

Modern Times? – That was Yesterday.
How enterprises ensure their own future

The current situation

The crises of the last few years have made one thing clear: modern times are coming to an end. The most important question for politics, science, culture, business and our society as a whole is: "What comes next?"

The dynamic of world-wide economy makes us insecure. It caused **three patterns of behaviour: fear, panic and hysteria**. All three of them are extremely bad counsellors. As a general rule, they result in totally inadequate behavioural patterns. The flood of information and constantly changing conditions in all areas of society demand of us that we make the right decisions, regardless of a growing sense of uncertainty. It is the only way to guarantee the survival of the enterprise.

The changes in world economies have an impact on:

- **the markets,**
- **the products and production methods,**
- **the customer's expectations, needs and desires,**
- **the social expectations,**
- **the employees and the company culture,**
- **the legal environment.**

The challenge lies in leaving all patterns behind and accepting the risks, insecurities and multitude of influential factors. Waiting will rob you of many opportunities. If you keep a watchful eye on changes in your environment, discover new markets, new expectations and innovative areas, and translate this knowledge about the future into entrepreneurial activities, the decisions you make in the present will be better. You will also anticipate and help to form mega trends and future trends and provide orientation background for changing entrepreneurial contexts.

The stumbling blocks:

Every day, the number of opportunities increases all over the world. It gets harder and harder to make the right choice and thereby select the best thing. Consequently, it is vital to know how to handle multi-optionality and multi-contextuality. In order to achieve this, we will have to change the way we think, evaluate and decide.

The multitude of options, however, also creates dangers. Wrong decisions at this time will result in extremely high costs for the enterprise; the competitiveness is in danger. Three factors can be a lasting handicap, because enterprises do not die. Instead, they waste away because of

lack of orientation, indifference and a "let-us-continue-as-always" attitude.

Lack of orientation will cause short-term decisions the consequences of which are undesired results in the long run. That is why they are unstable, will be reversed again and again and replaced by new decisions. Lack of orientation is characterized by a hectically blind actionist mania.

Indifference fails to see the difference between rationally further developing accepted concepts and rigidly insisting on what used to work well, according to the

motto „grit your teeth and get it over with” and the hope that all will be well. Indifference relies on the world continuing to grow as linearly (or slowly) as the enterprise, instead of adapting to the quickly changing world. Thus, without even realizing it, you move away from reality more and more.

The ‚let-us-continue-as-always’ mentality is a continuation of the past development by extrapolation. However, the times of linear, continuous enterprise development are over. The current fundamental change in world economics will not let enterprises arrive where they wish to arrive. Practicing the “let-us-continue-as-always” concept will fail.

Chances:

In the year 2020, the role of enterprises and the forms of cooperation will no longer be the same as today. Naturally, all these changes will also effect customer expectations, needs, and desires. The challenge lies in leaving old concepts and accepting the risks and insecurities, as well as the multitude of influences. Waiting to see what happens will deprive you of many chances. Taking notice of environmental changes, recognising new markets, modified desires and innovation fields and translating this knowledge of the future into entrepreneurial activities will enable you to improve present decisions, anticipate and form mega trends and future trends and provide orientation background on changing entrepreneurial contexts.

For enterprises, this is all about the ability to adapt to novelties:

Products become obsolete faster and faster, business models change faster and faster. Positioning your enterprise in a way that guarantees its future survival early is essential. Consequently, it makes sense to adapt to new mega trends and trends constructively, to cultivate an open dialogue culture, to make your own organization and behavioural patterns more flexible and to make the enterprise more adaptable. The future requirement profile for an enterprise will differ in quality from what we are used to, which will make it necessary for our way of thinking and behaviour to change in quality. If you develop the culture of your enterprise early, ask questions that anticipate the future realistically and base your answers on these aspects, you will generate the basis for decisions necessary for survival.

Consequently, a regulatory process should be initiated as early as possible. In doing so, you give the right signals for adapting in the best possible way to future developments.

The technical term for this phenomenon is **Corporate Foresight**. **Corporate Foresight** helps enterprises to remain on the alert for environmental shifts, notice new markets and changing needs and innovations and translate this knowledge about the future into entrepreneurial activities. Anticipating the future is supposed to both improve current decisions and provide you with knowledge about changing business context.

The evolutive enterprise is evolutive

In the future, enterprises wishing to be a success will have to be **evolutive**. As an adjective, this word means a process otherwise only known to us from the noun form: evolution. Enterprises capable of survival act evolutively. This means, these enterprises think in terms of processes, know how to ask the right questions and act with competence, adequately and reliably. They remain flexible in order to react adequately as new challenges arise.

Framework requirements for survival

The world-wide scope of activity for enterprises will be influenced by several factors:

- The climate change will cause a “green” revolution for products and services.
- Renewable energy technology is on the threshold of its breakthrough .
- The environmental exploitation (using up resources & environmental pollution) is subjected to international legislation.
- Environment-aware consumption will have more and more influence on the buying patterns
- The internet will make a radical difference to customer expectations and behaviour around the world. The future focus will be on: individualization, transparency, availability, speed.
- The “east” will interact in business independently from the “west”.
- The central requirements will be convenience, comfort and simplicity
- The limits of tolerance will be considerably higher, since the multitude of options will call for new attitudes towards other opinions, ethics, rituals, religions, etc.
- The limits of intellectual talents (synthetical vs. analytical competence, tangible vs. abstract thinking) will have to be re-defined. Formal intelligence will get less important in relation to social intelligence.
- The readiness to take responsibility and demand decisive competence will become a more central factor.
- Creativity and innovative courage will be more on demand .
- The restrictions of our own life management (limited mobility, little inclination towards life-long learning, learning not to take anything for granted, the fickleness of our own biography) will get to be more important.
- Social tension will increase.
- There will be even more state intervention in our private affairs.

Evolutionary enterprises have learned to master this complexity and can differentiate expertly between trends and mega trends. If you know how to identify mega trends, you will know about social mainstreams, cultural streams and technological innovations.

Some of the important future **mega trends** are:

- **environment/climate/resource exploitation,**
- **demography,**
- **ageing,**
- **feminisation,**
- **customer and consumer classification,**
- **health and spirituality,**
- **the advent of new social dichotomies**

Firstly, evolutionary enterprises collect knowledge on these developments, and then they use it. In particular, **evolutionary enterprises** find answers to the questions:

- **What will future markets look like?**
- **What will future products look like?**
- **What kinds of consumers will we have in the future?**
- **How will a management become fit for the future?**
- **What will our future enterprise culture look like?**

Evolutive enterprises do not let their development happen automatically. Instead they ask themselves: „Where do we want to be in the future? “. **Evolutive** enterprises anticipate their future, they **retropolate**:

- The mental image of an enterprise develops backwards from the future to the present.
- Enterprises design their quality leap into the future with competence.

In doing so, **evolutive** enterprises adapt very well to quickly changing conditions (**survival of the fittest**). Thus, **evolutive** enterprises can answer the most important question of an enterprise correctly: “How to ensure the survival of the enterprise?”. Not everybody who owns a good camera will automatically take the best pictures!!!

Here is what you should do:

For an evolutive enterprise, it is important to know how best they should behave in order to stay ahead of affairs in the future. In my opinion, you have to take care of 16 areas. Here are some of them:

1. Watch out for mega trends.

Not only will we have more elderly than young people in our society, but by the year 2030, the average life span in Germany will be around 90. It will be hard work to acquire trainees in enterprises. Between 1999 and 2004, the market for functional food in Europe increased by 43%. Today, humans already spend about 60 billion dollars on so-called smart drugs world-wide. During the next 25 years, analysts expect the number to triple. Women will get more and more power. Currently, we have about 30% of leading positions in Europe occupied by women (in Latvia, the number is already 44 %). On boards of directors and supervisory boards, it is only five per cent. My future prognosis is: by the year 2030, half of the leading positions will be held by women.

2. Change the way you think.

Instead of thinking in terms of years, you will have to think in terms of weeks. Currently, normal households use about 80 to 100 micro chips. In 520 weeks, the number will have risen to around 1,000.

3. Discover ethics as a production factor.

Enterprises will invest their profit more and more in social projects, thus increasingly helping the common good. The past has already shown ethics to be a production factor. Just think of the foundation of the Grameen-Bank in 1983 by Mohamed Yunus. He was awarded the Nobel Peace Prize of 2006 for it. Or look at the developments on the **fair trade** market. Or, even more recently, the Muslim **Karma** enterprises.

4. Think of the really important resources.

Water will play a more and more central role for nourishment and health. The world-wide provision of drinking and potable water will be one of the really big challenges in the next few decades. Please keep in mind: currently, people mostly flee their homelands for economical reasons. How well will they be motivated to migrate when

they do it for environmental reasons, because there is no more drinking water available?

5. Change your environmental exploitation habits.

We are around 7 billion people living on this earth. If we continue to consume as we do, we will exploit 1.35 planets. The one billion people living in OECD countries alone use up 0.75 planets. As you see, the exploitation of our environment will have to undergo drastic change. Our politicians will focus on supporting enterprises that are particularly efficient and innovative when it comes to developing applications and realizations fit for serial production.

6. Be aware of politically determining factors.

Thinking in terms of nationality will change. There will probably be a political globalization process for preventing national economies from gaining by national legislation. It is quite likely that lobbying as we know it will no longer be possible. Early signs of this can be seen in the EU gaining power.

7. Be aware of the re-organization of the world financial system.

By now, the entire world-wide debt, i.e. the financial market, is four times as high as the world-wide creation of value in one year (BIP). In Europe, it is even five times as high. The reason: economically strong enterprises and investors pay no or hardly any tax for the profits they make. In order to keep us from collapsing, politics will regulate the world financial system more and more. They will put barriers on free capital traffic and abolish local competitive advantages gained through tax dumping and inconsistent social, finance and tax systems.

8. Make your enterprise culture more dynamic.

What will give employees a feeling of belonging in the future? Until the First World War, it was the personality of the entrepreneur. Approximately until the 1970ies, it was the design. In the 1980ies and 1990ies, the image and the product saw to it that people identified with their company. Since the 1990ies, it has been the enterprise strategy.

In the future, people will no longer identify with their enterprise. Instead, they will be more interested in their roles inside the enterprise. That means that the broad circle of people you meet during a lifetime and the network of similarly-oriented people sharing your beliefs and experiences is going to be more important than the organizational construction you work and live in.

9. Notice changing consumer groups.

Oliver Dziemba and Eike Wenzel are convinced that the three great consumer groups will have to be re-defined. In their book "Marketing 2020" (Campus Verlag, 2009), they describe the three basic consumer groups as follows:

The young generation (12 to 35 years old).

Interestingly, the young generation hardly uses any rituals to distinguish themselves from the world of the grown-ups any more. Young people are more concerned with social techniques and insecurity management that help them to survive. The classical puberty arguments are a thing of the past. In the future, our young people will look for terms like clarity, simplicity and authenticity.

The mid-agers (35 to 55 years old).

All **mid-agers** are characterized by new role models. The balance between work and life has a crucial role. For example, there is the super daddy who moves between career, household and child with great flexibility. In other words: the mid-agers look for breathing space between their enterprise and their private life.

The elderly generation (55 to ?).

The future generation of elderlies will be full of life, eager to travel, ready for their second start after retirement and entrepreneurial. The classical retiree is a thing of the past.

10. Discover the future markets of meaning in life: spirituality.

According to current discoveries of those who do research about the future, there will be markets for the meaning of life. The development will move from substantial markets to existential markets. All we know today and can predict with quite a bit of background knowledge points toward at least six attractive future markets:

Regionality, spirituality, education, physical awareness and pleasure, ethics as consumption area and social capitalism. This is how Eike Wenzel describes her own conviction about meaning-in-life-markets in her book "Sinnmärkte" (Zukunfts-Institut. 2009).

In the future, we will see solidarity communities, citizens' groups, internet communities, NGOs, networks of friends and neighbours all over the place. Evolutive enterprises tend to act according to the motto: first the good deed, then the profit.

11. Do not underestimate science fiction.

For an evolutive entrepreneur, science fiction is not for nut cases or "loonies". Instead, it contains advice that should actually be taken seriously. Since successful enterprises deal exclusively in reality, this might cause a raised eyebrow or two. Interestingly, however, the creativity of science fiction authors has often proved to be nothing other than some people thinking ahead what later became reality. If you have ever read Perry Rhodan novels, you know what I am talking about. In these science fiction novels, the **videophone** was standard procedure a long time before the telecom made it come true. To be sure, I admit that science fiction will always be a balancing act between anticipating too much and too little of the future development. Regardless, evolutive enterprises should take it seriously.

As early as 1945, people were talking about manned space stations. Today, they are a reality. In the science fiction literature, cloning happened long before the clone sheep "Dolly" was born. A commonly used instrument of science fiction novels and films, the extinction of memory, has been successfully tried with mice in neuro-biological experiments. It might turn out a blessing for traumatised people.

In Meerbusch near Düsseldorf, the St. Mauritius therapeutic hospital uses the "Lokomat". It is a robot giving movement stimuli to lame patients. The legs and arms of these patients follow the stimuli. The Lokomat can even adjust itself according to improved performance and muscle strength of patients. In neuro-psychology, magnetic resonance tomography already analyse the customers' needs and buying decisions. Neuro-marketing is no longer a thing of the far-away future.

I am pretty sure we are now in a phase of rapid technological advance. At the most, all we can do is have a vague idea about which items out of science fiction literature will become reality. As you see, science fiction offers evolutive enterprises quite a huge and realistic lookout towards a successful future.

Conclusion:

Nobody can predict the future. We are limited to guesswork. However, if you want to be a success in the future, you should not close your eyes before possible scenarios. An evolutive enterprise determines the place it will have in a future world. In my book, an evolutive enterprise is network-oriented, well distributed, re-configurable, resistant, resilient and, above all, innovative.

Let me say it in a nutshell: ask yourself if you want to be an evolutive enterprise. You have the camera. Now is the time to take really good pictures.