

Grand Strategy: Perspectives on Strategic Foresight

LECTURE 1

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Strategic foresight

- Strategic foresight is an organizational, social, and personal practice that allows us to create functional and operational views of alternative futures and possibilities.
- Through this process organizations are better prepared for potential threats and are able to capitalize on hidden opportunities. While no one can predict the future, foresight allows us to mine the external environment for trends and issues and leverage those insights to create maps of the emerging landscape.
- Although strategic foresight is a discipline, it is most effective when utilized as a philosophy that runs in the background of an organization. It should not be an app, but rather an operating system that enables all other processes.

Strategic foresight

- While companies can still have a good understanding of changes occurring within the next two to three years, looking at longer-term changes becomes more difficult. As you expand the time horizon, possibilities multiply, and a variety of possible futures emerges.
- One important activity is to identify the **plausible futures**. After that, an organization should identify the **probable futures**, those most likely to come about. To do that, it is important to identify the key drivers of change and monitor them systematically.
- Then, some organizations may have a strong vision of their preferred future and will take action to influence developments in order to increase the chances of that future becoming true.

Evolution Cum Agency (Gavetti & Menon)

- **Evolutionary View: Preadaptation**
 - Competitive dynamics vs. long-term
- **Cognitive View: Analogical Narrative**
 - Experience as a source of judgment (Scoblic)
 - Imagination as a source of judgment (Scoblic)
 - Credibility vs. framing contest (Kaplan)
- **Economic View: Positioning Narrative**
 - Optimization vs. aspiration

Role of confluence

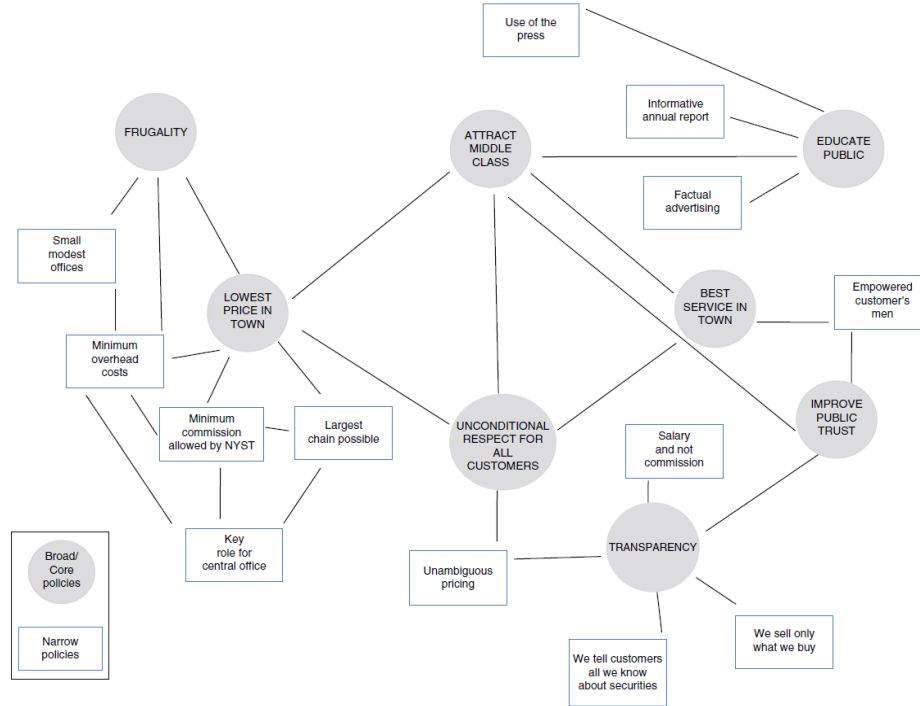
Role of confluence

1. Urbanization
2. Increased wealth



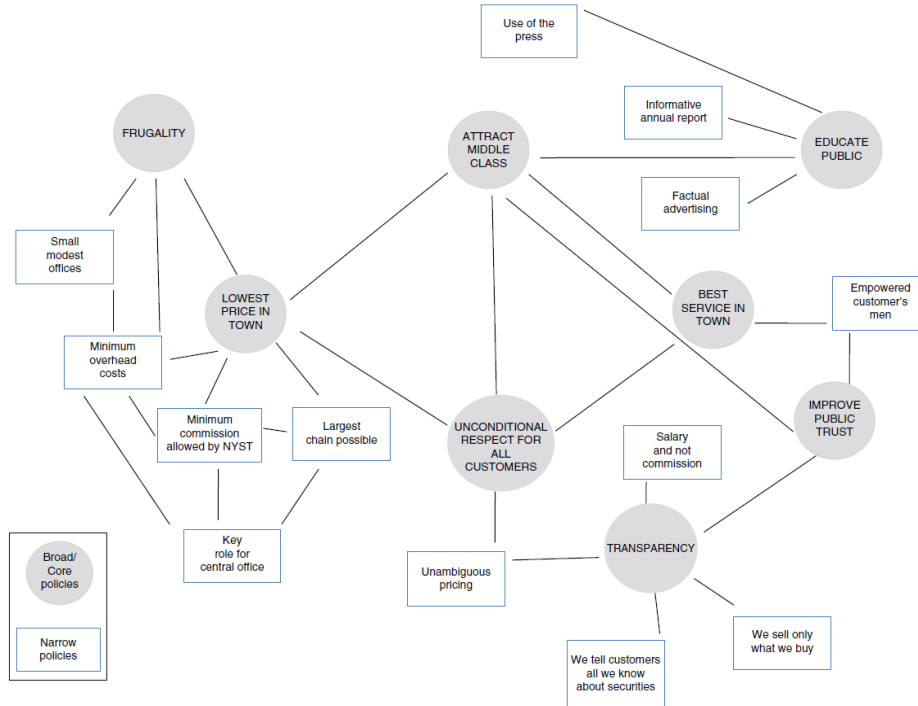
Evolution Cum Agency (Gavetti & Menon)

Figure 1 (Color online) Charles Merrill's Strategic Representation in April 1940



Evolution Cum Agency (Gavetti & Menon)

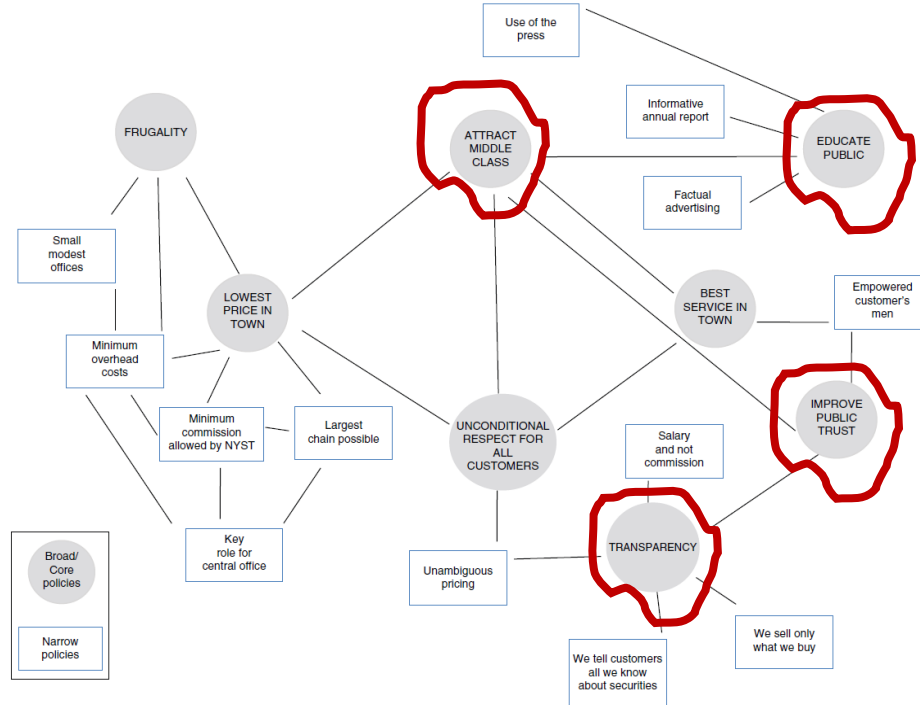
Figure 1 (Color online) Charles Merrill's Strategic Representation in April 1940



Wall Street Crash of 1929

Evolution Cum Agency (Gavetti & Menon)

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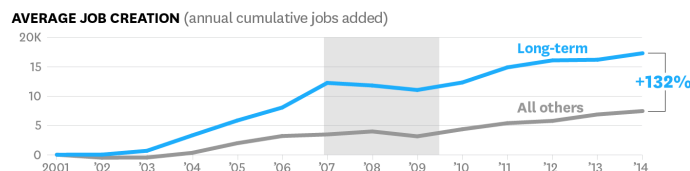
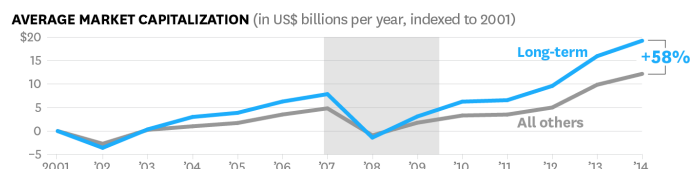
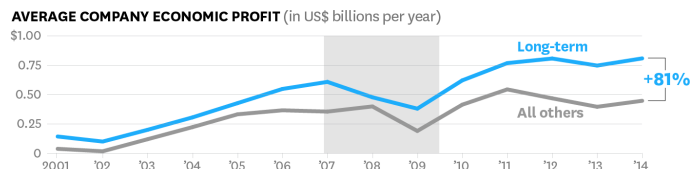
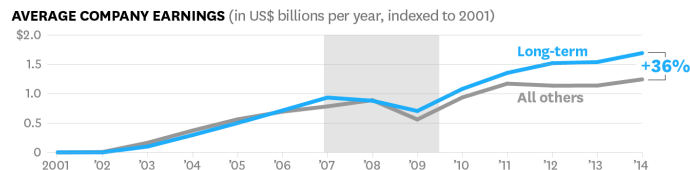
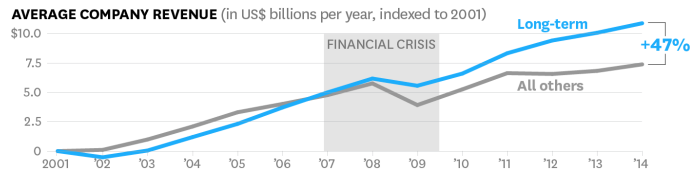
How strategic foresight can help companies (Demos)

1. Foresight displays knowledge gaps for market research
2. Foresight leads to recruiting new people and capabilities
3. Foresight reveals who to create strategic partnerships with now and in the future
4. Foresight shows where to create strategic experiments
5. Foresight results to a creation of a new company for strategic learning and future profits
6. Foresight identifies when and where to move for M&As
7. Foresight sparks a new strategic direction for the company

Where long-termism pays off

(Barton & Manyika & Keohane & Williamson)

The Data: Where Long-Termism Pays Off



SOURCE MCKINSEY GLOBAL INSTITUTE
FROM "THE DATA: WHERE LONG-TERMISM PAYS OFF," BY DOMINIC BARTON,
JAMES MANYIKA, AND SARAH KEOHANE WILLIAMSON, MAY-JUNE 2017