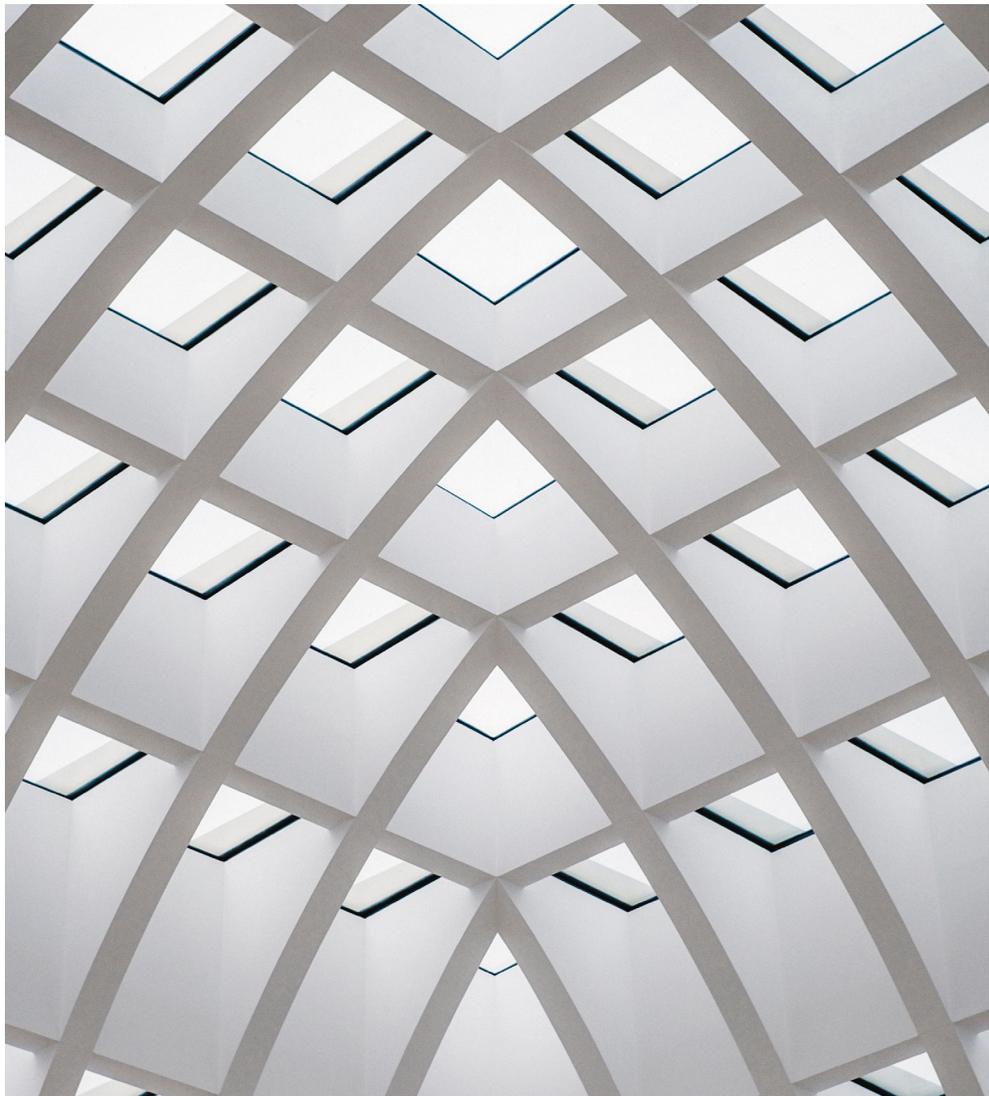


# Cultural Foresight: Building More Attractive Business Futures



# **DON'T BE STUPID. LET'S KEEP IT SIMPLE. TO RUN A SUCCESSFUL BUSINESS, THERE ARE ONLY TWO QUESTIONS THAT A CEO NEEDS TO ANSWER: WHERE TO COMPETE? AND HOW TO COMPETE?**

---

The frustrating thing is that neither of these questions is simple to answer. In fact, there's nothing simple about them. They are among the oldest business questions. They're big, difficult, meaty challenges to overcome. They romance best-seller buyers with the latest shiny new bullshit business book. And they make and break CEO careers on the regular.

In these questions, "where" could be anything from what global market to invest in for expansion to where in the grocery store you think your fresh new sausage stands the best chance of getting noticed and sold. And "how" could implicate any number of possible candidates from organizational culture to innovation methodology to supply chain logistics.

Good CEOs know this. They understand the intricate and interconnected complexities of their business and what is or is not working for them today. That's what they spend every day on. Better CEOs know something more. In addition to immediate challenges, they understand that "where" and "how" should be asked as much about tomorrow as today. Whether sausage or something else, they seek to prepare their organizations for the unknown challenges and opportunities of two, five, ten or more years from today. They look to the future.

How do they look to the future? Well, lucky for those who are not part of that 1% who naturally, magically or otherwise have an uncanny ability to imagine what might come next and, in the most inspirational way possible, make it a reality, there's now an entire industry wing in consulting dedicated to this nebulous topic of the future.

The choice of consultants available to organizations seeking to prepare themselves for what might be next and/or hoping to gain an element of surprise over their competition when that next arrives is still in its semi-nascent stage as a commercial offering. You have the trend hunters, Internet hipsters who give clients a peek into their

bookmarks to learn about what's hot and what's not as supposed innovation guidance. Then, you have the futurists and foresight folks. While there is some contention over titles – foresight tends to critique futurists for being too predictive – the difference between the two, if any, has become blurry. Both conduct desk research to identify weak signals of change on the horizon, present their clients with a litany of those signals and hope that they know how to navigate a way forward with no map, just a bunch of semi-random signs along the way.

Then there is a small population of future consultants that lines the way forward with signs of what might be while also providing a more informed map towards tomorrow. That map is culture. Some academics, such as Nicholas A. Christakis from MIT, go as far as calling culture the first artificial intelligence. It is all that knowledge that resides in and outside us and remains 'in the air' even as we disappear. It guides us so that we don't constantly have to make decisions about everything. Culture creates rules and predictability by which we can go about our lives partially on autopilot.

Culture is what you and everybody you know lives in and operates in every day of your life. It is a big and complicated concept, one that anthropologists have developed in over 160 definitions since they first began grappling with it well over one hundred years ago. Wherever you choose to land in those definitions – maybe Edward Tylor's complex of belief, knowledge, art, morals, law and customs in a society or Clifford Geertz's webs of meaning and significance which we ourselves have spun over time – culture shapes it all: who we are, what we do, how we interact and perform, what we value and most of the whys in your business questions list.

To answer those big business whys, you must abandon typical market speak and start to understand culture: how your brand fits into it; what meaning, if any, you hold

in it; what value, if any, you have in it; what feelings, zeitgeists, movements, disruptions, innovations and ideas might be newly contributing to it, reshaping it or recasting your brand's meaning and value in it; and, as a 'provider' within the economy of this thing called culture, what does your company do for people? How would you articulate its real value to people?

Once you've wrestled with these questions – and that metaphor aptly describes the challenge and process of describing culture and your place in it – you are more prepared than ever before to abandon the product-driven innovation that produces solutions resembling others in the market or ideas that flop because they are disconnected from real market drivers. Now, you are ready to explore an approach to growth strategy based on perceptible circumstances, events and experiences of and from that thing which connects all consumers: culture. Call it culture-driven, phenomenon-driven, driven by social realities or, if you want to be a little more audacious, driven by social fact.

An example of a business opportunity area within this culture-driven space that most of us are personally familiar with is home. When we consider this consumer category and the many products, services and brands in its ecosystem beyond the basic approach models of innovation and/or design – exploring need, prototyping form and function, activating in the market through manufacturing, go-to market strategy, marketing etc. – our aim is to research, map opportunities and launch the design process in a way that both prioritizes the cultural and ultimately aligns with contemporary and emerging culture.

Of course, the home, like most sites of cultural constants, is not only contemporary and emerging, but also ancient. At the end of many, many grand quests to explore and perhaps find new homes in strange new lands, humans all over the world – since before they were even human – have adjusted to the environment presented to them by building homes. Other than satisfying basic needs of warmth, coverage and protection, these homes – shelters, dwellings, buildings, residences, places – also fulfilled high-level needs related to identity, culture and family.

## **THE CHOICE OF CONSULTANTS AVAILABLE TO ORGANIZATIONS SEEKING TO PREPARE THEMSELVES FOR WHAT MIGHT BE NEXT AND/OR HOPING TO GAIN AN ELEMENT OF SURPRISE OVER THEIR COMPETITION WHEN THAT NEXT ARRIVES IS STILL IN ITS SEMI-NASCENT STAGE AS A COMMERCIAL OFFERING.**

Some of those needs are shifting. Today, two forces, somewhat opposing, are creating new needs and new demands for homes: the first is that dense urban living is constraining the size of the average new home, regardless of the type of home (house, condo, apartment etc.); and the second is that our homes increasingly need to serve more purposes than were required of them in the past. So how can we make new homes meet our rising expectations while also catering to our very central, ancient needs in a home?

At Gemic, before getting into anything downstream or design, we approach the front-end of challenges like this in five stages:

**1. Ask big, basic questions about the fundamentals**

So, what is a home? Is it:

A shelter from the environment and the natural world?

A place for social groups, families or others to live together communally?

A hospitality hub for entertaining social groups, families or others?

A residence with rules of behavior that have evolved over time through multiple actors?

The answer, of course, is Yes, Yes, Yes, Yes and more Yes. A home is all of these things and more. Certainly, there are many specifics about the meaning, value and use of homes that vary across cultures around the world. But as a concept, 'home' generally comes complete with examples of what can be called cultural constants, things like shelter, group living, hospitality, rules and more. Starting with an exploration of these constants gives your entire challenge or study and the solutions that should be a product of it an anchor in something that, like the name says, is constant. Regardless of the tide in current or emerging feelings, zeitgeists, movements, disruptions, innovations or ideas, these are all what a home is and what it will continue to be for a long, long time.

Those kinds of questions about the basic basics then begin to inform questions that probe the possible. Some of those might be:

What new needs arise with the multi-purpose, multi-function home?

How is the definition of 'privacy' changing for different people around the world?

What home features could help people transform and control their privacy and space?

How might privacy be disrupted by participating in sharing services such as Air BnB?

Questions like these ultimately set the foundation for the next step in these kinds of challenges; exploring the fundamentals.

**2. Explore the fundamentals in two ways**

As a futures exercise, any exploration of cultural constants should begin with the classic STEEP foresight model approach: Social, Technological, Economic, Environmental and Political. Like origin points from which weak signals of change typically originate and emerge from, these five lenses guide the desk research that reveals what is and might soon emerge as a new product category, service category, innovation, technological leap, brand, value, meaning idea, feeling, zeitgeist, behavioral change and so on.

In the case of the home, there are many weak signals of change, including:

**Global migration + relocation**

Global migration and relocation are at record highs. Currently, there are 232 million global migrants. That's 3.2% of the entire human population. In the past five years – and this is just a tiny sample – 24% of Americans, 26% of New Zealanders and 23% of Finns have relocated from home to elsewhere.

---

**CALL IT CULTURE-DRIVEN, PHENOMENON-DRIVEN, DRIVEN BY SOCIAL REALITIES OR, IF YOU WANT TO BE A LITTLE MORE AUDACIOUS, DRIVEN BY SOCIAL FACT.**

**Divorced spaces**

Divorced parents need to recreate spaces of home for their kids. The days of dad homes being an occasional weekend sleepover spot for the kids to visit are over. With over 51% of fathers seeking custody finding success in recent years of U.S. appellate cases, custody and the culture of the home are continuing to change.

**Home central**

Home is now a center of healthcare, education and economic production. Between A.I. planning to move in, the growing popularity of K-12 online education, the more than 3 million Britons who set-up a home-based business in the past few years and the fact that 30 million Americans work remotely once a week and 3 million never enter an office, home is not only where the heart is but often where everything else is as well.

**New urban economic order**

Major global cities are owned by a shrinking pool of increasing large players and nodes in global economy become concentrations of the wealthiest people on the planet. Owning real-estate is becoming increasingly difficult to common people and accessing ownership increasingly requires turning home into a revenue generating asset.

**Co-living as a service**

The frictionless service economy is extending to home space in the form of co-living service companies that enable young people's desire to lead lives without a long-term commitment to a place. These companies offer living solutions that provide a mix of personal and shared space, take care of insurance, furniture, internet subscription etc. while yielding higher returns per square ft. than a traditional rental model with fixed lease and extensive home-making practices.

These signals suggest that home as the site of a set of cultural constants is in some degree of flux, one that will leave those constants intact but undoubtedly modified by how our cultural lives (in and out of the home) are changing. How? These signals tell us that home is becoming increasingly less spatially fixed than before, less nuclear than before and less defined as a space with activities separate from those of the outside world than before. So, how do we more deeply examine these potential truths, the experiences they're creating, and their expression in today's world?

Well, once you have identified and articulated your cultural constants and your forces of change, it is possible to reframe them as dynamic and future-oriented questions and send someone to dive into them. There is no place for market research or its proponents here. This thing called culture is the territory of the original ethnographers; anthropologists.

Through anthropology and some of its similarly odd scholarly cousins in the social sciences – sociology, social psychology, anything ethnographic – your organization will be better equipped to study the phenomenon, changing social reality or fact in question from a vantage point that will best represent those people you call 'consumers', 'customers' or 'users'.

Regardless of topic, an anthropologist will know what to do and will do what they do: hang out, talk with people, watch them, do stuff with them, ask them about it, come home, consider those experiences, consider insights from the foresight work, and write up the overall experience in a way that helps answer those two CEO questions: Where to compete? and How to compete?

**3. Articulate opportunity spaces**

Articulating future-oriented opportunities should be based on a strong and logical point of view on how the ideal lived experience of cultural constants like, for example, home as a shelter from the environment and the natural world is being shaped by the forces that give rise to a new context in which people live their lives. After the project team of social scientists and strategists have agreed on its perspective, they must create a crystal-clear and actionable articulation of a market definition that accurately addresses the ideal experience of the people they have learned about. Smart companies know that concepts can be copied, but a unique articulation of a market definition can drive multiple value propositions and a constant stream of meaningful offerings while being extremely difficult to copy. Therefore, linguistic precision at this stage is very important, and corporate jargon should be avoided at all costs.

**4. Define a systemic way to address the value creation opportunity**

It is no longer enough for companies to address new value creation opportunities by their offerings alone. Increasing-

## IN TIMES OF CHANGE LIKE THIS, SMART COMPANIES GO BACK TO ASKING FUNDAMENTAL, EXISTENTIAL QUESTIONS ABOUT THEIR ROLE IN THE WORLD.

---

ly, value is being captured by those organizations that have developed a deeply resonant philosophy that is openly practiced by developing, for example, a more sustainable supply chain or a powerful charitable wing of a brand. At Gemic we use a model called “The Six Pillars of Value Creation” to systematically align our clients’ operations with identified future opportunities. These are:

1. New core market definition needed to rally the organization around the opportunity
2. Production platform required to optimize the organization and external partners to address the value creation opportunity
3. Profit generation logic to address the opportunity cost of making the shift from old value creation paradigm to a new one

The other three pillars address the required steps to translate the opportunity to meaningful consumer value propositions and experiences.

4. Value proposition and a core experience that translates the identified opportunity into a contextually relevant consumer value
5. Cultural strategy surrounding the core experience – defining the deeper meaning of the value proposition and its potential to create a sense of having a positive stake in the future
6. Financial value logic – defining the way our value proposition is more appealing and more meaningful than that of the competition’s

### 5. Refine and build a blueprint

Now that you’ve identified your opportunity spaces, tweaked your organization’s mindset and built value propositions, it’s a good idea to move to more traditional research methods and design thinking approaches to refine the developed opportunities. Revisiting people’s reality today will also give us indications as to how we can ideally start building our way into the future by creating a road-map that connects our ideal future with what is possible today. This method, known as back-casting, is essential to master because very few companies are willing to revolutionize their business overnight. Also, many foresight projects leave too much room for interpretation. Providing baby steps to the future is a way to connect a bold future direction with what key people in the organization do today.

That we are living in an age of disruptive, tumultuous change and transformation should be clear to everyone by now. With innovations in A.I., robotics and driverless cars alone, we are seeing a greater acceleration towards tomorrow than ever before. For some people the speed can be scary. For others, it’s exciting. For business, it creates enough uncertainty that it can immobilize the ability to plan, never mind activate or execute.

In times of change like this, smart companies go back to asking fundamental, existential questions about their role in the world. They craft a unique market definition by asking foundational questions like ‘what is home’? They consider

all inputs, past, present and possible future. They design to support ways of being in the world. They don't just jump on a technology hype cycle because it's the latest. They build confident value propositions with a strong point of view on what truly matters to people. And in this era of endless hype, they understand what it means to be human and how to augment that.

Do you?



**GEMIC**  
REIMAGINING MARKETS



---

For more information about Gemic and how we might be able to help you with your biggest existential business challenges please visit [www.gemic.com](http://www.gemic.com) or contact Johannes Suikkanen.

Johannes Suikkanen  
johannes@gemic.com  
212.961.6515

---