

Adriana Postovaru

Corporate Foresight does not predict or forecast the future just permit to see beyond the close environment of organizations. Companies have to take into consideration future developments and include them in their daily decisions and actions. Because of the complex and uncertain business environment, organizations need long-term orientation.

Corporations work with foresight studies in order to:

? reduce uncertainty by identifying new and relevant trends; ? prepare strategic decisions; ? support innovation processes; ? develop new and future business ?elds/markets; ? create orientation on future developments; and ? build a knowledge base (Neef and Daheim, 2005).

Some companies (Aventis, BASF, British Telecom) use foresight information for decision-making process and for the corporate strategy development, others (Philips, Decathlon, Ericsson) use foresight for better understanding the structural changes in science and society. Rene Rohrbeck ? defines Corporate Foresight as ?an ability that includes any structural or cultural element that enables the company to detect discontinuous change early, interpret the consequences for the company, and formulate effective responses to ensure the long-term survival and success of the company? Need for Corporate Foresight: the average life expectancy of Fortune 500 companies is less than 40 years. The highly mortality rate of companies is their failure to adapt to discontinuous change.

The three major reasons why companies fail to adapt to external changes are:

1. First, the **high rate of change** due to: shortening of product life cycles, increased technological change, increased innovation speed, increased speed of the diffusion of innovations
2. Second, **ignorance**. Ignorance has four reasons: ? A time frame that is too short to produce a timely response . ? Announcing signals may stay undetected because they are outside the reach of corporate sensors. ? Top management suffers from an over?ow of information and lacks the capacity to assess the potential impact of the issue ? Information does not reach the appropriate management level that can understand the impact of an issue and/or that has the hierarchical power to decide on appropriate actions
3. Third, **inertia**. If a company has perceived a change in the environment with a potentially high impact, it needs to (1) de?ne and plan appropriate actions and (2) implement them.

Inertia of large companies has four main reasons: ? Complexity of internal structures. Large companies have to deal with regional reach and product range ? Complexity of external structures. Cost pressure has forced companies to outsource parts of their production to other companies ? Large companies have built structures that protect and reinforce their successful lines of business. ? The current technological capabilities of companies lead to a cognitive inertia that inhibits them from perceiving external technological breakthroughs

Organizations can manage discontinuous change through: strategic management, innovation management, managing the future

1.Strategic management. Corporate change has long period of slow, incremental change and short periods of rapid discontinuous or radical change, therefore the organizations need two type of capabilities: ? The ability to adapt incrementally and exploit current business in times of incremental change ? The ability to adapt radically and explore new markets and business opportunities in times of discontinuous change

2. Innovation management. Companies maintain a competitive advantage in times of discontinuous change by:

? Acquiring new technologies ? Linking emerging technologies to new customer needs ? Initiating new R & D projects to use the window of opportunity created by the discontinuous change ? Promoting specific personal traits on radical innovation teams ? Finding and binding promoters and champions of radical innovations ? Building separate organizations for developing radical and incremental innovations

3. Managing the future perspective ? has as a goal identifying methods to systematically explore the future

According to Rohrbeck, Corporate Foresight efforts on the innovation capacity of a firm can be classified in **three roles**:

? **In the strategist role** -corporate foresight directs innovation activities by creating a vision, providing strategic guidance, consolidating opinions, assessing and repositioning innovation portfolios, and identifying the new business models of competitors. ? In the initiator role, **corporate foresight triggers innovation initiatives by identifying new customer needs, technologies, and product concepts of competitors.** ? In the opponent role, **corporate foresight challenges the innovators to create better and more successful innovations by challenging basic assumptions, challenging the state-of-the-art of current R & D projects, and scanning for disruptions that could endanger current and future innovations.**

The strategist role: explores new business fields, new business models and alternative business logic. The impact of initiator role has as a result: identifying new needs, identifying emerging technologies, identifying competitors? concept earlier.

I can use as an example the fail of the world's second biggest replicator of optical disc (CDs and DVDs) Sonopress which was specialized only in production and not developing their business in any other direction, even though a lot of signals showed that the demand for discs was dropping.

The initiator role ? increases the number of innovation concepts and ideas.

The first impact of the initiator role is the identification of new customer requirements analyzing cultural shifts and the needs of important customers.

The second impact is identification of emerging technologies by scanning the science and technology environment

The third impact is identification of new competitor concepts by monitoring R&D projects, patenting activities and new product launch of competitors. The opponent role - **challenges innovation projects to increase the quality of their output.** The main goal of the opponent roles is to challenge the ideas and basic assumptions of innovators. Corporate foresight plays the opponent role when it identifies technologies, products, or changes in the consumer needs domain that have disruptive potential. The third major impact of the opponent role is to ensure the state-of-the-art of R & D projects