow focus on future events to encompass a full and broader range of possibilities. The future is accepted as the current reality and the focus is placed on anticipating what will happen, how it will happen, and how to get ready for it. Since the future is treated with flexibility, and there is no need to be absolutely right or fear of being totally wrong, the creative juices are encouraged to design new products and make innovative changes to existing ones.

Summary

Competitive intelligence focuses on enabling decision makers to arrive at rational, informed decisions while under pressure. CI has come a long way from a narrow view of only providing information or intelligence to its current position of offering strategic insights, uncovering blind spots, and setting up early warning systems via its wide range of tools.

Strategic foresight offers firms the ability to discover and uncover long-term situations and consequences using a systems approach and providing a wide-angle view of entire ecosystems. In today's VUCA world, as industries overlap and disruption jump out at every market and sector, strategic foresight offers an extra layer of protection by anticipating the future and adjusting strategic plans accordingly. The marriage of CI and Strategic Foresight offers the ability for CI practitioners to shine bright by bringing extra value to organizations, expanding the extent and type of insights offered.

You don't need to be a futurist to realize that the amount of data is only going to increase in the years to come, that organizations will continually need to make strategic decisions and that disruption will continue to strike. If we don't recognize our assumptions and biases, we are bound to make mistakes that could have been avoided. Future tools and methods offer a vantage point on how CI can positively impact organizations, enhance business resilience and sustainability, as well as navigate complex organizational and cultural change. Competitive intelligence professionals are working in a different kind of jungle today, and we need to take advantage of the benefits that strategic foresight can offer, benefits that can help highlight the best path into the future so that we avoid staying in the dark.

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ABOUT THE AUTHOR

With over 15 years in the trenches, **Iris Stein** combines her competitive intelligence, leadership coaching and strategic foresight experience in her determination to help forward-thinking organizations achieve the agility and flexibility needed to succeed in today's business world. Iris is dedicated to assisting organizations create future oriented strategies by adopting a progressive and unbiased mindset, examining competitive and futures landscapes and enhancing the firm's innovative capabilities. Iris currently applies her skill-set as Competitive Intelligence & Strategy Manager at Amdocs Inc. Iris holds a M.Sc. degree in Business and Professional Communications from Clark University and is currently enjoying her studies at Houston University's Strategic Foresight program.



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