

# getting to next

The background of the cover is a surreal landscape. The top half is a dark blue sky with a few white, wispy clouds. Below the sky is a vast, flat, orange-brown desert floor. A winding, light-colored path leads from the foreground towards the horizon. In the foreground, the back of a person's head and shoulders are visible. The person has a metallic, cylindrical head. The top of the head is open, revealing several interlocking mechanical gears inside. The person is wearing a dark, textured garment.

the urgent need for nextsensing

**Joseph Pistrui**

"In times of rapid change, experience could be your worst enemy." J. Paul Getty, the American oilman who graduated from Oxford University, expresses here an idea that has resonated with many. Getty died in 1976; just about 20 years later, Jeff Bezos launched Amazon.com. While Getty managed an oil business, Bezos is famous as an online retailer. But they would probably have quickly agreed on the disadvantages of leaning too heavily on past successes to propel a business into the future. Said Bezos: "What is dangerous is not to evolve."

Why, then, do so many companies *not* evolve?

While Jim Collins is well-known for writing about companies that are *Built to Last*, he also noted that few really do evolve: "Of the 500 companies that appeared on the first [Fortune 500] list, in 1955, only 71 hold a place on the list today [May 2008]. (The 1955 list included industrial companies only, whereas today's list also includes service companies.) Nearly 2,000 companies have appeared on the list since its inception, and most are long gone from it. Just because you make the list once guarantees nothing about your ability to endure."


I ask again: why do so many companies *not* evolve?

To my mind, the problem has a lot to do with patterns.




**Legendary strategic  
thinker Arie de Geus  
published *The Living  
Organization* in 1997.**






**He shows how every  
company lives, breathes  
and thrives based on  
how it operates — on  
how it thinks.**




**His book made me  
realise that companies  
become successful  
based on solid, even  
brilliant, thinking.**






**He says: "The ability to learn faster than your competitors may be your only sustainable advantage."**



**But relying on past  
thinking (even if it has  
been successful) could  
be a huge problem if...**





**that thinking is out of  
step with the times. Or,  
worse, if the times are  
blocking your ability  
to think clearly.**



For many people in the world of business, the swirl of what's happening in the marketplace — as reported in the media as well as in their own customer tracking — has become an incoherent jumble.

It is common for people to become stuck when trying to answer a complex question such as “What’s going to happen in the world economy next year?”

But I find that it’s increasingly typical for business leaders to have difficulty answering *this* question: “What’s going to happen to my company’s customers next year?” When one’s thinking is this jumbled, I call it *disruptive ambiguity*.



Such DISRUPTIVE  
AMBIGUITY is common  
in companies large and  
small as well as in  
organisations both  
public and private.

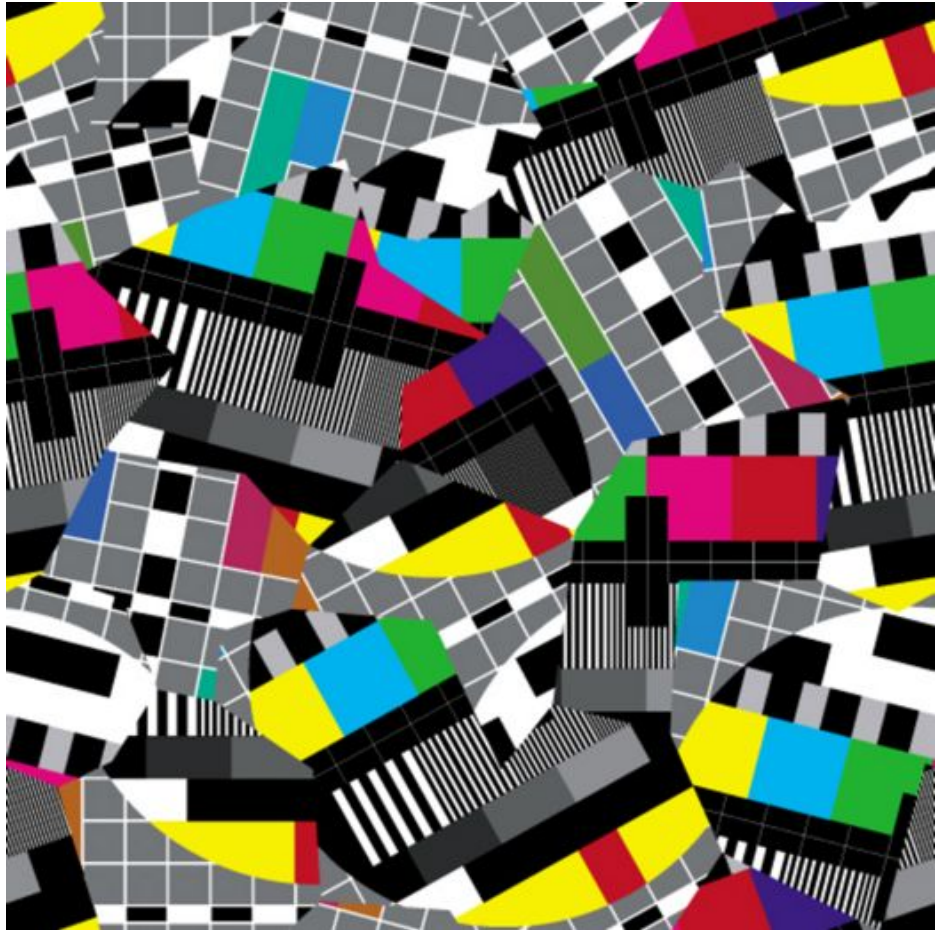




**Disruptive ambiguity** occurs when your data points of reference are **unsteady or unreliable**, when your entire pattern of thinking is **under assault**.

At first, you can write off the changes in your world as anomalies, temporary disruptions in the established reality that you have banked on for years.

That's what happened to those in the recording industry who could not believe that their vise-grip control of who can share recorded music was threatened by Napster.

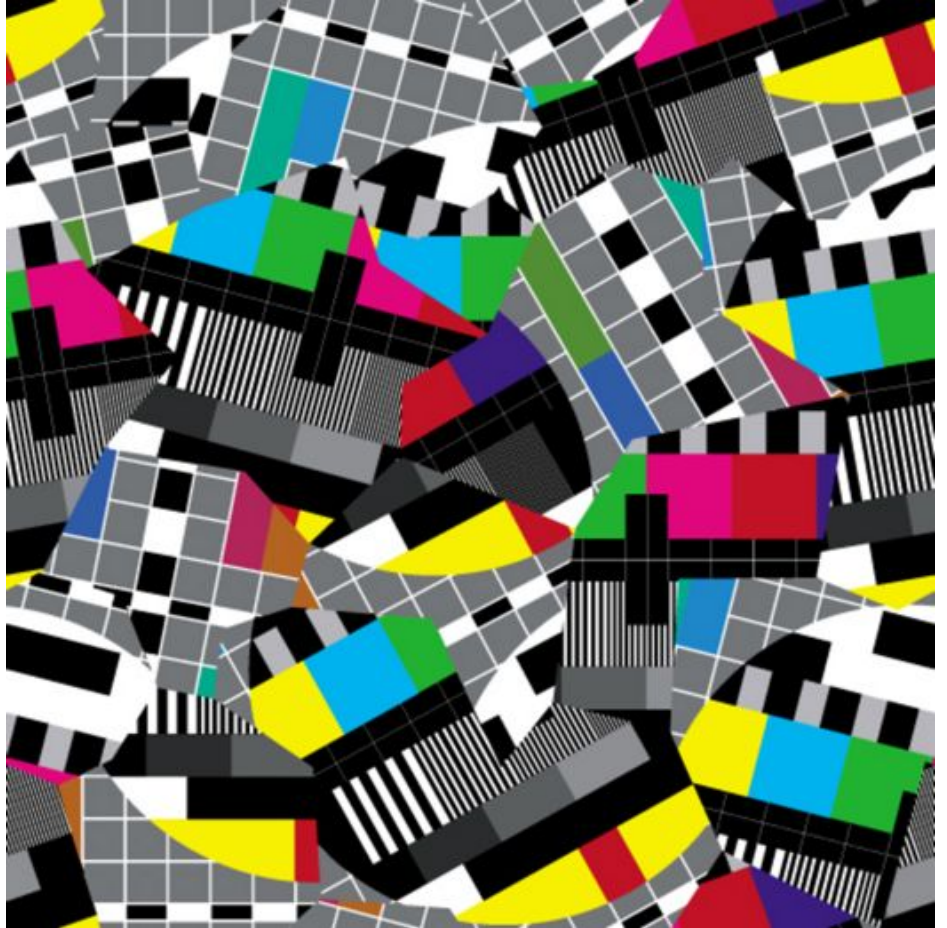


"We'll lawyer up and crush Napster down," they must have reasoned back in 1999. "That's how we've always dealt with bootlegging radio stations and the like."

But Napster, as it turned out, was the least of their problems.

On October 23, 2001, Apple introduced its line of iPods. This heralded the dawn of a new age for music. As record albums became tapes and then melded into CDs, music — post-iPod — would evermore become digital files.

So, if **disruptive ambiguity** occurs when your data points of reference are **unsteady or unreliable**, when your entire pattern of thinking is **under assault** — what happens to someone whose experience (to quote Getty) becomes their worst enemy, who underestimates the danger of not evolving (to quote Bezos)?



Quite simply, they become a statistic for thought leaders such as Jim Collins to cite in presentations or books. It's safe to say that most of those companies that confronted disruptive ambiguity and failed to think in new ways lost their customer base and with that loss, their ability to exist.

Put more simply, failed companies failed first at *getting to next*.



nextsensing



[illegible]

nextsensing





# NEXTSENSING

is  
not  
copying  
someone  
else.



# NEXTSENSING

is

INTELLIGENCE

THINKING

in

new ways.

nextsensing





## Nextsensing evolves via:



**Observing** Using your alertness to detect the weak signals of a changing context

**Organising** Separating data points into categories that lead to insights about the changing context

**Originating** Communicating the distinguishing features to others in a way that establishes them as novel

## Why should I care about *nextsensing*?

The European Commission lists more than two dozen industry sectors. With slight variations, you can find these same sectors around the globe. Most companies (large or small) fall into one of these sectors. And every sector, every company, is now, or soon will, face absolutely pivotal questions that will determine its future.



Those in the **aeronautic industry** must deal with the challenge of flying an ever-larger quantity of people more economically and more safely. Those in the **healthcare industry** must determine how to treat the rampant spread of older diseases such as diabetes while being capable of dealing with new, potent viruses. Those in the **information technology industry** must deal with the critical balance between the growing ability to share more information instantaneously with the demand to protect sensitive personal information. Those in the **retail industry** must determine whether bricks-and-mortar stores are needed in a world that employs thousands in the **shipping industry** who are ever more capable of delivering products ordered online, sometimes during the same day.



Think **construction, food, mining**. Think **chemicals, defence, furniture**. Think **entertainment, mechanical engineering**, or **textiles and clothing**.

No matter the industry, questions about the direction and pace confront every enterprise. Peter Drucker's words were never more apt:

**"The greatest danger in times of turbulence is not the turbulence — it is to act with yesterday's logic."**

I believe the future  
belongs to those who can,  
through new thinking,  
engender OPPORTUNITY  
FORESENSE.





**Opportunity foresense** is a set of presumptive hunches about possible productive opportunities in the future where the potential to create new streams of value is deemed promising. Mutual funds, minivans and iPhones are all established entities in the marketplace today. But, at one time, they were unproven and untested.

At one time, they were somebody's hunch about how to meet the needs of the marketplace. Or, if you prefer, they were products framed by a forward-



looking point of view that enterprising business leaders committed to.

Those committed individuals (or groups) made the decision to invest time, energy and other resources (including money, at some point) to develop a distinct (and shared) understanding of the future.

But they did not guess; instead, they thought critically about what was the most probable "next" for their customers and then built their business strategy around it. They accepted the fact that disruptive ambiguity is, in the end, not a threat; it is a means for getting to next.



Earlier, I noted that I find that it's increasingly typical for business leaders to have difficulty answering a fundamental question: "What's going to happen to my company's customers next year?" Trouble is, most people confront a problem and try to solve it backwards. If sales are sagging this year, many



executives will try to employ the same techniques they used last year when sales were more robust.

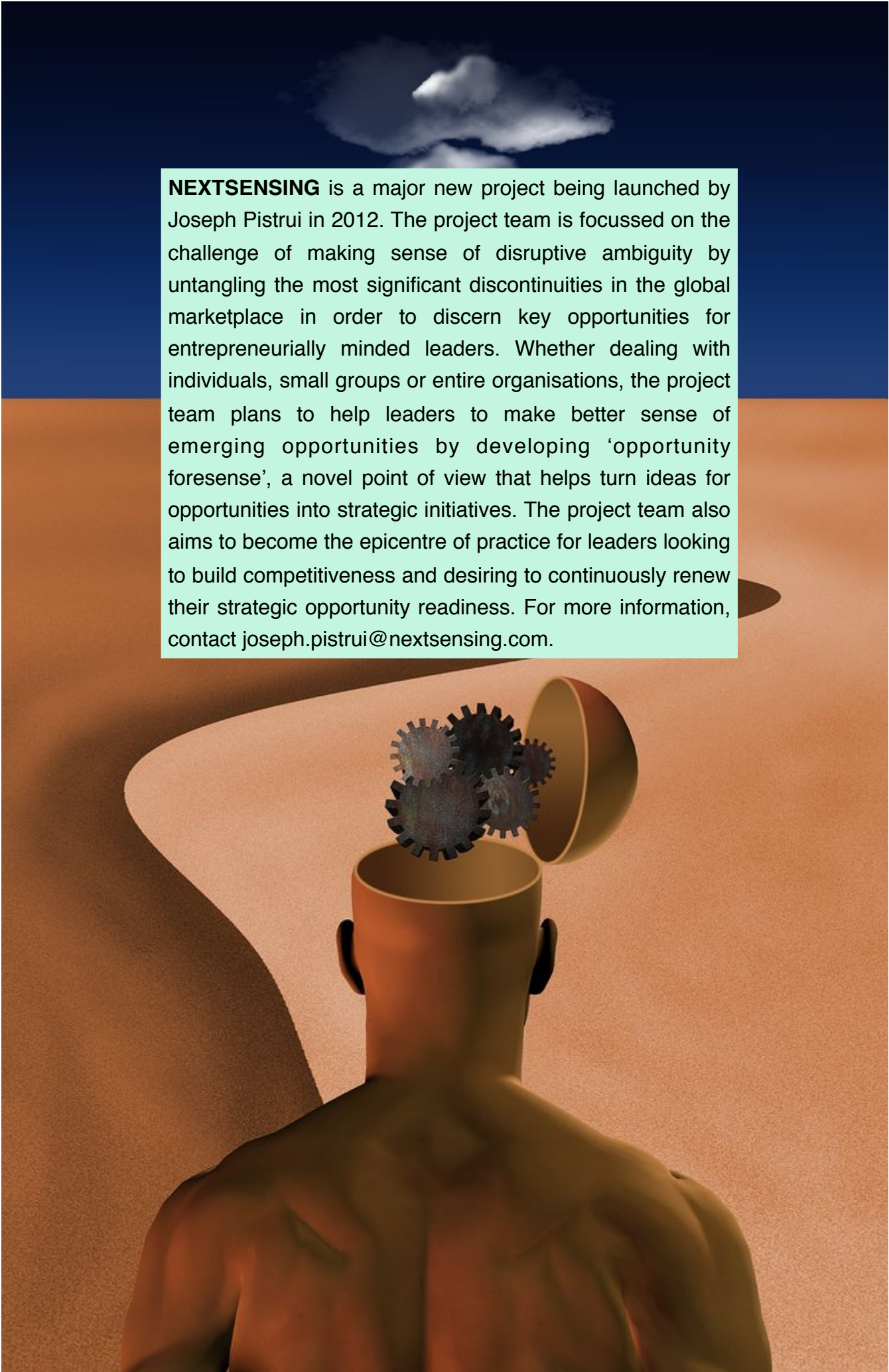
**This is why I believe in the value and promise in**

**nextsensing.** In today's quickly evolving global business atmosphere, these methods open businesses to great potential

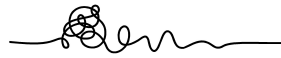
growth. Assessing the market and trends is key. Using that knowledge to look forward with an open mind — and seeking to learn how coming innovations may impact your own industry — can be the difference between success and failure. Simply reacting to problems as they appear and attempting to eliminate them may have worked for some in the past, but for a company to grow today, nextsensing is now a required tool.

**Joseph Pistrui** is Professor of Entrepreneurial Management at IE Business School based in Madrid, Spain. He is also a Visiting Fellow at the London School of Economics and Political Sciences. Previous to his academic endeavors, Joseph had a 15-year sales and marketing management career in the consumer products industry, mostly with Bristol-Myers Squibb in the US.



The image features a conceptual illustration of a human head from the back, with the top of the head open, revealing several interlocking gears inside. The head is rendered in a warm, brownish-gold color. The background is split horizontally: the top half is a dark blue sky with a single, soft white cloud, and the bottom half is a brown, textured ground. A white rectangular box with black text is positioned in the upper left quadrant, partially overlapping the sky and the head. The text describes the 'NEXTSENSING' project, its goals, and contact information.

**NEXTSENSING** is a major new project being launched by Joseph Pistrui in 2012. The project team is focussed on the challenge of making sense of disruptive ambiguity by untangling the most significant discontinuities in the global marketplace in order to discern key opportunities for entrepreneurially minded leaders. Whether dealing with individuals, small groups or entire organisations, the project team plans to help leaders to make better sense of emerging opportunities by developing 'opportunity foresense', a novel point of view that helps turn ideas for opportunities into strategic initiatives. The project team also aims to become the epicentre of practice for leaders looking to build competitiveness and desiring to continuously renew their strategic opportunity readiness. For more information, contact [joseph.pistrui@nextsensing.com](mailto:joseph.pistrui@nextsensing.com).



# Opportunity Foresensing Canvas

*The opportunity summary ...*

## Observing

Your data: List the most critical factors you have observed about the opportunity domain of interest to you.

## Organising

Your insights: Refine your observations into patterns and insights. What is happening in this opportunity domain?

## Originating

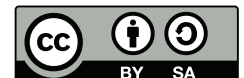
Your point of view: Convert your thinking into a novel point of view. List any interesting, emerging possibilities.

## Foresensing

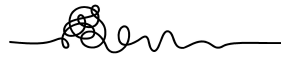
Your best hunch about what novel product-service might form the basis for a new and compelling value proposition.

*Your key learning from this process ...*

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# Opportunity Foresensing Canvas

*The opportunity summary ...*

**Observing**

**Organising**

**Originating**

**Foresensing**

*Your key learning from this process ...*

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