

the WATERCOOLER

straight talk on strategic issues®

volume 5 issue 3 january/february 2011



Dr. James Canton
Futurist, Author, and
Visionary Business Advisor

Trends Expert



It's 2011, and it's no surprise that the major shift in the marketplace is the tectonic transformation we've been watching for more than five years: the Internet as a channel for reaching consumers, creating a new ecosystem in the marketplace for communicating in a real-time innovation economy.

There is an overwhelming "innovation juggernaut" of new technology exploding onto the scene that is redefining the fundamental relationships between customers, organizations, channels, vendors, hirers, and the market, and it's making traditional marketing obsolete. Leading companies are shifting advertising away from usual channels like TV and print ads to communications like Twitter and Facebook. Technology will go beyond social networking and become a true on-demand innovation economy through cloud/mobile computing.

And nobody is ready for this. It's the end of business as usual, and many organizations are not geared up for how fast the innovation is emerging. Sadly, most are operating as they did in the twentieth century – with some functions still stuck in the nineteenth! Most are still dealing with old legacy systems, HR-based writing, and theories of learning that are a hundred years old. Even R&D groups are hierarchal and paper-driven. Companies will have to re-examine their reason for being – literally what they do and what value they bring that people will pay for – and then transform themselves. That transformation will be tested in 2011.

Continued on page 2

For the past 25 years, I've told leaders that they need a new agility that is more predictive and anticipatory. They must be more like futurists – more attuned to online, cloud-based services that enable skill development and the ability to empower people. This is critically important for organizations because the key driver of success is not just innovation – it's talent. Currently, most people don't have the right kind of skills and capabilities to meet the challenges of the aggressive shift to a global, connected economy. We've all been concerned about the sustainability and viability of our organizations rather than being predictive.



TOP TRENDS in the Business Marketplace for the New Year

Traditionally, an organization's focus on training is for leadership, team building and communication skills, business effectiveness, and such. I'm not saying that we should discard these, but instead that we recast them in light of the new paradigm and focus them on managing complex systems.

25% of most organizations may not have the "future readiness" and agility needed to survive.

We are currently not doing a good job of managing complexity. We need people who understand how to manage complexity

at a high level, given the transformation in business and the dynamic global economy. If an organization is to be successful, its leaders must understand the fundamental explosion that is happening in organizations in terms of globalization, complexity, and innovation. The chief concern is the forecast that 25% of most organizations will not have the culture of readiness, or "future readiness," to respond to this challenge and may not be agile enough to survive.

Within organizations, we need to create knowledge banks in cloud computing. Our key trends, every application, program, training, capability, storage, virtualization, and modules should all be up in the cloud. Cloud-based knowledge management will be very important. This is a big transformation. Some organizations are future-ready for this; some think they're still moving paper. Cloud-based knowledge management related to training is very important.

My challenge is for people on every level of your company to be on the leading edge. Don't wait for your competitors, investors, or customers to wake you up to this! You be the ones to lead. 🌱

Dr. James Canton is the author of The Extreme Future: The Top Trends That Will Reshape the World in the 21st Century, and Technofutures: How Leading-Edge Innovations Will Transform Business in the 21st Century. He is CEO and Chairman of the Institute for Global Futures, a leading think tank that advises business and government on future trends.

For more about Dr. Canton and the Institute for Global Futures, go to www.globalfuturist.com.

In terms of managing people, these are the key trends Dr. Canton sees for 2011:

1. **Recognizing that we need to keep our workforce whole.** Organizations have adopted a new norm: to attempt to get more out of people with less. This is not a sustainable business strategy, and nobody is talking about it. It's the elephant in the room. Unfortunately, leadership is so terrified of losing their own jobs that they become complicit with this conspiracy. As a futurist, my job is to remind leaders that it's not sustainable to burn out your workforce or believe that they should be working as hard as you're working with fewer teammates. This is simply not a sustainable future-focused strategy.
2. **Guaranteeing a better life balance for people.** For an organization to deliver on high performance with exceptional teamwork to create quality products and services, it needs the best people. If talented people are let go because of budgets, leaders need to manage their expectations down, not up, or they will lose people. Starting this year, the economy will be recovering. There will be a mad rush to hire top talent, and the best people will leave rather than getting burned out. The U.S. is actually experiencing a "brain drain," in that top people are realizing that they can make more money and have a better quality of life in Europe or Asia. American productivity and innovativeness are valued around the world, but we are failing to balance quality of life, realistic expectations, and the spectrum of productivity.
3. **Bringing training into the 21st century.** What leader would go to the IT department and say, "I need something programmed in COBOL"? But when we look at the way we train people, we see that we're using the same systems as 25 years ago. It's time to devote more innovation to training people using media they are familiar with, like Second Life-type tools and game technology. Many markets have adapted their culture in this way. Healthcare is a good example. Young surgeons all grew up playing computer games, and this is what they're using in the operating room – robotics, combined with true surgical expertise. We need to rethink the competency opportunities we are providing. We don't need to throw everything out, but rethink it in terms of more up-to-date technology.
4. **Learning about new ways of thinking.** New discoveries in neuroscience tell us that 70% to 80% of behaviors are unconscious motivations. Leaders and trainers need to gain the ability to bring new concepts like brain plasticity and multiple kinds of intelligences to the business to increase learning and manager development. This is the year to get more involved in introducing these ways of thinking and using their possibilities in new learning opportunities.
5. **Preparing for the digital tsunami.** In every vertical industry, we'll see an explosion of digital information – not just data but video, audio, pictures – that organizations will have to make sense of. All of our customers are on social networks, and we'll need the ability to manage this in organizations. How do we sort through all this and integrate it into our learning systems? In a world where you can Google a site, pay \$300, and map your own genome, what can we expect? We will need to work with all kinds of new information about many new and different areas. It's going to be a tough year to manage information.