

A different approach to...

# ADAPTING TO THE FUTURE & SUCCEEDING THROUGH INNOVATION



DEVELOPING INNOVATION-LED ORGANISATIONS

When does the past end and the future begin?

Is there a never-ending rolling landscape, which smoothly counts out the days or is the pattern more disjointed with periods of reflective calm interspersed with sudden rushes in response to inventions or social change? Is our only option to react to incremental changes around us or was Benjamin Disraeli right when he said, “Man is not the creature of circumstances. Circumstances are the creatures of man.”

These questions have been the subject of debate throughout the generations and no doubt will continue to be so. But as a strategic advisor on innovation I firmly believe that we have the power to shape the future and to be the architects of our own destiny.

Admittedly there are some changes, which have to wait upon invention, discovery or technological advances. In the early days of computing, those who could clearly see the possibilities were endlessly frustrated by the lack of processing power or programming which held back what they wanted to achieve. Go back further still and until scientists had discovered how to turn ‘that sticky stuff’ which came out of the ground into fuel, we were hampered in our ability to develop engines, which were small enough to pave the way for mass transportation.

But for those who study trends, those who are alive to the ideals of self-determination and creation, the future is a rich playing field of endless possibilities. This white paper looks to that future, to 2025 and examines how businesses can help to ensure that they not only play the game but are able to lead the way and win at the new innovation-led game.

**“Man is not the creature of circumstances. Circumstances are the creatures of man.”**

**Benjamin Disraeli**



# The pace of change

To create the future we must first understand the past. And the first lesson to learn is that we cannot rely purely on technology to drive the future. In 2013 a team led by Cardiff University, the London Natural History Museum and the University of Barcelona found some remarkable coincidences between sudden developments in climate change and human innovation. Presenting the study, London Natural History Museum team member, Professor Chris Stringer said that...

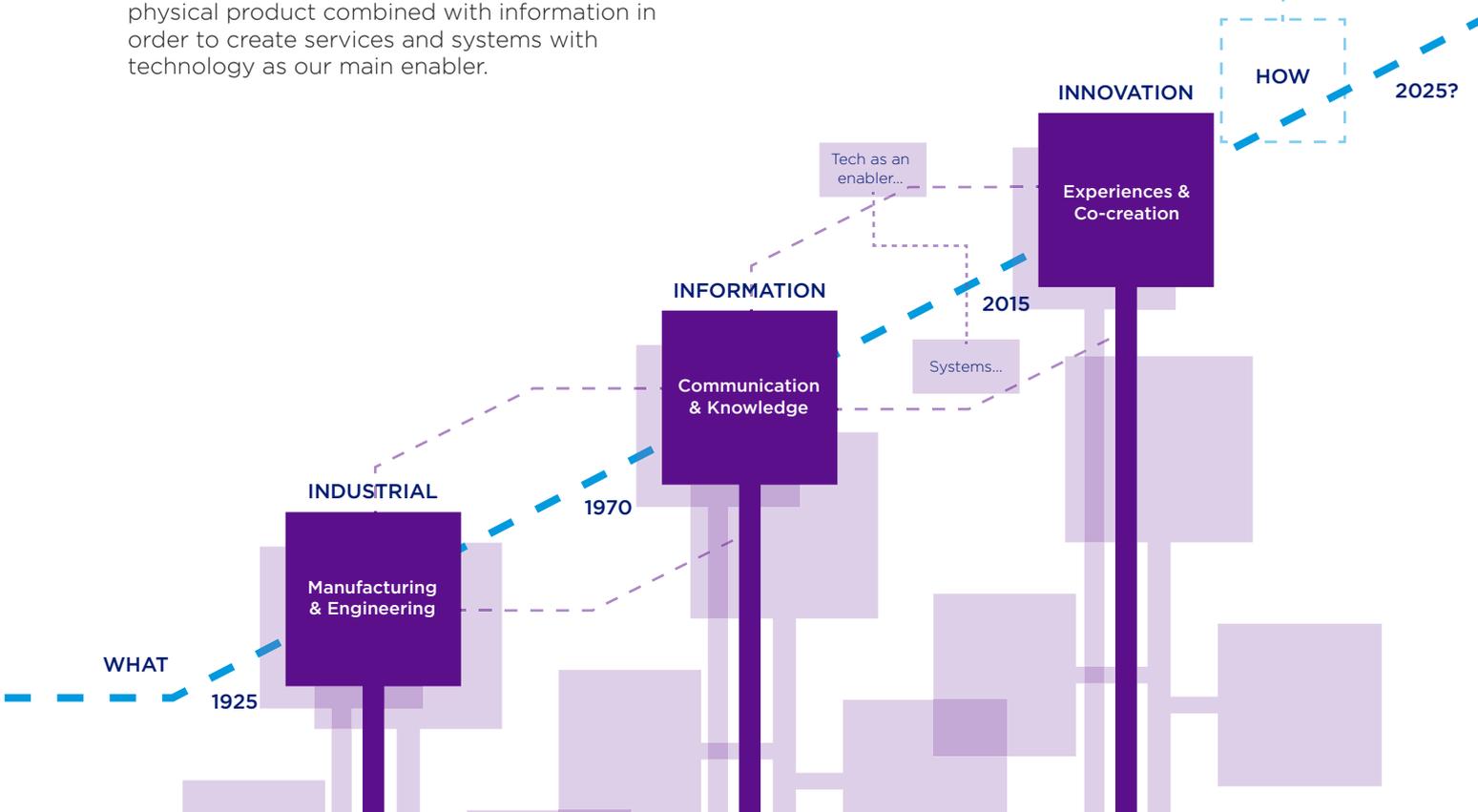
**“the correspondence between climatic ameliorations and cultural innovations supports the view that population growth fuelled cultural changes, through increased human interactions.”**

Admittedly the changes were comparatively modest by today’s standards, learning to make and use simple tools and moving from hunter to farmer. Fast forward to more recent times and in the last couple of hundred years the world has moved through the industrial age in which the focus was on physical product and manufacturing and in to the information age in which the focus is on the physical product combined with information in order to create services and systems with technology as our main enabler.

But whether we look at the change from stone to flint or the change from industrial to information, we can assume that for future historians the changes seen will be roughly on a par; seismic at the time but paltry when viewed with hindsight. Just as climate change forced increased human interactions, which led to the development of tools and more complex language, so the universality of computers and modern technology has led to the next wave of human and business development.

The world is moving on again into the innovation age; moving from the ‘what’ to the ‘how’; transforming itself from leading the way with purely product innovation to setting innovation culture at the heart of an exceptional customer experience. We stand at the brink of this new era and can only look forward in awe at the vast realm of change, which is opening up before us.

It’s now about  
**‘HOW’** not  
**WHAT!**



# Predicting the future

When we look to the future, however much our imaginations want to soar, they are to some extent locked down by the chains of what is around us now. In many ways it can be easier to predict the big changes than the smaller ones.

For example, science fiction writer Isaac Asimov writing in the middle of the last century easily predicted a period hundreds of thousands of years in the future in which man had conquered the galaxy, but listed a printer which responded to the spoken word as having been invented only at that future time. The factual science & technology show Tomorrow's World correctly predicted a time in which every home would have a computer but their predictions on paper pants and floating bicycles were unfortunately way off the mark.



**“It is said that the present is pregnant with the future.”**

Voltaire

# Predicting the future

Undaunted, the IP & Science division of Thomson Reuters has however, had a go at making some predictions and their paper predicting 10 key innovations which will shape the world of 2025 makes fascinating reading. Using the Voltaire quote "it is said that the present is pregnant with the future" as their guide the team has delved into present knowledge to predict the innovations which may shape our future.

Aerospace engineering is covered within the Thomson Reuters predictions, but so is the eradication of certain genetically based illnesses, the overcoming of food shortages and new ways of communication. For example, the paper predicts that work aimed at understanding the human genome may lead to early detection and prevention of diseases such as dementia and diabetes. The paper also predicts that improvements in PV technology will lead to energy from the sun becoming the primary source of energy on the planet.

But for every leap forward there is a backlash; for every winner there is a potential loser. Not universally true I know but true enough of the time for people and organisations to be put on notice that change has to be anticipated and prepared for or it can have unintended consequences. The industrial revolution may have brought cheap goods to the masses but it cut a swathe through the cottage industry. The tractor may have revolutionised farming but at a stroke it laid off thousands of farm hands. The computer? Well that's a story in itself.

One of the predictions from the 1970s was that computers would herald a new age, with everyone benefitting from a sizeable increase in leisure time and maintaining a good standard of living whilst only working a few hours a week.

Tell that to the average employee who is working hours and hours of unpaid overtime as they try to keep up with e-mail overload and see what sort of reaction you get. But the inception of the computer and of the internet is a perfect example of the way in which a lack of preparation and foresight can lead to poor outcomes. Look at what internet shopping has done for the high street, how downloadable music and films has led to the demise of seemingly rock solid companies.

Now look at one of the predictions from Thomson Reuters, that of 'cars which respond to your every wish' and 'interconnected geographies'. With Google already experimenting with driverless cars perhaps we won't have to wait until 2025 to see transport change. But, stop to think and the consequences of this are huge..

- **Why store a driverless car in your garage when you can call one up at a moment's notice. And if no one owns their own car what does that do for the finance and car trade sectors?**
- **When the car takes care of safety then the young, the elderly, the ill, can all get back on the roads. What does that do for public transport and taxis?**
- **Crashes are virtually eliminated so the insurance and car repair industry is decimated. And what effect does that have on the police and other emergency services?**

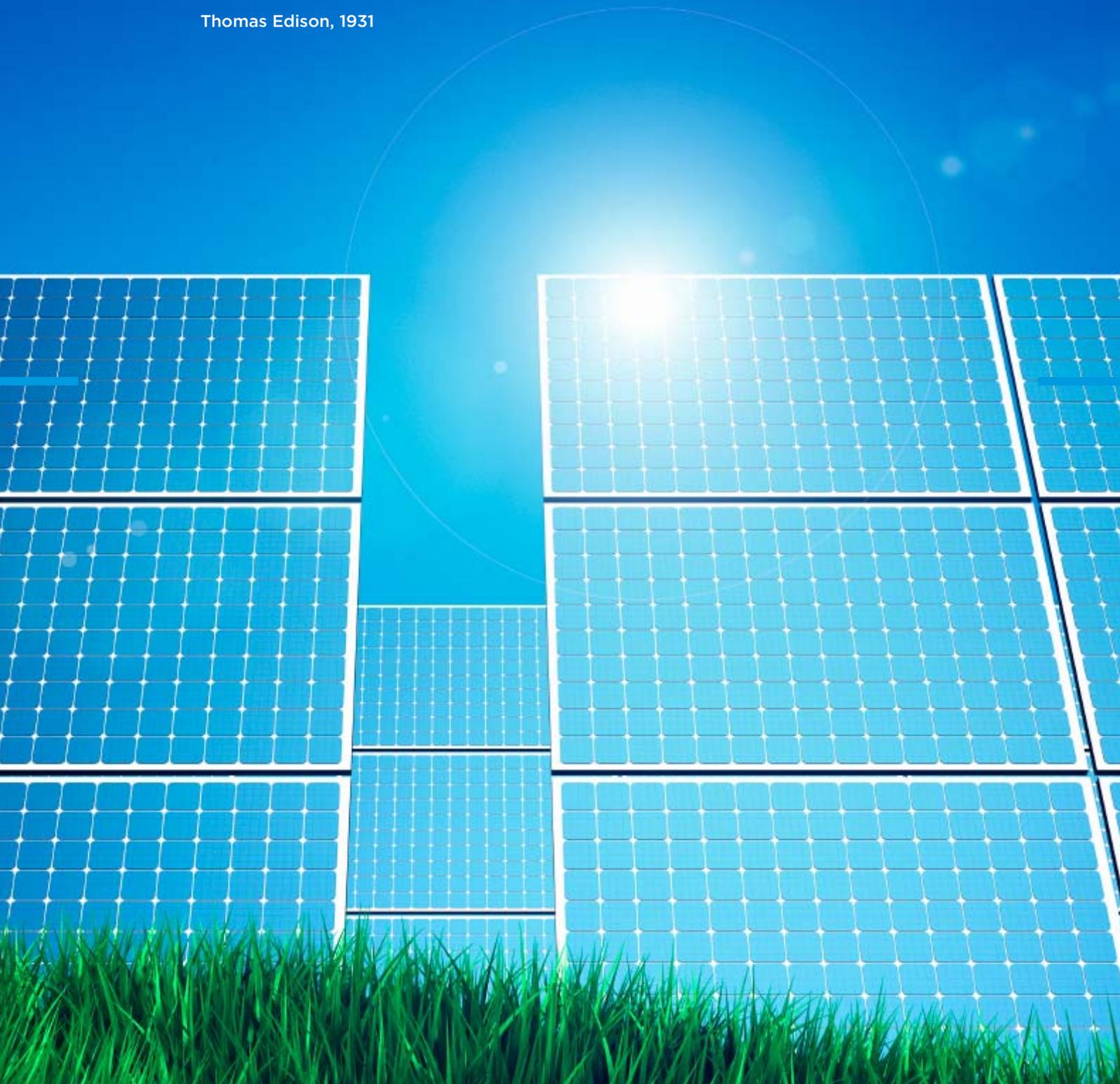
These advances, innovations and others will fundamentally change how we live, work and interact and every business and organisation needs to be capable of adapting and innovating in order to keep pace and stay relevant.

So far the talk around driverless cars has all been concerned with safety but logically the effect will be far greater. Look too at the 3D printer, which in a few short years has reached the stage in which one is on its way into space to print spares needed at the international space station. It won't be long before 3D printer technology sits in every home. Forget manufacturing, the money then will be in selling downloadable schematics which will enable homes and businesses to print off whatever they need to repair or replace an item.

The effect of these and other changes is that by the time we get to 2025 we may well have been through a technological revolution which makes the industrial revolution fade into insignificance. But whilst the Thomson Reuters list is fascinating and whilst extrapolating the consequences of technological change is mind-bogglingly fun, there is one dimension which we have so far not touched on and that is the way in which people are also changing their attitudes and expectations.

**“I’d put my money on the sun and solar energy. What a source of power! I hope we don’t have to wait until oil and coal run out before we tackle that. I wish I had more years left.”**

Thomas Edison, 1931



# The people dimension

“Ofgem refers the energy market for a full competition investigation”

The recession may have had consequences for standards of living but it also had a profound effect on attitudes towards business. The world in which businesses sold whatever they wanted to and people accepted whatever they were offered has come to an end. So too has the mindless acceptance of the notion that big business is always right.

When the public have seen big businesses and global brands fail, when successive mis-selling and mis-information scandals have revealed the extent to which fast profits have been put before customer care then the public appetite has changed. With the sleeping giant awakened and demanding more, the regulators have reacted; calling for ethics before profit allied to a new culture of long term fairness and sustainability.

“Shaming of our bully banks”

With this public and regulatory pressure alone the corporate world of 2025 will be a very different being to that of pre-recessionary days. But there is a further dimension which is rapidly coming into play and that is Generation Z.

This generation will have such a seismic effect on the way in which businesses and customers interact that I have devoted a separate white paper to them. You can find ‘The Generation Z Innovation Challenge’ at [www.crisbeswick.com](http://www.crisbeswick.com).

“Red signal from train passengers as overpriced and unsatisfactory services slammed”

For this paper, suffice it to say that Generation Z are looking for an entirely different world. Growing up with full and fast internet access, Generation Z treats the world as their backyard. But because of this they have a wider viewpoint and that demands a world in which they have a say. Out goes being sold stuff and in comes co-creation. Out goes fast profits and in comes care for sustainability and longevity. And whilst brand is still important, this generation is also looking for a local, personal connection, which aligned to their values, speaks directly to them as individuals.

# Meeting the challenge

Taken together, leaps forward in technology and a change in public attitudes are going to result in a very different landscape by the time that 2025 arrives. We're already seeing the start of the internet effect in that every business large and small has a virtually equal chance of sourcing information, materials, advertising services and more importantly, access to a global customer base. As a result, competitive advantage is changing to meet the new demands, moving from 'what' to 'how'; making customer interaction, experience and co-creation the differentiator.

This in turn is changing the business landscape. Out goes secrecy and silos, procedures and job demarcations and in their place come flatter, more innovative structures which seek to work with customers rather than feed off them and which draw in suppliers and the wider world into the business mix. The name of the game is now innovation and organisations need to step up to this new world or step out of business.



# The innovation dimension

Let's take a quick look at innovation. The first aspect to highlight is that innovation should not and must not be confused with invention. Ideas and inventions are typically plentiful in most organisations. The issue is not a lack of them but how visible they are. In organisations with innovation inhibiting cultures, 'inventions' tend to be the preserve of a few, existing under a strictly hierarchical, risk-averse culture but they never see the light of day.

Only when barriers are removed can valuable ideas and inventions be given the chance to become innovations because it's in the application and the implementation that innovations are born and it's that final part which separates invention from innovation. Innovation therefore works best with a flatter structure and one that embraces failure as a learning point in order to co-create 'relevant' products, services and experiences which customers actually want.

Resetting the culture to one of innovation is the only way in which organisations will be able to compete in the fast-paced, customer-centric, co-creation world of 2025. And before you rush off and make a note in your diary to look at innovation in 2024 let me warn you that unless change happens now, there won't be a business around to change by the time that 2024 comes along.

Do you really need to change? Well yes you do!

- **69% of UK corporates now name innovation as a top three priority.**
- **72% of major UK company directors admit that their organisations are too reliant on fading revenue streams.**
- **75% of CEOs say that fast changing market conditions are forcing companies to reinvent themselves faster than ever.**

If you want to learn more about wider aspects of innovation, feel free to dip into some of our other white papers which are all available to download from [www.thefutureshapers.com](http://www.thefutureshapers.com).

In the meantime let's look at what it will take to adopt a 2025 ready culture of innovation. In particular let's take a closer look at Next Generation Organisations.

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# Next generation organisations

There are three types of businesses in this world, those which failed to survive the recession, those which survived but are in slow decline and those which will shape the future. I call these last businesses Next Generation Organisations.

Creating a Next Generation Organisation requires a complete mind-shift from the process-driven, hierarchical, short-term viewpoint of old. These organisations not only understand that they have to stay ahead to survive the future, they actively go out and create the future. They leverage intelligence, collaboration and adaptability to not only change the game but to create the game.

**INTELLIGENCE:**

An increased focus and new approaches to gathering a deeper understanding of customers, consumers and markets;

in order to know more about the world, influence people, create opportunities, shape markets, change the game and lead the way.

**Why?**

60% of major UK business leaders admit their senior teams fail to understand their customers.

**ADAPTABILITY:**

An increased focus on agility and the ability to execute better and faster;

in order to adapt in the face of uncertain, complex and changing markets and stay more relevant than the competition.

**Why?**

68% of UK corporates take just as long to innovate and get solutions to market now as they did five years ago.

**COLLABORATION:**

An increased focus on internal and external strategic communities;

in order to build powerful connections that drive the design and co-creation of new business models, solutions and experiences.

**Why?**

66% of major UK business leaders claim their current organisational structure makes it difficult to share knowledge & understanding.

Why Intelligence? Because currently 60% of major UK company directors admit their leadership teams fail to understand their customers. In a Next Generation Organisation the focus is not only on having data, even big data, about customers; it is more about really understanding the values, needs, desires and lives of those customers in order to deliver 'relevant' solutions that excite.

Why Collaboration? Because currently 66% of major UK business leaders claim their current organisational structure makes it difficult to share knowledge and understanding. In a Next Generation Organisation collaboration includes suppliers, customers, even competitors; all working together to co-create the future.

Why Adaptability? Because currently 68% of UK corporates take just as long to innovate and get solutions to market now as they did five years ago. When smart cars, 3D printers or other technologies come into their own then the business which hasn't embraced change and adaptability will simply be left floundering in the wake of the relentless drive forward.

# Next generation organisations

## Why Intelligence?

“Because innovation starts with deep conversations.”

## Why Adaptability?

“Because innovation needs to be kept in motion to give great ideas the chance to succeed.”

## Why Collaboration?

“Because innovation occurs in teams and all teams are not created equal.”

# Changing the culture

Inertia, lack of funding, no appetite, and complacency; as innovation experts we've come across numerous reasons why culture change didn't work. And in many instances the root cause of failure is that businesses try and start part way through the process. An innovation culture is not some bolt-on addition to whatever else is around, it is a root and branch approach, which touches every person and every interaction.

To profoundly change culture in pursuit of innovation requires a systematic approach. My methodology for helping clients drive innovation culture is specifically structured into 3 stages; working through **'Establishing'** the right strategy, **'Enabling'** innovation leaders' before finally **'Embedding'** an innovation culture. The change can be instigated in tandem with existing processes but any organisation which cherry picks certain departments for innovation and leaves the rest is not going to succeed.

Taking a structured approach enables CEOs and senior teams to create the innovation vision, to align it to corporate strategy and to give it clear direction and purpose. Adopting an innovation culture then requires the leadership team to be clear on the behaviours required of them; to embrace the move away from the traditional 'management' approach towards a more entrepreneurial style of operating. And finally it means building a culture that pulls innovation from every corner of the organisation, from every employee, from every level.

Only then can organisations move on to be innovation-led entities, capable of turning powerful ideas into commercially viable improvements, products, services or experiences quickly, consistently and sustainably.

## A pragmatic approach to CREATING INNOVATIVE ORGANISATIONS

### The 3Es Innovation Methodology™



#### ESTABLISH

...a future-focused **innovation-led strategy**; defining how innovation will drive your organisation forward, deliver growth and shape the future.



#### ENABLE

...CEOs and senior teams **to become innovation leaders**; able to translate the future vision and innovation strategy into action and behaviour.

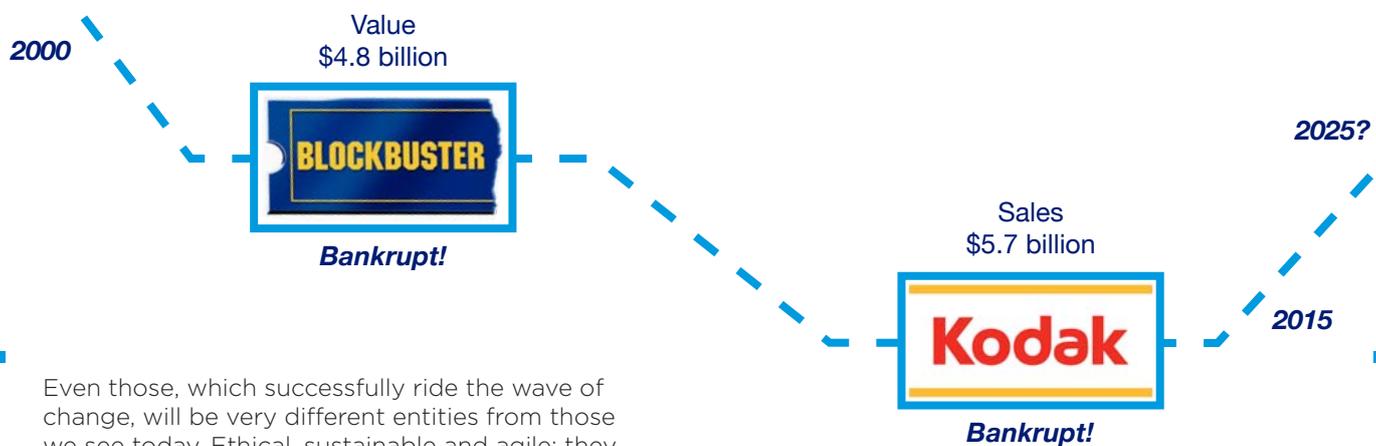


#### EMBED

...innovation into **organisational culture**; so that game-changing innovation capability simply becomes part of 'how' you do things.

# And finally...

The recession saw some organisations which were seemingly rock-solid institutions swept away in the tide of change. By the time we get to 2025 we will undoubtedly see more companies fall as they fail to keep up with the pace of change or fail to adapt their business model to take advantage of new technologies, new ways of thinking and changing customer and consumer demands and behaviour.



Even those, which successfully ride the wave of change, will be very different entities from those we see today. Ethical, sustainable and agile; they will constantly look for change, for new ways of leveraging technology for the good of all. Providing exceptional levels of customer service they will work with customers to co-create and co-innovate products, services and experiences for the benefit of those customers, communities and the wider world. By then Generation Z will have grown up and will be leading the charge into the future. How many of the predictions made today will come true; I don't know but what I do know is that together we have the chance to shape the future and build exceptional organisations that succeed through innovation.

# About the author...

## Cris Beswick

**Strategic Advisor on Innovation,  
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Originally trained as a product & industrial designer, Cris spent over a decade as a successful entrepreneur & CEO building an award-winning strategy & design group.

He is now a strategic advisor on innovation, recognised globally as a thought leader on innovation strategy, leadership and culture and has helped some of the world's most ambitious CEOs, visionary leaders, Fortune 500 companies and Governments solve their most complex innovation challenges, develop game-changing innovation capability and build a culture of innovation.

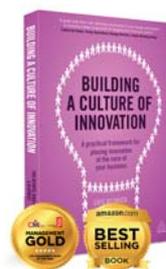
Based in London but working internationally Cris is a Visiting Fellow and Professor at several of the world's leading Business Schools and a regular keynote speaker at global innovation and intrapreneurship conferences.

Cris is also the author of two books on innovation, 'The Road to Innovation' and 'Building a Culture of Innovation', an amazon bestseller and voted one of the CMI's top books on innovation in 2017.

He is also the co-founder of innovation thought leadership website 'The Future Shapers', which brings together a global network of innovation experts, thinkers and practitioners to provide world-class perspectives on the challenges of driving innovation in a VUCA world.



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C O N S U L T I N G

To find out more about how you can become an innovation-led organisation, get in touch for an initial discussion.

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