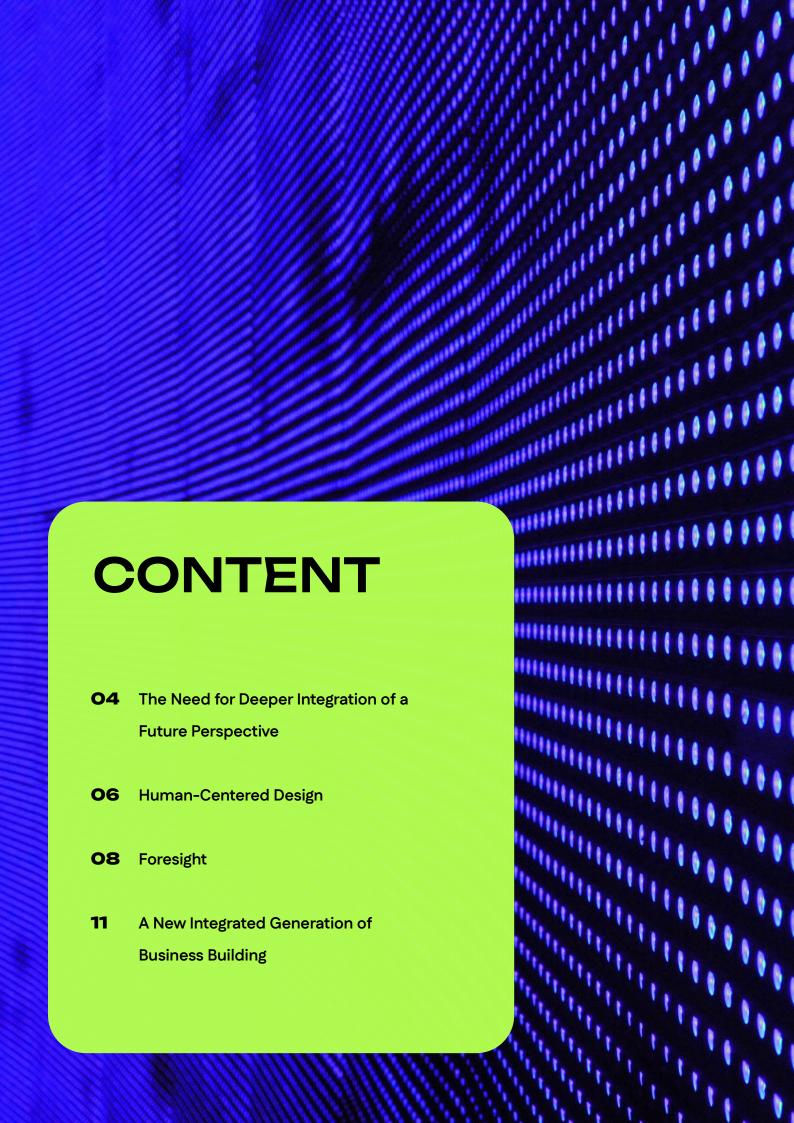


BLUEM ARROW



FUTURE

A New Generation of Business Building

In virtually every facet of today's world, significant changes are on the horizon—whether in economics, politics, regulation, technology (including powerful new Al applications), or society as a whole. As highlighted in a recent CEO study, one participant observed that "after nearly eight decades of predictability, the world, and the global economy in particular, is entering an era of upheaval and uncertainty," driven by factors such as climate change, Al's responsible use, and geopolitical power shifts (Egon Zehnder, 2024). The World Economic Forum (WEF) underscores the importance of resilience, speed, and innovation as key drivers for building new businesses. According to their insights, established companies that embrace these pillars while focusing on sustainability, resilience-building, and leveraging digital technologies like AI and data analytics have the potential to unlock trillions in value over the coming years (WEF, 2023).

More and more, successful companies view innovation not just as a means to develop new products or services, but as a strategic lever for creating entirely new operational models, business ecosystems, and value chains. For instance, McKinsey's 2023 research demonstrates how innovation-driven organizations are exploring adjacent markets and diversifying beyond their core offerings to bolster resilience and seize new growth opportunities. Industries such as energy and agriculture are breaking away from traditional models—shifting from product-centric sales to offering integrated services and ecosystems that enable new patterns of value creation (McKinsey, 2023).

What does this mean for systematic business building? It can no longer rely on the narrow assumptions of the present. The world is undergoing profound systemic changes—building businesses based solely on today's market realities is no longer sustainable. The answer is clear: we must adopt a future-centric mindset. Companies that fail to reflect these shifts in their business strategies risk being left behind. The future demands more—more foresight, more agility, and more commitment to innovation that not only addresses the present but anticipates the profound changes of tomorrow.



THE NEED FOR DEEPER INTEGRATION OF THE FUTURE PERSPECTIVE

Having worked with everything from multinational corporations to small and medium enterprises and across many sectors, our observations include a massively increased attention to uncertainty, the will to understand change, and acknowledgement of the necessity to act upon it - yet often a striking failure to actually a) act upon future insights or b) evaluate a seemingly great idea against the said uncertain future, and c) create a future-resilient portfolio. The majority of CEOs in the Egon Zehnder survey acknowledge that significant, farreaching changes lie ahead in economics, politics, energy, and technology - especially through AI - confirming my own observations. Further, they believe we are entering a new era of leadership, one in which leaders help shape realities across society. As part of this shift, CEOs emphasize the importance of creating a culture in their organizations where curiosity and openness are the new norm. Egon Zehnder summarizes as follows: "[CEOs] are among the most attentive observers of a world that is reordering itself. In the face of farreaching societal shifts, CEOs today face an historic opportunity to step beyond being mere witnesses to change—and to embrace the role of architects for a better future." In the study, CEOs state for example:

- "After nearly eight decades of predictability, the world, and the global economy in particular, is entering an era of upheaval and uncertainty (climate change, the sensible use of Al and geo-political power shifts)."
- "We can only tackle the challenges ahead together, truly together—by listening to and integrating divergent opinions of people from all walks of life."
- "Being able to manage ambiguity is more important than ever ... everything is in flux."

Businesses can no longer rely on traditional, static planning models. The rapidly changing landscape demands a future-centric approach—one that moves beyond reacting to present-day challenges and focuses on proactively preparing for tomorrow. Authors like Suskewicz and Johnson refer to this shift as "Leading from the Future," which emphasizes the importance of anticipating and shaping future realities. To succeed in this new era, companies must deeply integrate practices like strategic foresight and human-centered design (HCD), combined with the transformative power of AI.

This fusion will ensure that businesses embed client centricity and future-orientation into their core, creating ventures that are not only relevant today but also resilient for the future.

This future-centric approach is critical for de-risking new ventures in today's increasingly complex landscape. While HCD has been effective by addressing risks through a focus on real human needs and iterative testing, this approach alone is no longer sufficient. Traditionally, it has relied on rapid prototyping, real-time feedback, and data-driven decision-making to build confidence in the viability of a product or service before substantial investments are made. However, in a world where volatility and uncertainty are the norm, this methodology must evolve. To reduce long-term risk effectively, businesses need to broaden their focus beyond immediate user needs and take a more holistic view.

To truly innovate with future readiness, organizations must incorporate two additional dimensions: systems thinking and a future perspective. Human-centered approaches often zero in on a specific target group, overlooking how the solution fits into larger ecosystems. By adopting systems thinking, businesses can understand the wider social, environmental, and economic impacts of their innovations. This allows them to anticipate unintended consequences, identify external risks, and understand the interdependencies that might affect a solution's success. This broader perspective helps to comprehensively mitigate risks and uncover opportunities that may not be apparent when focusing narrowly on immediate user needs.

The second critical dimension is the future through foresight practices. It shifts the focus from present conditions to anticipating future changes. Most innovation processes today are built on current assumptions, but with significant global shifts ahead, we need to account for future behaviors, trends, and needs. A future-centric business building approach integrates human-centered design with foresight, creating solutions that not only meet today's demands but are also resilient in the face of tomorrow's uncertainties. This approach empowers decision-makers to reduce risk, capitalize on emerging opportunities, and actively shape the future, ensuring the long-term success of their ventures.





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HUMAN-CENTERED DESIGN

Human-centered design (HCD) - or User-Centered Design as Don Norman coined it in his 1988 book 'The Design of Everyday Things' - shifted the focus from technology-driven innovation to user-driven innovation, ensuring that the solutions developed are both creative and practical, ultimately increasing the likelihood of market success. In the last two decades or so, design agencies such as IDEO did amazing work in integrating key concepts into product innovation for range of industries. Resulting products and services such as iPhone, Uber, and AirBnb demonstrate the commercial value of designing with empathy.

HCD practices have evolved over time in generations, reflecting shifts in focus, methodology and scope.

1. First Generation (Usability and Ergonomics)

The first generation of HCD, emerging in the 1980s, focused primarily on usability and ergonomics. The goal was to design products that were easy to use, intuitive, and physically comfortable for users. This generation is associated with

user-centered design (UCD), where designers aimed to meet the specific functional needs of users, particularly in fields like software, web interfaces, and consumer electronics. Don Norman's work on 'The Design of Everyday Things' exemplifies this generation, emphasizing how design should reduce user error and cognitive load (Kerguenne, Meisel & Meine, 2023) (Dragičević, Valdova, Ullrich, 2023).

2. Second Generation (Experience Design)

The second generation, which gained traction in the late 1990s and early 2000s, broadened its scope to experience design. This era emphasized not just how users interact with a product, but the holistic experience—emotional, social, and cognitive. Companies like Apple pioneered this generation by creating products that were not only functional but also aesthetically pleasing and emotionally engaging. The user experience (UX) field grew during this period, focusing on all aspects of a user's interaction with a company, its services, and its products (Dragičević, Valdova, Ullrich, 2023).

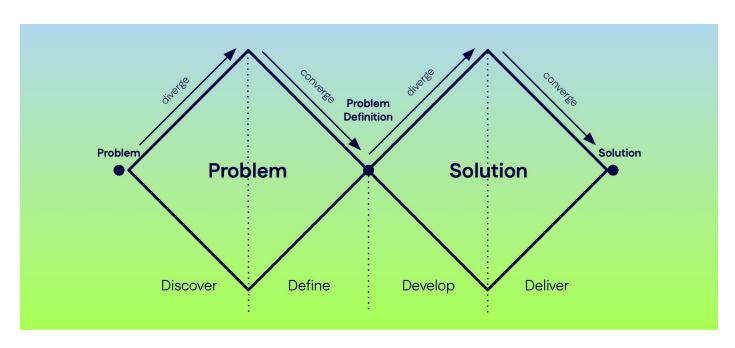


Image: Double Diamond



3. Third Generation (Co-Creation and Participatory Design)

The third generation of HCD, often referred to as co-creation or participatory design, emerged in the early 2000s. It involved users more deeply in the design process, treating them as co-creators rather than mere subjects of study. The goal was to incorporate diverse perspectives from stakeholders, incl. users, into the design process to generate innovative and inclusive solutions. This generation also aligns with the increasing use of design thinking (DT), where cross-functional teams collaborate with users throughout the development process (Mural, 2023).

4. Fourth Generation (Sustainability and Systems Design)

The fourth generation expanded further to include systems design and sustainability. In this era, designers focused not only on the immediate user but also on the wider social, environmental, and systemic impacts of design. This holistic approach considers how products and services fit into broader ecosystems, such as global supply chains, environmental sustainability, and societal well-being. DT was increasingly used to address "wicked problems" like climate change, urban development, and healthcare (<u>Dragičević</u>, <u>Valdova</u>, <u>Ullrich</u>, 2023).

5. Fifth Generation (Adaptive Design and Al integration)

The fifth generation represents the current and evolving era, characterized by the integration of Al and adaptive design. For this, evolutions of the original methodology have been suggested, e.g. the Stingray Model for Innovation (Board of Innovation, 2023). Al allows for more personalized and responsive products that adapt to individual user behaviors over time. This generation aims to create anticipatory user experiences, where systems can predict and respond to user needs in real-time, offering highly personalized interactions. Al-driven tools are now aiding designers in rapidly testing prototypes, automating parts of the design process, and continuously improving products through machine learning (Kerguenne, Meisel & Meine, 2023).

Along with the wider use of HCD, discussions about its shortcomings have emerged. The different generations of HCD address these partly, yet commonly discussed and observed shortcomings in practice are:

Short-Term Focus: Critics suggest that DT and HCD are often used for short-term, project-based innovation rather than for long-term strategic planning. The iterative nature may lead teams to focus on immediate feedback rather than broader, future-oriented innovation (Mural, 2023). Consumer observation in the here and now essentially does not prepare the designer and thus the proposed solutions for end-user preferences in reshaped or "disrupted" sectors.

Overemphasis on User Desires: While DT and HCD focus on meeting user needs, critics argue that this emphasis can sometimes stifle innovation. The narrow focus on user feedback may lead to incremental rather than radical improvements, limiting design breakthroughs (Kerguenne, Meisel & Meine, 2023).

Complexity of Wicked Problems: DT is often celebrated for addressing complex, "wicked" problems, but it can struggle with these challenges. Its iterative, exploratory process may be too slow or resource-intensive for businesses facing urgent, large-scale issues like digital transformation and systemic change (Dragičević, Valdova, Ullrich, 2023).

Problem Framing Limitations: DT excels at reframing problems from a user perspective, but its focus on empathy can lead to misframing complex business or societal challenges. As a result, solutions may address symptoms rather than underlying issues (<u>Dragičević</u>, <u>Valdova</u>, <u>Ullrich</u>, <u>2023</u>).

Lack of Theoretical Rigor: Some scholars argue that DT lacks a coherent theoretical foundation, which makes it difficult to measure its success across various contexts. This lack of rigor often leads to inconsistent outcomes and complicates the integration of DT into corporate strategies (Dragičević, Valdova, Ullrich, 2023).



FORESIGHT

Foresight has come a long way from its origins in military and defense planning. One of the early significant applications of foresight in a corporate context and widely known today was by Royal Dutch Shell in the 1970s. Royal Dutch Shell used scenario planning to anticipate oil price shocks (Rohrbeck, 2011). The field gained further momentum in the 1990s as globalization and technological change increased the complexity of business environments. By this time, foresight methods were being used not just for scenario planning but also for inspiring innovation, consumer trends, and technological disruptions (Portaleoni, Marinova, ul-Haq & Marinov, 2013). Today, foresight is used widely in corporate strategy, policy planning, and innovation across sectors. Its ability to prepare organizations for a range of possible futures arguably makes it a crucial tool in managing uncertainty and fostering innovation (WEF, 2024).

In management theory, foresight practices are often described in generations reflecting the evolution and maturity of foresight methodologies in organizations.

1. First Generation (Forecasting Focus)

The earliest form of foresight in the 1950s and 1960s, often called forecasting, was primarily quantitative. This generation focused on predicting the future based on historical data, using statistical models and trend extrapolation. It was mainly used in government and military planning and aimed to project the most likely future based on past trends. This generation was somewhat rigid and deterministic in its approach, relying heavily on numbers and assuming that past trends would continue (Tackx, Verweire, 2022).

2. Second Generation (Scenario Planning)

In the 1970s and 1980s, the second generation of foresight introduced scenario planning. This approach, popularized by companies like Shell, moved beyond simple forecasting to explore multiple possible futures. Instead of predicting a single outcome, scenario planning considers different variables and uncertainties, helping organizations prepare for a range of possible futures. This generation marked a shift from forecasting based on known data to embracing uncertainty and complexity (Rohrbeck, 2011).

3. Third Generation (Participatory Foresight)

The third generation, emerging in the 1990s and early 2000s, emphasized participatory foresight. In this approach, organizations involve diverse stakeholders in the foresight process, such as employees, customers, partners, and even competitors. This generation introduced more qualitative methods, including workshops, Delphi studies, and expert panels, aiming to gather insights from various perspectives and foster collaboration around future possibilities (Tackx, Verweire, 2022).

4. Fourth Generation (Systemic Foresight)

The fourth generation is characterized by systemic foresight, where foresight is deeply embedded within the organization's overall strategy. It seeks to integrate foresight activities across all departments and align them with long-term business objectives. This generation also focuses on the interconnectedness of systems—economics, politics, technology, society—and how these systems co-evolve. It encourages continuous monitoring of the environment and fosters agility in decision-making. Systemic foresight helps organizations not only to anticipate potential future changes but to actively shape their decisions and strategies in response (WEF, 2024).

5. Fifth Generation (Transformative Foresight)

The current fifth generation is sometimes referred to as transformative foresight. This approach goes beyond anticipating the future and seeks to actively shape it by leveraging foresight to drive innovation and transformation. Companies using this generation view foresight as a tool to challenge current assumptions and create new markets, business models, and industries. Transformative foresight is also closely linked with social and environmental sustainability, focusing on building futures that benefit both business and society (WEF, 2024).

In summary, the progression from forecasting to transformative foresight reflects a shift from predicting likely futures to exploring possibilities, engaging stakeholders, and ultimately influencing and co-creating desired futures. Each generation builds on the previous one, incorporating more complexity, collaboration, and strategic integration into foresight practices.

Exploring the future with the future cone



In practice, the implementation and value-add of foresight is often still met with skepticism. Commonly mentioned / observed shortcomings are:

Difficulty in Measuring Success, Long-term Focus:

Organizations frequently struggle to quantify the impact of foresight initiatives. As foresight deals with long-term uncertainties, it can be hard to demonstrate immediate, tangible results. This makes it challenging to justify foresight efforts to stakeholders who expect clear, short-term ROI (Sacio-Szymańska, Young, 2019).

Inconsistent Integration with Strategic and Innovation Processes:

Corporate foresight often lacks seamless integration with core strategic planning and/or innovation processes. Many organizations treat foresight activities as separate, resulting in limited influence on key decision-making. Without embedding foresight and its results into the broader process landscape, its impact is reduced or crippled. This is especially common when foresight is conducted externally or treated as ad-hoc, on-request activity (Portaleoni, Marinova, ul-Haq & Marinov, 2013).

Lack of actionability:

Results from foresight activities are often considered interesting and especially the process as valuable, yet the link to the here and now is often not made. As a result, managers call out a lack of actionability. Especially in a business building context, foresight approaches are often stopped in times of scarce budgets calling for efficient capital deployment and "a failure to demonstrate values for the organization" (Tackx, Verweire, 2022).

Managerial Biases:

A persistent challenge in foresight is the bias inherent in leadership. Decision-makers may disregard foresight insights that conflict with their existing views or strategies. These biases can limit the organization's ability to act on long-term trends and scenarios, as highlighted by research from various strategic foresight studies (Tackx, Verweire, 2022).

Lack of Foresight Capabilities within Organizations: Many companies lack in-house foresight capabilities and do not train their employees to think about the future in a structured way. This lack of foresight competency within the organization can lead to missed opportunities or misinterpretation of potential trends and threats (WEF, 2024).

Poor Dissemination of Foresight Insights: Even when foresight activities are conducted, insights often remain siloed within specific departments or are communicated poorly across the organization. This hinders broader organizational alignment around foresight outcomes and makes it difficult to act on future-oriented strategies (Tackx, Verweire, 2022) (Sacio-Szymańska, Young, 2019).

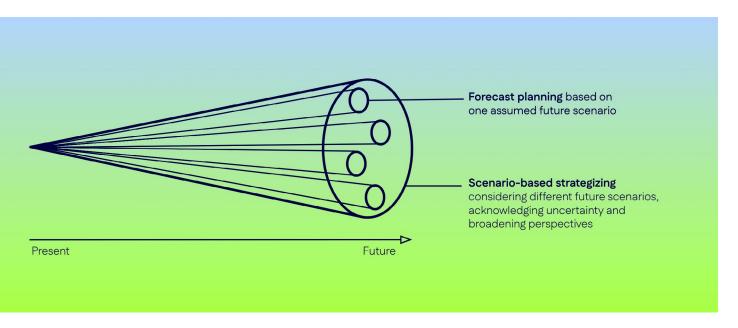
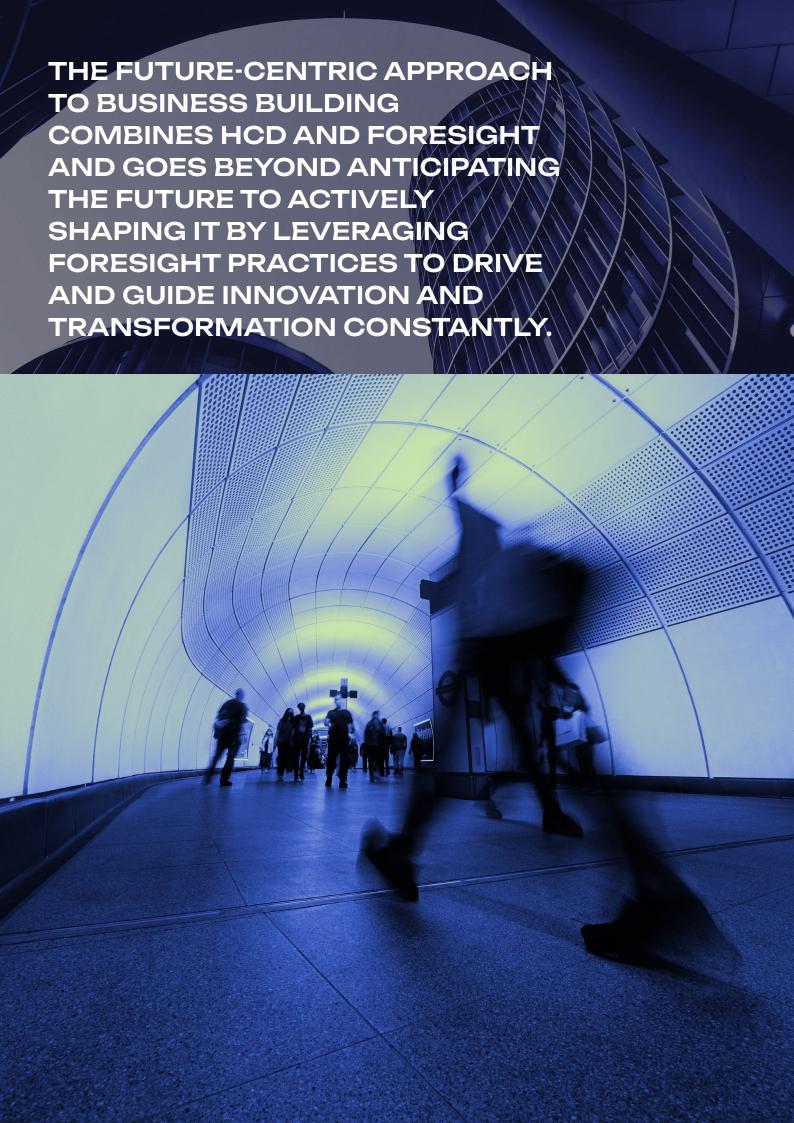


Image: Future Cone



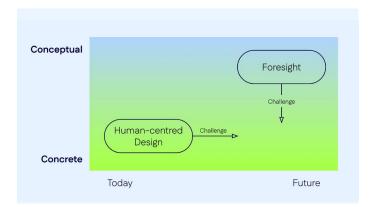


A NEW INTEGRATED GENERATION OF BUSINESS BUILDING

A combined, very much simplified view on HCD and foresight and their challenges looks like this (see image: Status quo).

What we need is an approach that systematically includes a future perspective during all phases of business building and at the same time triggers action in the here and now. Both HCD and foresight move into this direction. In the past, we have written about how foresight and human-centered design practices complement each other, mostly in a sequential way and we can see this in practice today. However, the next logical step is the deeper integration to form the new generation of future-centric business building (see image: Future-Centric Approach).

The future-centric approach to business building combines HCD and foresight and goes beyond anticipating the future to actively shaping it by leveraging foresight practices to drive and guide innovation and transformation constantly. Current assumptions, patterns, and realities will be constantly challenged to create new markets, new businesses and operational models, as well as whole new industries. The future-centric approach aims at including anticipated, future user experiences to create personalized, resilient and responsive products that adapt to change over time, even predicting and responding to changing user needs and context in real-time, heavily shaped by Al.



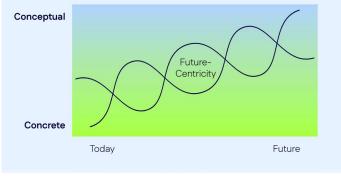


Image: Status quo

Image: Future-Centric Approach

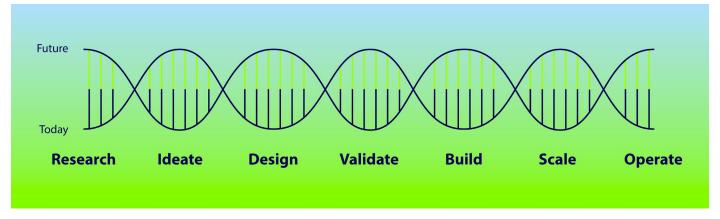


Image: Future-Centric Approach to Business Building

For successfully building new business in this era, an approach that constantly combines a future view with observable and measurable information from today is required. A quite fitting illustration is that of DNA, whereas the two streams of the backbone represent the future and present perspectives while base pairs represent methodologies that connect these two views.

If we take the validation phase as an example, common formats include prototyping, bulletproofing, user testing, focus groups, validation of technical feasibility and business models. What these formats usually do not have is a future perspective, i.e. they do not consider changes to the daily life of users in the future, systemic effects to the environment of a solution, changing technologies and regulation, as well as timing of the product as there is a huge difference between developing a product for today compared to in 10 to 15 years.

The future-centric approach will constantly produce insights about today and the future. Consequently, these pieces can be reused multiple times. During validation, for example, insights from previously conducted future experience groups can be reused to assess a product idea against future consumer needs in addition to current user needs. In case scenarios were developed, these can be reused to evaluate the product idea against the context in different possible futures, thus providing information about the risk level of the idea. Previously scouted technologies can be brought in to evaluate feasibility, speed up development or reduce costs and so on.

We firmly believe we are at the beginning of this future-centric generation of business building. The integration of practices from various areas such as HCD, innovation, foresight, and strategy is still in its infancy.

In this paper, we used one step in the common approach to business building as an example. However, the core idea of combining insights from today with future insights should be applied across areas in companies to transform culture, people, processes and methods, the way information is used – ultimately the whole organization. We will continue to publish about our integrated methodology in the coming months.

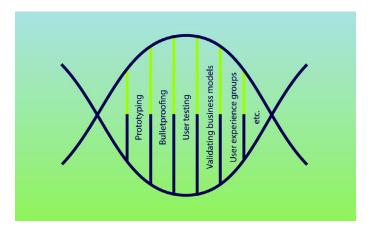


Image: Validation Phase





BLUEM RROW

About the author

Dr. Tobias Heger, General Manager at Bluemorrow, brings a wealth of experience in strategic foresight, innovation, and venture building. With a background in business engineering and a Ph.D. in corporate foresight, Tobias has worked across industries to help companies unlock new business opportunities. He co-founded and successfully exited Rohrbeck Heger, growing it into a leading foresight consultancy. Now, at Bluemorrow, he is focused on shaping the future of business building through actionable insights and foresight-driven strategies, ensuring clients are prepared for tomorrow's challenges.

→ contact Tobias

About Bluemorrow

Combining entrepreneurial agility with corporate experience, Bluemorrow is the future business builder for global leaders. Leveraging foresight, innovation, and venture building, Bluemorrow helps companies explore new horizons and drive growth for a brighter tomorrow and a bluer planet.

Navigating the future means contending with emerging technologies, ever-changing regulations, shifting consumer trends, and unforeseen competition. To anticipate and participate in what tomorrow looks like, leaders of industry need to expand their horizon and evolve beyond their current capabilities. Continuously and for the long-run.

At Bluemorrow, we work with you to establish new growth paterns so you can future-proof your business at lower risk for higher reward. Trusted advisors with decades of experience, we combine strategic foresight, innovation consulting, and venture building all under one roof to help you not only identify but also act on opportunities. Our holistic approach balances an entrepreneurial mindset with corporate understanding, speed with thoroughness, and hands-on building with long-term perspective.

With a presence in Zurich, Berlin, and Singapore, our partners have worked with the likes of Lufthansa, Siemens, and Cargill to map the future, tap into innovative territories, and grow new sources of revenue—systematically and strategically—for a brighter tomorrow and a bluer planet.

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