

# Predicting the future as it happens

*Futurology has never been a particularly exact science – which is why the best practitioners tend to stick to what they can see taking shape in the present. Or, as Dr Leandro Herrero puts it, the future is happening more in some companies than in others*

**T**he end of the year is a time for reviews, summaries, compilations and, also, predictions. It feels like only yesterday when these predictions could be made to sound grandiose under the Millennium effect. Now, in a more prosaic 2000 and embryonic 2001, things seem to have settled down in the futures industry. The future generates books, organisations, publications, symposiums, business and noise. Yes, above all, a lot of noise.

Looking back, it's easy to demonstrate that many predictions were wrong. It's called the vendetta of hindsight. Tom Peters' and Robert Waterman's book, 'In search of excellence' (1988), has been the most quoted book of wrong assumptions about companies. Indeed, most of those described as excellent at the time of writing had more or less disappeared some years later.

Warning: if your company is quoted in some gold list of leadership, silver list of innovation, most admired list or best managed list, start panicking! History says you may not be there for long.

To criticise those who create lists is fashionable and somehow rewarding. However, to follow that criticism with a different list is unwise to say the least. Gary Hamel, (very) part-time professor of business at Harvard and full-time consultant, excellent author and speaker, has done it a few times. He dismisses Collins' and Porras' visionary companies' list in their book, 'Built to last', for example, on the grounds that some of the listed firms have been in trouble recently.

Collins and Porras had studied a group of companies that had consistently outperformed their industry and seemed to have been built to last. I was astonished to watch a recent video by Hamel talking to Stanford alumni in which he delivers fierce criticism, while proposing Marks and

Spencer and Virgin as alternative models. I can understand that many years as a professor at the London Business School – commuting from California – has left some sort of British imprint on him. However, his choice of companies to replace the supposedly wrong list of visionaries could not be more off the mark. Marks and Spencer, a household retail name in the UK, with once-upon-a-time global aspirations, has lost both its way and most of its market value. And Virgin (conventional airline disguised as unconventional, cola that once had the declared aspiration of beating Coke, rail company with notoriously late trains, and another hundred applications of the brand) gets away with murder because of the charm of its chairman, Richard Branson. Hamel replaced hindsight with bad fortune telling.

One of the most successful futurologists of modern times is John Naisbitt'. Looking back, many of his original predictions were right. Some generated useful cliché-references such as the famous 'high tech-high touch', which means that the more high tech invades business and life, the greater the need for high touch or social contact and human feeling. Grandfather guru, Charles Handy, used this analogy to predict working places having a role of 'social interaction'. Business, he said, can be done from home, from the car, from a hotel room or an airport lounge (high tech), while the physical office needs to be a place of social interaction (high touch).

Cynics say a great deal of Naisbitt's success on trends is because one can smell them just by opening the window. When something is already happening, it helps the description of the trend and the consequent prediction. Much talk about the organisation of the future, the 21st century company, or the new economy for that matter, suffers from the same trick: they are descriptions of the present.

## Getting closer to the future

It is often said about equality that we are all equal, but some are more equal than others. One could say the same of the future: that the future is already happening, but more so in some companies than in others. Perhaps what matters is the energy, the drive, the willingness to progress and move, the pace and the direction of, let's call them, good companies, as opposed to the ones that seem stuck.

Robert Kane, a professor of philosophy in Austin, Texas, tells the story of an MBA student

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Illustration by Rob Wilcockson

who went back to his old campus for a ten-year reunion and had a brief encounter with the Dean in the cafeteria.

“Dean, remember graduation day?” he said. “You were on stage trying to keep the long procession of students collecting our diplomas moving. We were slow and overwhelmed. From the corner of the stage you kept telling us to ‘Keep moving! Keep moving!’ You know, Dean, that was the best business advice given to me in all those three years. It’s what I’ve been doing ever since.”

That little story may tell a thing or two about the lasting effects of business education. MBA curricula share with Chinese meals the sensation of abundance and lack of fullness. The student didn’t remember many of the business templates, let alone the intricate accounting exercises, but ‘keep moving’ on his last day struck a chord.

### Keep on moving

Perhaps to keep moving is the real quintessence of business life: moving in a direction, any direction, as long as you’re moving. I can hear strategists and planners saying this is nonsense, that you have to know where you are going, otherwise you get nowhere. Fine, but at the other end of the spectrum is the ‘ultimate immovable goal’. Let’s have a vision, a concrete goal and let’s move forward in that direction, (at more or less steam depending on the competition), no questions asked, everyone aligned.

As the story goes, some people spend all their lives climbing up a ladder against the wrong wall. The same happens with companies. Perhaps a mixture of the humility it takes to identify the wrong wall, even if half climbed already, and the drive to move somewhere else, is what strategy is really about.

Canadian Professor Henry Mintzberg’s metaphor for strategy is not conventionally linear, a goal in the future and a straight line to get there. Strategy, to him, is closer to clay modelling than target shooting. You make it as you go along. Per-

haps my compatriot poet Antonio Machado said it all: “Traveller, there is no pathway, we make one by walking.”

No, I am not preaching New Age philosophy, but the journey metaphor is often forgotten in business. A journey with different pathways, changes of direction, temporarily getting lost in the forest, finding our way back to dry road, moving, resting and starting again, does not meet the expectations of either the City or Wall Street.

Sustained, consistent, predictable, unsurprising, successful quarter after quarter results is what counts. No room for meandering here. When the business model works towards the ultimate goal of continuous success along a predefined strategy, there is only one path: motorway or highway, and by the way, don’t forget the tolls!

This end-of-the-year review, prediction time, allows me the liberty of making my own contribution to trend-watching and projections. After all, Naisbitt does it, Peters got it wrong and is a billionaire, and Hamel is still writing books on revolution despite his admiration for Marks and Spencer. I don’t see why I can’t try it.

### Company of the future

Here is my favourite company of the future (that future-that-has-already-started and seems to be happening more in some places than others) for, let’s say, an innovative company in the pharmaceutical sector. This company:

- Defines itself by what it knows, not by what it does. It is interesting that in the pharmaceutical sector, the main players are often referred to as manufacturers, not experts or the ones who know about health, illness and the basic disciplines of biology, chemistry, genetics, and so on.
- Has converted R or D or R&D into full P&L (profit & loss) units competing for resources internally and externally. Creativity and imagination in cost centres has never been high. Give the researchers and developers full P&L responsibility and watch out for the behavioural changes.

**My ideal company has a list of professionals waiting to join because it is 'the place to be' and not necessarily because it has the sexiest portfolio**

CEO: "Here's the budget for the year."

Head of R&D: "Thanks."

CEO: "By the way, do you have any unused assets somewhere? Because I am giving you 10% less next year."

Head of R&D: "You mean more, don't you?"

CEO: "No, you heard right, I mean less."

Head of R&D: "Well, I have a few libraries of compounds that never got funded by you, so..."

CEO: "My apologies. Well, now you can do something about it. Go and sell them, or co-develop them, or whatever. You are a P&L centre from now on, not a cost centre. Incidentally, I am your main customer, but not necessarily the only one."

•Has a web of alliances (R, D, marketing...) bigger than anything you can put onto a one page slide.

•Puts employees first, before stakeholders (no altruism here; it's pure business selfishness. The company wants to be the best and feels that only 'employee first' strategies will get it there.

•Has a waiting list of professionals wanting to join because it is 'the place to be' and not necessarily because it has the sexiest portfolio.

•Has put the word 'patient' back in the corporate vocabulary.

•Is ruthless with bureaucracy; where people can be sacked for creating committees.

•Has converted HR (human resources) into HCIR (human capital investors relationships) and the

department is run by an ex-venture capital manager. Employees are considered, and they consider themselves, investors of their own human capital.

•Having achieved a status of 'the place to be' and put all the above in place, is obsessed with performance and wealth creation. Warning: wealth, for this company, is not necessarily the quarterly result. They do not confuse 'what they are' with 'what they measure'. They still have to measure shareholder value, but this is just a measure like height and weight.

I declare the above my most admired corporation and predict that this is the prototype of the successful, viable company of the future (the one that is already happening). I forgot: it has a mission statement that says, 'We keep moving'. 

## Reference

1. John Naisbitt, author of Megatrends. Mass Market Paperback (1984); Megatrends 2000, Avon (1991); Megatrends Asia, Touchstone (1997).

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