



*“I skate to where the puck is going to be, not where it has been”*

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A practical guide to

# winning the future\*

Calling all CXOs to join us on a 6-part journey as we walk you through the Why, What & How of “Winning The future”.

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\* **Winning the Future a.k.a :**

Long Range/Term Planning, Strategic Planning, Future Forward Planning etc.

# Introduction

We are bringing you a curated mix of principles, frameworks, approaches & examples from our “Winning The Future” practice to help you gain insights into “predicting the future”. At the end of the 6 parts, you will be able to help your business get better at “Winning The Future”.

## Here’s a quick view of the parts:

 <p>1. Today</p>	 <p>2. VUCA world, “So, What?”</p>	 <p>3. The Future Forces of Change - Explainer</p>
 <p>4. The Future Forces of Change - Example</p>	 <p>5. The Future Forces of Change – Impact</p>	 <p>6. The Framework, why it works + Bonus example.</p>


## At the end of the 6 parts, we will have laid out a compelling case for:


- ❖ Why “winning the future” must be critical piece of any organizations’ planning process.
- ❖ What can make the planning process meaningful, collaborative, cohesive & most of all productive?
- ❖ How & why does the approach work.
- ❖ What can you do to help your business to “Win The Future”.


## Part – 1 - Today


**So, what common between Dupont, Colgate, JP Morgan, Kongo Gumi & Cigna?** These names belong to a very select & elite group of companies that have been in business for 200+ years. All of them have been through the great depression, the great wars and many other tumultuous events of the past. Yet, they stand tall today & that’s simply because they focused on “winning today” & “winning the future”.

### The “Here” & “Now”

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Most successful businesses are good at managing the “now”. To a certain extent most companies also manage the short term (18-24 months) “next” well. This is great, necessary & critically important to stay in business but certainly not sufficient.
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Excessive focus on “now” starts becoming a problem when there’s not “enough gas left in the tank” for thinking & working on the “next”. It’s the classic adage “so busy driving that they forgot to fuel up”.
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The examples that illustrate this paradigm are countless. Most of us can identify with Blackberry that went from 99% global market share in mobile devices to 0% & there is Kodak & Nokia & many more. All of these are examples of global greats who saw change coming but refused to acknowledge it at their own peril.
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So, while planning & making sure the “now” works great is necessary, it is certainly not “sufficient” for organizations to be ready for “Winning The future”.

**For business to grow & thrive, today & tomorrow, it’s critical to find an optimal balance between the now & the next...to meet the both the necessary & sufficient conditions for long term success & growth.**

## Part – 1 - Today

For business to grow & thrive, today & tomorrow, it's critical to find an optimal balance between the now & the next...to meet the both the necessary & sufficient conditions for long term success & growth.

**In all fairness, many organizations do engage in what would be deemed “Long Term Planning - LTP” with a focus on what’s “next”. However, in many instances, these long-range planning exercises tend to have 6 major short comings:**



### 1. Tomorrow = Today on steroids

Predicating the future (mostly) based on past. This assumes that tomorrow is built on an image of today. Not necessarily wrong but not necessarily right either. This approach does not appreciate key items of what's needed to “win the future” like:

- > “Holy Cows” of the yester years c/would be unnecessary burdens of tomorrow.
- > Resource allocation of yesterday cannot be the one that creates value tomorrow.
- > Pockets of growth & profits of yesterday will not be the same tomorrow.

**Looking at the past to predict the future is the equivalent of looking at the “rear view mirror” while driving forward.**



### 2. Zoom in /out

Lack of process robustness that optimizes “zooming out” to see the larger picture & only then start “zooming into” details & specifics.



### 3. Information overload Vs connecting dots

The other critical areas where LTPs tend to fall apart is finding that balance between bringing in loads of information to predict future outcomes Vs “connecting the dots” from diverse existing information sources to create a meaningful picture of the change patters of tomorrow.



### 4. Silos Vs seamless

Most LTPs, even in the biggest & best corporations, tend to get created in silos & “somehow” stitched together at the last minute to showcase a view of the future. In most cases LTPs are not created “natively seamless”.



### 5. Internal focus & established biases

Many LTPs are created internally with people well healed & entrenched in current practices & methods. This means the process, by design, has a lot of inward focussed biases & most likely lacks a robust “outside<>In” perspective.



### 6. Outlook that's too short or too long.

LTPs also run into time scale issues with most organizations creating plans for the next 3 to 5 years with a tremendous amount of focus on the outcomes for the immediate three & a broad brush /strawman for the last two. Then there are organizations that become, too ambitious & try to chart the way forward for the new 100 years. Neither approach is optimal & are unlikely to create meaningful long-term value.

Usually, LTPs tend to have too much of one or the other – too zoomed out or in, low on Outside <>In perspectives, connecting dots Vs information overload. As a result, organization sometimes completely discard the LTPs claiming the situation & context has changes substantially for the LTP to be meaningful anymore or modify them so substantially that they go back to being plans for the “here” & “now”.

- ❖ All of us know & understand that the “Tomorrow will disrupt today”. That's the nature of change. Businesses that intelligently invest time, effort & energy in deciphering the forces of change, write their own future & those who don't, over time, vanish.
- ❖ Organizations that spend quality effort in understanding & charting the Future Forces Of Change create pathways for their people, products, systems & processes to stay ahead of competition as well as understand & exceed consumer needs through creating a blueprint for long term value creation & success. This is “Winning The Future”.

## Part 2: It's a VUCA world



### Volatile:

- ❖ We live in a world where change is the only constant. This is certainly not new & past generations, in their own way, have experienced large changes way back from when the humankind invented/discovered fire, the wheel, agriculture and in more modern times electricity & the automobile. All of these were transformative changes & societies adapted, reorganized and thrived to assimilate these changes into everyday live
- ❖ What's new & interesting today & what makes today's change qualify as "Volatile" is (i) the scope & (ii) speed of change. Think computes, internet, smart phone & now AI. These changes are "omnipresent & omnipotent" & have massive implications on everything humankind does, everywhere. Also, some of the impacts of these forces are known to us while others not so much & hence the idea that we live in Volatile times



### Uncertain:

- ❖ Every single one of us irrespective of where we live have personally seen/experienced weather patterns that are now billed "extreme weather events". These range from polar vortices to cloudbursts to forest fire storms
- ❖ This is just one of many vectors that creates major "uncertainty" in everything from agricultural output, to travel, to production to consumption to supply chains & more
- ❖ All of us also experienced a global pandemic which also impacted everyone in everyday lives in ways we could have predicted & many others which were completely beyond our imagination
- ❖ The world in general seems to be heading towards a lot more "Uncertainty" where predicting the future based on the past not only becomes harder but also increasingly error prone



### Complex:

Today's world is more complex than yesterday's & tomorrow will be even more. While complexity naturally grows with human evolution what's exponentially accelerated complexity in modern times is technology. Technology makes things go faster than the speed of sound, super computers calculate at the speed of light & soon quantum computers along with AI will create interconnectivities, process & platforms that even the creators of these systems will not understand fully. This is the "butterfly effect\*" on steroids scenario

*\*In the 1960s, meteorologist Edward Lorenz discovered the butterfly effect and defined it as "The butterfly effect is a phenomenon where a small change in a dynamical system can cause significant differences in subsequent states".*



### Ambiguity:

The world of black or white is dead & truly replaced by a world where things are in sliding scales of grey. This has had two major implications on how we look at the future and act:

- The era of mass personalization. The good old world where "one size" fitted all is now replaced by everything that's personalized & customized for best results. Anything that's high up the value chain is hyper personalized. This ranges from custom fitted suits to shoes & from cars to homes

The other angle to this "grey scale" effect, is the world of paradoxes. In fact, the multiplication of paradoxes has sprung a whole new lexicon that defines the phenomenon. Words ranging from "competing values" to "dialectics" to "duality" or polarity management. Businesses & leaders need to have a strong ambiguity/paradox management muscle to navigate such paradoxes as strategic executor, humble hero, tech-savvy humanist, traditional innovator, high-integrity politician, and globally minded localist

## Part 3: The future forces of changes

So, does the VUCA world simply mean the future is unpredictable & will continue to become more unpredictable with time. And, trying to figure out the “Next” an exercise in futility?

Not really.....

And here’s where our “Wining The Future” practice can enable organizations to create tremendous long term value with their Strategic / Long Term Plan Planning (LTP) process



### Introduction the future forces of changes:

All of us know & understand that the “**Change will disrupt today & shape the future**”. That’s the nature of change. Businesses that intelligently invest time, effort & energy in deciphering these “**Future Forces of change**”, write their own future & those who don’t, over time, vanish .



Organizations that spend quality effort in understanding & charting the Future Forces Of Change create pathways for their people, products, systems & processes to stay ahead of competition as well as understand & exceed consumer needs through creating a blueprint for long term value creation & success. This is “**Winning The Future**”.

**There are 8 key forces of change that are constantly impacting every business, everyday & play a critical role in shaping the future. These are:**

<p><b>1. The Consumer:</b></p> <p>One who votes with their wallet to buy products &amp; services that businesses produce. These consumers’ preferences are constantly changing &amp; organizations need to understand &amp; define consumer value of today &amp; tomorrow to win</p>	<p><b>2. The Customer:</b></p> <p>The intermediary between the business &amp; the end consumer (applicable to most B2C companies). Customers have their own plans &amp; growth agenda &amp; parameters for measuring value. Customer value must be a critical plug into the overall business value delivery picture</p>
<p><b>3. The Competition:</b></p> <p>A change factor that must be scenario planned &amp; accounted for while considering “Winning the Future”</p>	<p><b>4. ESG:</b></p> <p>(Environment, Social, Governance) Internal goals &amp; external policies both have extensive impact on both the direction of businesses as well as “how the business is conducted” which in turn have major top &amp; bottom-line impacts</p>
<p><b>5. Technology:</b></p> <p>Ubiquitous &amp; a factor that changes at a very rapid pace. While every business has this factored into planning for the future, this is also an area with lots of pitfalls. E.g., Inability to differentiate between “Hype &amp; Real” from a business impact perspective. Not getting carried away with future possibilities &amp; over invest without clarity on the real “business case</p>	<p><b>6. Human Resources:</b></p> <p>All planning current &amp; future amounts to being a moot point without planning for people &amp; related practices</p>
<p><b>7. Material Resources/Supply Chains:</b></p> <p>Critical change area where availability / shortage of material can completely change the business picture. For example, chip set shortage that impacted the automobile sector for multiple years around Covid to Lithium which has a singular impact on batteries &amp; hence everything EV. We also saw huge supply chain clogging just after covid that lasted years</p>	<p><b>8. The Economy:</b></p> <p>The all-encompassing factor where up/down trends, currencies, in/deflation have a telling impact on every business</p>

Every industry, business, brand & organization has a unique interplay of these future forces. The interplays & interactions between the future forces determine the What, When, Where & How of the change that businesses experience.

**While all 8 forces are critical to consider & plan for, they will not have an equal impact on business outcomes over time. Carefully considering & laying out the prioritized impact of these Future Forces creates a compelling picture of the future path/s for any business.**



## Part 4: Future forces of changes - Example

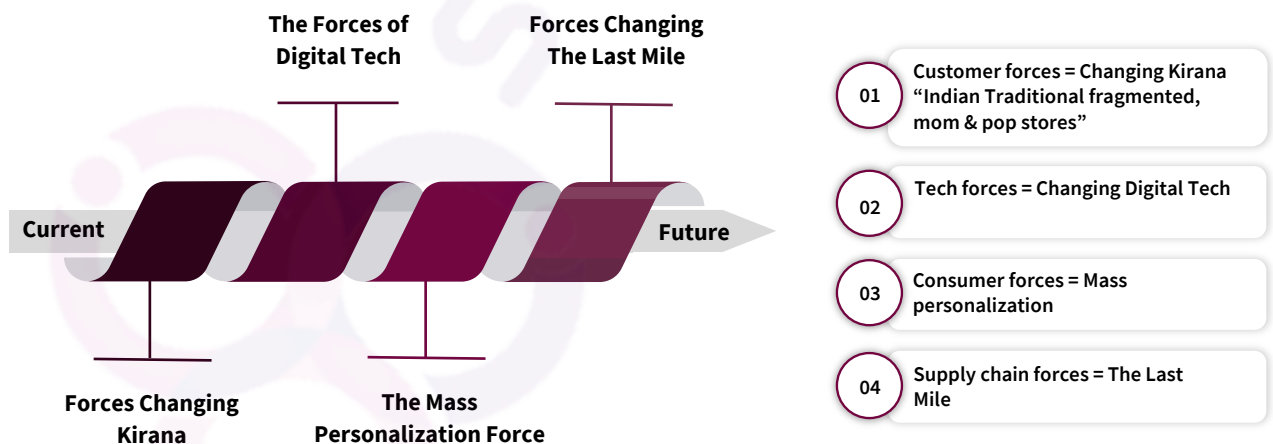
### Context: India - Future Of FMCG/CPG Distribution .

The future is here, the post pandemic new normal is already a reality!! Two waves of the pandemic fundamentally & rapidly transformed the FMCG & retail industry landscape. Winning organizations leveraged the opportunity to drive innovations across technology, product development, marketing, manufacturing & Go-To-Market (GTM)/retail. The crisis has also given the industry a unique opportunity to relook at many of the established “holy cow” processes, principles & practices. To question them & to adapt them to the new playing field that has emerged out of the pandemic. .

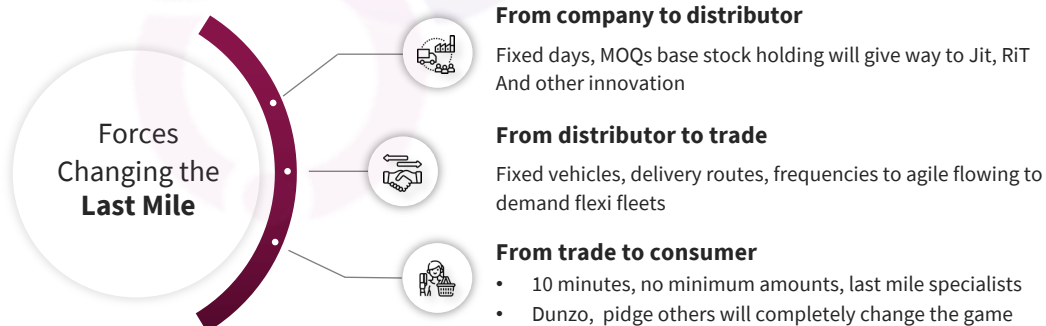
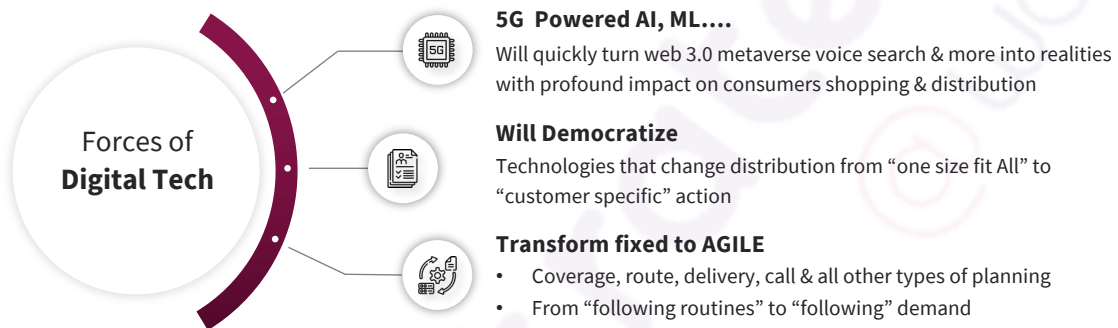
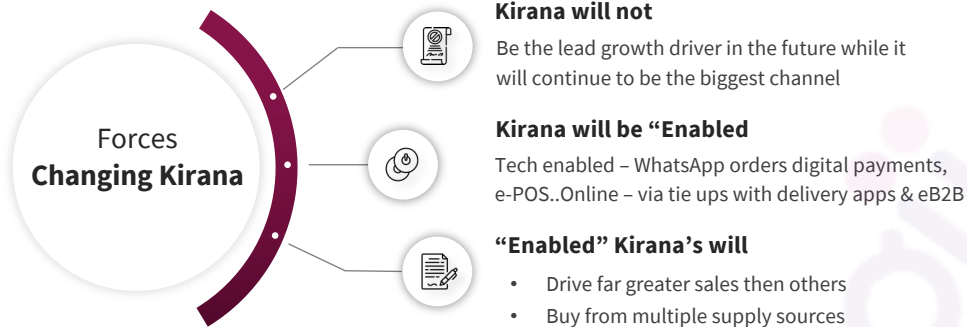
### Future Forces of Change (FFC).

While all the 8 FFCs (details in part 3) are at play here & as always, they are deeply intertwined, we are examining a prioritized set of 4 major FFCs & their impact in crafting the “new reality”

## REDEFINING THE FUTURE OF FMCG DISTRIBUTION IN INDIA



## Part 4: Future forces of changes - Example



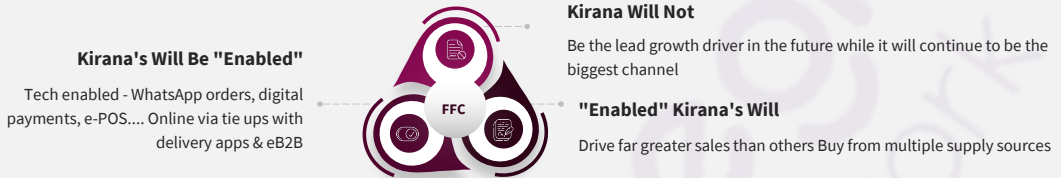
## Part 5 – The Impact (of The Future Forces Of Changes)

**Future Forces are at play, profoundly changing the FMCG industry. Smart organizations will study these forces, proactively plan to create structures & capabilities that will enable them to win big in the new world.**

**There are two critical actions to be initiated coming out of the FFC work.**

- Deep understanding of the implications of the FFCs.... The “So What?”
- Proactively plan to engage with the changes coming out of the FFCs to create competitive advantages for the business. The “So What for us?”

**Here’s an example that builds the implications coming out of the FFCs examined in part 4:**



### So what?

- ❖ While distribution will continue to be a game of numeric/quantity & weighed/quality...quality of weighted distribution will become vastly more important than numeric
- ❖ Small & fragmented stockists with Kirana as their main stay will find it hard to survive with three pronged pressure on their top & bottom line
  - Low/slow growth
  - Not the sole supplier to Kirana &
  - Rising cost of business

**Here are key questions to ask and answer as part of the LTP process:**

The “So What For Us?”

#### Work Stream – A – Traditional Trade:

Traditional Trade Accounts For?	Today	Tomorrow
➤ What % of your business?		
➤ What % of growth?		
➤ What % of costs?		
➤ What % of profits?		

Based on this picture what are the top 3 actions you will take?

#### Work Stream – B – Distribution Plan:

Distribution Structures	Today	Tomorrow
➤ What is the numeric V weighted mix?		
➤ What does the mix look like for key brands/categories?		
➤ What does the mix look like by geography/region?		
➤ What does the mix look like by city type?		

Based on this picture what are the top 3 actions you will take?

#### Work Stream – C – Stockist Distributor Plan:

Distributor Structures	Today	Tomorrow
➤ Distributor/stockist size & span		
➤ Distributor ways of working		
➤ Distributor capabilities		
➤ Distributor financial model		

Based on this picture what are the top 3 actions you will take?

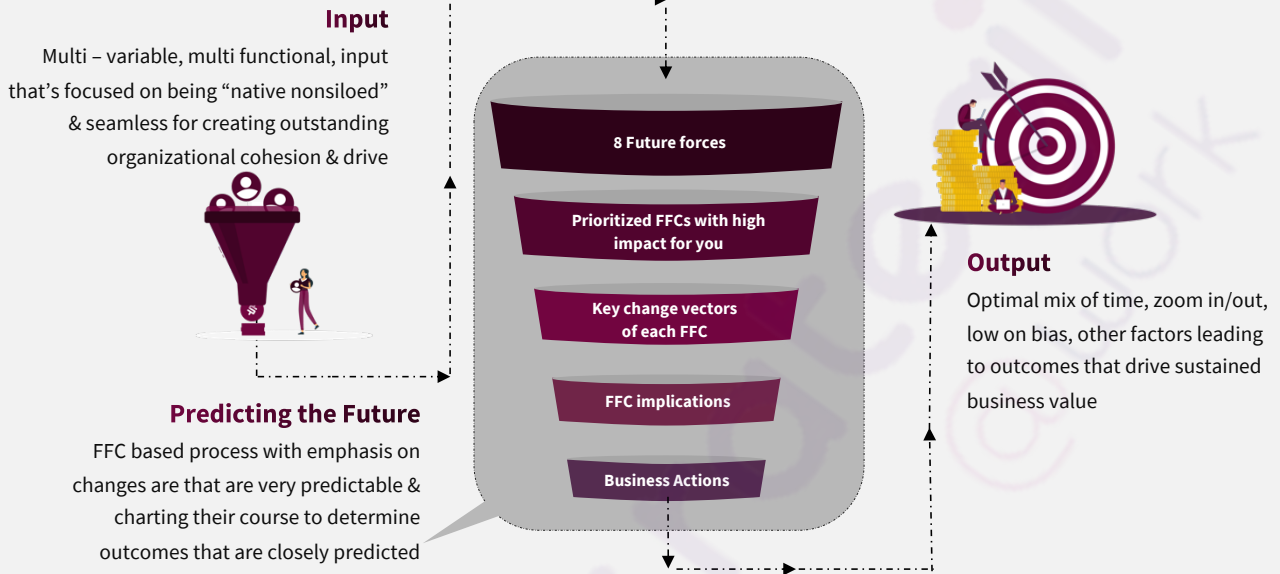
This is a classic example of how the LTP flows from Forces of Change to Organizational Actions & Outcomes



## Part 6: The Framework + Bonus Example from China

Here's the full process:

### BRINGING PREDICTABILITY TO THE VUCA WORLD:



### Why does the “Future Forces of change” Framework produce great results?

A robust LTP build on the foundation of understanding the “FFCs” & the ways in which they will uniquely impact the organization typically has 10 major advantages that enable businesses to win the future

### Ability to:

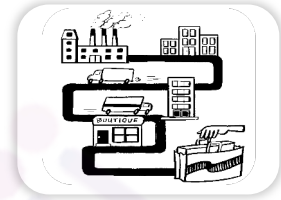
1. Define future pockets of growth & profits & thereby provide clarity on areas that need a resource lean forward or pullback	2. Build capabilities that deliver agility, strength & differentiation needed to win in the future
3. Build critical capacities to stay ahead of the curve in the right areas	4. Identify, articulate & allocate resources behind: <ul style="list-style-type: none"> <li>➢ CORE- The bread&amp; butter business streams of today</li> <li>➢ MORE -The largest growth driver of today &amp; potential CORE of tomorrow</li> <li>➢ EXPLORE – Areas which might look a bit “out there” today but could become important “where to play” choices in the future</li> </ul>
5. Avoid the pitfalls of wild planning swings resulting from recency & other human biases that often lead to planning exuberances or sandbagging	6. Create lots of space for key decisions around what the business “wants to be” & “wants to do” in the new context to win
7. Drive a “Natively seamless” planning process that drives organization cohesion	8. Avoid “analysis paralysis” & leverage the power of “connecting dots”.
9. Remove organizational & leadership anxiety behind the “winning the future” question	10. Unleash organizational energies to proactively engage with the forces of change & build competitive advantage

# Part 6: The Framework + Bonus Example from China

## FUTURE OF CHANNELS "Channel – Less"

### Global CPG giant Focus on China

Go to Market, Future of channels, Future of Distribution, New Retail, Omni, E.Bizz



#### Context :

Given the highly evolved retail landscape in China, how do we plan the future organization & resource allocation ?

#### Actions:

##### ❖ Approach

- China leads the world with its unique landscape where all five generations of retail coexist. All the channels are & will remain important in the medium term & hence it's critical to win across all of them.
- End to End project split into 5 smaller pieces (Sprints) following the agile approach to – "go, learn & fail fast"- adjust & move to the next step.



##### ❖ Sprints

- Discover y: Understand realities on the ground to develop & articulate an organization-wide . Common understanding of the here & now.
- Shoppers : Understanding that shoppers move fluidly across channels depending on the shopping trip & want to experience seamless journeys across categories.
- Expectations :
  - . Organizations (across levels, global, regional & in-country teams needs & expectations, Customer expectation & plans
- Projecting the future : Insighting key forces that will shape the future & what that could look like.
- Solutions : Based on Gap analysis, input & output data: articulation of solutions.

#### Results:

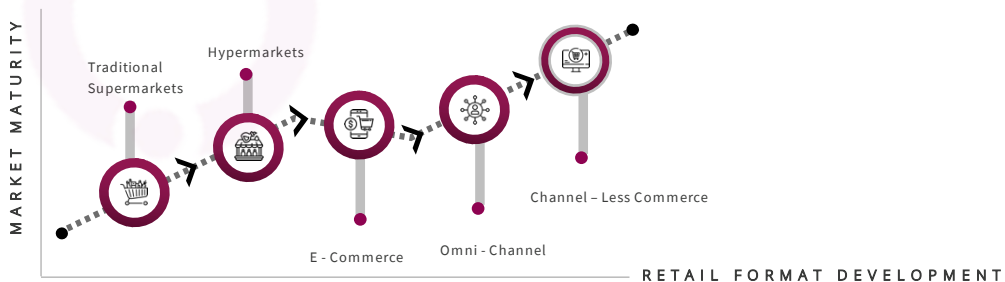
##### ❖ Visualization of a future this is Channel – Less!

- Consumer: Anytime, Anywhere – seamless & effortless switching.
- Customer – Multi-gen retail presence- on/off lines blurred.

##### ❖ Company – access to consumer data, matrixed, cross-functional teams organized to leverage consumer, customer & consumption data to win in the new world.

##### ❖ Creating a winning future -

- Democratized vision of the future
- Capabilities – data science, analytics, shopper marketing & other value-added services.





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THANK YOU