

# The Changing Landscape

## Mary O'Hara-Devereaux Shares Insights on the Future

Wondering what the future holds? Futurist Mary O'Hara-Devereaux, who will be the keynote speaker at ASSE's safety management symposium this March, shares her insights and offers some tips for succeeding in a dynamic business environment.

Forecasts of any kind, be they weather, economic or politics, often elicit some level of skepticism. After all, who can really know what the future holds? Yet, looking ahead and pondering the future has a definite allure. Who wouldn't like to know how things will look in 5 years, 10 years or 100 years? And even though the predictions may not be completely accurate, as French mathematician Henri Poincare said, "It is far better to foresee even without certainty than not to foresee at all."

So thinking about the future and having some idea of what to expect can certainly help us prepare better for what's to come, particularly since it will likely look much different than today. "The future will not look like the past," says well-known futurist and business forecaster Mary O'Hara-Devereaux, who will deliver the keynote address at ASSE's upcoming symposium, Delivering Safety Results in Changing Times, March 11-12 in Scottsdale, AZ.

### Disruptive Innovation

Just what moves society along this journey toward the future? One huge factor is disruptive innovation—big changes that disrupt trends, O'Hara-Devereaux says. "We are always in a period of disruptive innovation, beginning, middle or end" she explains. "Change always comes from something."

She points to the Bronze Age, when writing emerged, as an example. "Writing changed the economy, society, the identity of human beings. When you have something as disruptive as writing, and it becomes widely adopted, life becomes very different," O'Hara-Devereaux says. "In the 5th century B.C., it spawned all kinds of accounting tools, it changed trade, it changed how people exchanged information. Such changes cause the economy to go through a structural shift."

According to O'Hara-Devereaux, the current cycle of disruptive innovation began in the 1950s. Changes in information and communication technologies, sci-

## Economic Recovery on the Horizon?

While the recent financial meltdown and fears of a global depression are now in the past, "expect a long, flat bottom through 2010 and anemic recovery through 2011," says O'Hara-Devereaux in her October 2009 economic forecast. In looking at what's next, she offers these insights.

### Road to Recovery: Still Getting Worse

- After continued decline in 2009, housing prices will flatten. Mortgage rates will remain low in 2010, and residential foreclosures will continue to rise.
- Unemployment will peak mid-2010. Extreme pain is experienced by the historic 27% who have been unemployed for more than 6 months, the highest since 1948.
- The number of uninsured people will continue to rise.
- Commercial real estate and building get worse through 2010.
- Credit conditions remain challenging especially for small business.

### Road to Recovery: Getting Better

- Consumer confidence will improve, but this will not be a consumer-led recovery.
- American savings rate rises to 8% in 2010. This will not help the economy, but it will help repayment of the long-term debt.
- Fewer job losses will occur (still losing, but becoming much less).

- Stock market will see less volatility and bottoming out, but no huge rebound is on the horizon.

- Look for slight positive growth in GDP in 2010—0.5% to 1%.

### Uncertainty in the Long Term

- What will be the shape of the recovery? A flat bottom U is most probable but a W, a double dip recession, remains a possibility.
- Will financial markets have the resilience and structure to support growth (U.S. and globally)?
- Will it take 10 years to recover to 2007 highs in the stock market?
- Will the massive U.S. deficits get managed down quickly enough?
- What will be the impact of the recent recession on Social Security and Medicare?
- What will be the stability and utility of the dollar globally?

### Preparing for What's Next: Businesses

- Take advantage of relevant aspects of the American Recovery and Reinvestment Act.
- Expect big shifts in how and what customers buy. Learn about their new business models.
- Retool your value proposition to match the new era.
- Swap out talent, matched to your new value proposition.
- Define global opportunities.

ence, biological engineering, and environmental and energy technologies have all had a profound impact. "When this cycle of disruptive innovation started, labor was the main driver of the economy. You couldn't scale a business unless you added people," she says.

"New technologies have allowed business to be scaled and grow without adding people. The new technologies allowed capital and people to flow around the world. That is a structural shift—when you no longer have to have people to help drive growth in business." It also allows for distributed organizations, which fosters globalization.

These structural shifts signal an end of the old, a

transformation that is disconcerting to many because it is a time filled with unknowns and discontinuities. "When this happens, we fall into the Badlands. The old goes away, and we haven't made up the new." O'Hara-Devereaux says the Badlands metaphor fits because it's a "confusing landscape, both beautiful and hostile. There are as many opportunities as threats."

During this transition, much gets destroyed, O'Hara-Devereaux says. "Once the economy fails the social systems also fail. Education, healthcare, government, the criminal justice system. The big challenge of the next 15 years will be to rebuild these systems. This has great implications for any industry or group of people."

### Leading the Way

O'Hara-Devereaux predicts we won't emerge from the Badlands until 2025—and it likely won't be with many of today's business leaders still in place. "Many of them are what I call toxic leaders. They are opportunistic and out to create wealth. There is tremendous greed and corruption. And new groups of these leaders keep cropping up. That's why we are not out of the Badlands yet."

But people are afraid and have no idea what's going on, so they support these leaders. "People fall for the 'stick with me and you'll be okay' message," she says. "But toxic leaders lead with illusion, not with vision. They are driven by ego and corruption and a quest for wealth. Ordinary people don't realize this and they collude with these leaders to keep them in place." In their place, "we need creative, courageous leaders," she says.

### It's About Relationships, Really

One of the most important skills for leading in the future will be the ability to connect with people,



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For more than 25 years, she has been forecasting social, technological and economic trends and sharing insights on how their intersection affects organizations and leaders. O'Hara-Devereaux holds degrees from University of Michigan, University of California and Fielding Graduate University.

Her keynote address, "Extreme Transformation Ahead!" at ASSE's *Delivering Safety Results in*

*Changing Times* symposium, slated for March 11-12 in Scottsdale, AZ, will examine how radical shifts are reshaping the business world, economy and society—and what these changes will mean for businesses in the future.

to build strategic power networks that advance goals and initiatives. This signals a big change. "It used to be that the power and knowledge in organizations flowed from the top down," O'Hara-Devereaux notes. "In the knowledge economy, the large amount of innovation and the distribution of work make top-down control impossible."

Recognizing this means understanding that today's organizations function more through social networks than along traditional pathways and reporting structures.

"The traditional organizational map is hierarchical," she explains. "Today, it's more important to know who is connected to whom, who is controlling the flow of information and resources, and who are all the different people connected to them. Knowing and managing that is how you bring about change in organizations."

The true power of these networks is the collaborative environment they can create. Leaders must recognize that they can no longer be loners. "You can't be a solo flyer anymore," O'Hara-Devereaux says. "You can't simply rely on facts. It's not just about knowledge. It's about the ability to work with people creatively, which is much different than execution. We need new ideas."

Choosing the right people to help get an initiative through is critical as well, yet it is a process that people often downplay or overlook. "Usually we choose people we know to help, but those people may not have the skills necessary to get the initiative done and they may, in fact, thwart any change. The skill is to create networks that really help you move your initiatives forward. Networks must work for not against innovation."

It is also important to recognize that many of these networks are temporary, constantly forming and

changing based on needs. O'Hara-Devereaux has coined the term *Velcro relationships* to describe this process. "You have to learn how to meet people and add them to your network in a way that they will contribute social capital and actually help you achieve your goals. Essentially, you need to bring people together and attach tightly, but accept that you can break apart without damage."

Building and maintaining relationships are also important to career advancement. "Today, how you get jobs is through networks. You have to know people, you have to get introductions," she says.

This shift from long-term relationships to a model that is more flexible and more temporary has left many feeling disoriented, O'Hara-Devereaux adds. It is also reflective of changing workforce demographics.

"Baby boomers didn't grow up with these networks so they often fall back to authoritarian approaches. Gen Y'ers, who are age 13 to 32 today, are embedded in their networks. They use networks all the time to make their lives work." It's interesting to note that 2012 will be the crossover year when it is expected there will be more Gen Y'ers in the workforce than boomers.

## Getting Ready for What's to Come

To prepare for the future, O'Hara-Devereaux offers several principles that

leaders can apply to survive and even thrive.

1) Scan, scout and steer. Leaders must remain flexible and adaptable, scanning for shifts and scouting for opportunities while nimbly steering themselves and their organizations around sudden pitfalls. This peripheral vision is not optional, she explains

2) Act with integrity. Integrity is the capacity to remain integrated, coherent and ethical under the pull of entropy, uncertainty and disorder—conditions that are always present in the Badlands.

3) Seek collisions. Innovation requires optimal diversity and the belief that weird ideas can work. Leaders must choose pathways that will provide surprising encounters with outsiders, and even competitors, who see the possibilities not visible to them.

4) Learn rapidly. Enlightened trial and error constitutes a critical pathway for accelerated learning. Reflect on the fly by engaging in many experiments, knowing there will be interesting failures from which to quickly learn and then move on.

5) Innovate radically. Fast, furious creative destruction in the current environment creates "white space," demanding that some portion of your innovation portfolio be radical enough to leapfrog ahead and get to the future first.

6) Engage cultures. You can get in alone but you can't get out alone. Alliance webs cross multiple cultures and mark organizations that thrive. You must be able to create a robust intelligence web by learning enough about other cultures to share profitable leadership.

7) Make decisions fast. It is critical to

## Four Laws of the Future

- 1) If something is unsustainable in the long run, it will come to an end.
- 2) If something big is going to happen, it has to start somewhere.
- 3) People overreact to short-term ramifications of innovation but underestimate its long-term effects.
- 4) Beware of conventional wisdom because it is usually wrong.

make decisions that accelerate action. It is better to act, evolve and move on than it is to sit idle. To build trust and launch action, simplify the complexity by communicating goals in clear, common terms.

8) Execute with discipline. Great ideas married to poor execution can be fatal in this environment. Close any innovation gaps quickly to build a resilient organization able to masterfully execute with focus and aplomb repeatedly.

She also recommends less of a focus on today's biggest problem. "The solutions we come up with for such a problem may not be very useful in 3 years," she says. "Instead, ask yourself, 'So what if we solve this?' What's a better return on investment, being more creative and developing what we really need or trying to keep patched up what doesn't work today and is usually very costly. Put the majority of energy into longer-term issues."

Perhaps most important, O'Hara-Devereaux says, is to be a habitual learner. This is particularly important in an era where enormous amounts of new knowledge are being created. "Old knowledge and ways become obsolete continuously," she explains. "If you are an engineer trained 20 years ago, much has changed in your field. It's important to know what you know and to have that firmly held. But it's more important that you continuously learn at a deep level. You must add complex knowledge that replaces other knowledge. You must have an appetite for learning all the time."

## So What's On the Other Side?

How will things look on the other side of the Badlands? No one can say for sure. O'Hara-Devereaux suggests one possibility, though, recalling that the Middle Ages were followed by the Renaissance.

"This happened because they had so much innovation and so much new knowledge. That is similar to today. We are creating enormous amounts of new knowledge, new science and new understandings." As Oliver Wendell Holmes said, "The great thing in this world is not so much where we stand, as in what direction we are moving."

## Strategic Power Networks

Building strategic power networks is a skill future leaders will need, O'Hara-Devereaux says. She offers these eight steps as a starting point.

1) Embrace your power source. Recognize where your passion and ability come together.

2) Reveal your context—trade up. Your personal context is your belief system. It puts boundaries around everything you think and do. Does your current context support or hinder what you are trying to achieve?

3) Create your inner circle. Create a board of advisors who have relevant social capital that you can borrow from to launch and sustain your initiative.

4) Master the art of the *deep bump*. Put yourself in situations where you will bump into strangers. Learn how to engage them in 30 seconds and prime them so they will want to take your call the next day.

5) Increase weak ties. Weak relationships can be useful—and you will need more weak ties than strong ones to accomplish your goal.

6) Weave a web of influence. Do you know who has what power to influence at what time? Weave and morph a web of influence as achievement and milestones occur.

7) Spend social capital. Master the art of spending your social capital at the right moment for maximum impact.

8) Scan, scout and steer. Scan for openings through which you can push forward, scouting for the weak ties needed for success and steering toward the result repeatedly.