

Start working on tomorrow's 'deep branding'

Lessons from the past are not enough any more. Even learning from the present is often too late. It's time to learn from the future - and quickly, says Futures Foundation director Jan Lee Martin.

Australian companies are missing out on the top opportunities of the future because they're being pushed so hard by the present.

Some of them know it and worry about it. Others are snug in a pseudo security blanket. They are big. They are successful. They know their markets, their products, their customers, their regulatory environment. They've put time and money into trend analysis, forecasting, strategic planning. Of course they're safe. Aren't they?

Perhaps they are. But the work of Australian futurists and others around the globe suggests that at best, local companies are failing to capture opportunities to own the top brands of 21st century business -- to be the "Coca Colas" of the stakeholder culture, the "Shells" of the values world, the "McDonald's" of sustainability. At worst, they are pouring time and money into strategies designed to meet old realities that don't apply any more. Their research, their planning, their past success and especially their certainty are all getting in the way of their future success.

Leaping the "corporate culture gap", the time warp between the past and the future, is hard for older organisations, but the tools and methodologies of futures studies can help them to do it successfully. Both sticks and carrots are urging them to make the jump.

The sticks are felt in issues and crises, in customer resistance, in employee turnover, in citizen protest. The carrots are much more appealing.... cutting costs, increasing profits, attracting and retaining top people, and winning the support of stakeholders. And on top of all that, there's the opportunity to build a "deep brand" that will increase in value as time goes by.

This paper was prepared for the Horizons of Science Forum entitled "Surviving the Third Millennium", a national forum for the media on forging a sustainable future, which was present - ed in Sydney on Wednesday 24 February 1999 by the Centre for Science Communication, UTS Sydney and the Centre for the Public Awareness of Science at the Australian National University.

All in all, the Futures Foundation argues that a sustainable future offers more promise than threat for organisations. Most of them, however, have been too busy to find out why. The growing pressures on companies -- especially the dangerous pressure to keep delivering

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short-term profits at any cost -- make it very hard for their leaders and managers to lift their heads and study the future.

Even those who do look ahead are sometimes getting in their own way. US futurist Clem Bezold points to the results of polling undertaken by his Institute for Alternative Futures throughout North America and Europe since the early 80s: "An interesting paradox emerges: the scenarios thought to be most likely turn out to be far less preferred than more visionary ones. Yet organisations generally focus their planning on reacting to the supposedly more likely futures, reinforcing them and preventing more desirable ones from occurring."

Much more promising are the good news stories that come from the other side of the corporate culture gap... from the organisations who have gone through a transition period (often for painful reasons) and reinvented themselves.

One example is Mitsubishi Electric in the USA, whose CEO spent time in a tropical rainforest and emerged with the realisation that organisations could be redesigned in an entirely new way. He learned that the real value of the rainforest was not in the timber, which can be cut down once only and carted away, but in the design. While productive assets were minimal - poor soil, few nutrients - its real capital was hidden in the design.

Nothing was wasted. The forest was decentralised. It listened to feedback. It adapted to what it didn't possess. In short, it was incredibly productive. And, like the silicon chip, its value was not in its substance but in its design.

There are stories from Electrolux about innovative ways to conserve China's dwindling water supplies by designing washing machines that use less water than washing by hand. There are stories from industrial ecologists like Gunter Pauli who worked with an international team of scientists and designers to create a brewery in Namibia that has designed out waste. Spent grain from the brewing process is seeded with worms and mushrooms.... chickens eat the worms, lay eggs.... blue-green algae is used to purify the water and at the same time to create protein... and the whole process is a closed system that is waste-free.

Paul Hawken estimates that 99 per cent of the original materials used in production of, or contained within, goods made in the USA become waste within six weeks of sale. The Australian percentage would be interesting to know. Clearly we have to redesign the way we make things.... isn't this a profit-making opportunity for the new millennium?

Factor Four, the 1997 report to the Club of Rome, lists dozens of technologies that are available now to cut resource consumption while increasing productivity - and profits! And the Natural Step organisation is sweeping the world (and is now here in Australia) with its simple processes that help companies increase profits by reducing waste.

But there are even more important rea-

There's a growing 'corporate culture gap' between organisations of the past, who were accustomed to making their own decisions, and those of the future, who will share their decision-making with more and more stakeholders. The work of futures helps organisations leap the gap, maximise the opportunities of the future. Many of those opportunities will lie in the shift to sustainability.

sons for organisations to reinvent themselves and their worldviews than simply increasing profits by cutting costs (or reducing exposure to “green risks”). The growing corporate culture gap between organisations of the past and those of the future is revealing some critical vulnerabilities that are, at best, being addressed in a piecemeal fashion.

Some are on the inside, and some on the outside.

For example, as we shift from the top-down control of the industrial age to the flat networks of today’s organisations, relationships between “the organisation” and its “employees” are being transformed.

Competitive advantage now comes from innovation, creativity, imagination. How can you control creativity? Enforce imagination? How do you manage your relationships with employees who take your corporate assets home in their heads at night?

More and more, success for organisations will depend upon having the best knowledge workers, the most creative innovators. Competing for these people may become even more critical than competing for markets. So how does an organisation secure the best knowledge workers, the most creative innovators of the future? By understanding what they want and meeting their needs.

Long-term research indicates that what these people will want is far from a bigger pay packet. A study by the Stanford Research Institute as far back as 1980 showed that employee motivation will depend much more on the ability to choose free time, get involved in major societal commitments, win recognition as a creative person, be “rewarded less by money than by honour and affection” and so on.

More and more, top people will seek to work for organisations whose culture allows them to pursue work with meaning, to remain true to their own values without painful stresses between corporate and personal life.

Equally powerful examples of corporate vulnerability are to be found on the outside, and they reach much deeper than the issues of image and perception which have traditionally been met with better public relations.

As pressures on people and communities increase, organisations will be subjected to more and more scrutiny by stakeholders who are calling them to account for their actions. This has already been demonstrated time and time again -- from Brent Spar to Lockerbie to

Exxon Valdez -- with issues and crises that have cost companies huge sums of money, big cuts in markets or, in the case of PanAm, even delivering a death blow. How much worse can it get?

Public relations issues and crises can be seen as signals from the future -- indications of growing stresses between the values of organisations and the values of their communities. In cases like this, they are signals that bypass the process of central government, sending a direct message from buyers to sellers, from citizens to corporates.

Stakeholders are remembering that it is the community that legitimises the work of organisations. How much longer will they continue to support organisations whose work exploits the global commons? Browns the global life-support systems? Alienates people and families? How much longer will they grant those organisations their “licence to operate”?

Like any other living system, including you and me, an organisation depends upon the support of others in its environment if it is to survive and prosper. Increasingly organisations are beginning to understand that building effective relationships -- relationships that are growing in importance as traditional business structures shift and change -- requires more than just a polishing up of the image. They require deep commitment to sharing the goals of others, to recognising the legitimate interests of others in the community, to understanding its values, to meeting its real needs.

A major research study undertaken in the UK a few years ago, based on face-to-face interviews with more than 8,500 senior executives, concluded that “a majority of UK business leaders now appear convinced that people and relationships are more than ever the key to sustainable success”.

If organisations recognise

- the critical need to attract and retain top people
- the growing importance of stakeholder relationships
- the increasing scrutiny of corporate behaviour and
- the value shifts in the community, how hard is it to envisage the next step as a step from compliant corporate citizen to becoming a future “corporate hero”?

Australian futurist Peter Ellyard argues that the hero’s journey is the only one that will win competitive advantage for organisations of the future. Colin Benjamin points businesses to profit by restoration rather than profit by exploita-

tion, noting that environmental management, for example, is one of the world’s fastest growing businesses.

From the perspective of public relations, risk management and branding, a study of long-term trends, stakeholder issues and value shifts leaves no doubt that the greenwashing of the past won’t work for the future. As scrutiny and stakeholder participation increase from the outside, as competition for top knowledge-workers increases pressures inside, sustainable success for companies in the third millennium is most likely to come from taking the hero’s journey.

Does this mean that organisations that want to have a good reputation -- as neighbours, as marketers, as employees, as citizens -- will actually have to be good?

It certainly seems clear that if they want to distinguish themselves with ‘deep branding’ that will gain added lustre as the years go by.... it’s time to leap that corporate culture gap and begin the hero’s journey to the future.

Perhaps, for organisations of the future, “doing the right thing” will be the right thing to do?

Personal notes

For about 25 years I worked as a public relations consultant to organisations ranging from truck manufacturers to tourism authorities. After selling my business in the mid 80s, I began to study change in the relationships that were important to organisations, and the way these were understood and managed. This led me to related topics, from areas as diverse as the study of consciousness and the human potential movement to technology and organisational behaviour, and ultimately to the fascinating field of futures.

My early work convinced me that, like other living systems, organisations depend wholly on the success of their relationships. It showed me how vulnerable they are to relationships that don’t work well. I’ve since been observing how change is intensifying the stresses in relationships between organisations and others, and how much the people at both ends are hurting. Futures work offers a way to help people and organisations through painful transitions to get rid of these stresses and be free to explore and realise much more exciting futures.