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Innovators' Toolkit

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 Special projects manager : Carly Woods
 Head of marketing : Ashlie Dixon
 Digital marketing manager : Rodrigo Tobal

The Future Laboratory :
 26 Elder Street, London E1 6BT, United Kingdom
 Phone: +44 20 7791 2020
 Email: office@thefuturelaboratory.com
 thefuturelaboratory.com

The Future Laboratory is one of Europe's foremost trend forecasting, consumer insight and strategic innovation consultancies. Through its online network LS:N Global, it speaks to 300 clients in 14 lifestyle sectors on a daily, weekly and monthly basis.

Contact : For further information on all our services please contact laurajane@thefuturelaboratory.com or call +44 20 7791 2020. You can also join the conversation in our LinkedIn group, The Future Laboratory, and follow us on Twitter @TheFutureLab.

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Innovators' Toolkit 2016

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Introduction

In the early years of the 21st century, a strange thing happened to the concept of innovation. As our wonder and excitement grew at the revolutionary possibilities of the digital world we were creating, innovation became interchangeable with technology.

As Karen Dillon, co-author of *Competing Against Luck: The Story of Innovation and Customer Choice*, and former editor of *Harvard Business Review*, says: 'We've been conditioned over the past 15 years to think that innovation is always about technology, that it primarily means creating apps and software and computers that are ever-faster and more powerful, that Big Data or the Cloud are where innovation lives today.'

But as the Turbulent Teens continue

to unfold in their economically, socially and politically disruptive way, that initial sense of wonder – that belief that technological innovation is an end in and of itself – is fading fast.

Gradually, we are realising that digital technology needs to take a back-seat role now, and become simply another clever tool to facilitate and deliver new ways for us to work together to create a brand and business landscape in which innovation can take root and thrive.

'Innovation is absolutely not about creating more and more technology – it's about how you can get it right for people, so that they can solve the problems they are trying to solve,' says Dillon.

In an age of digital disruption, our shared understanding of how and why we innovate is being reshaped. We are exploring this through four major global macrotrends:



MINI VISION NEXT 100

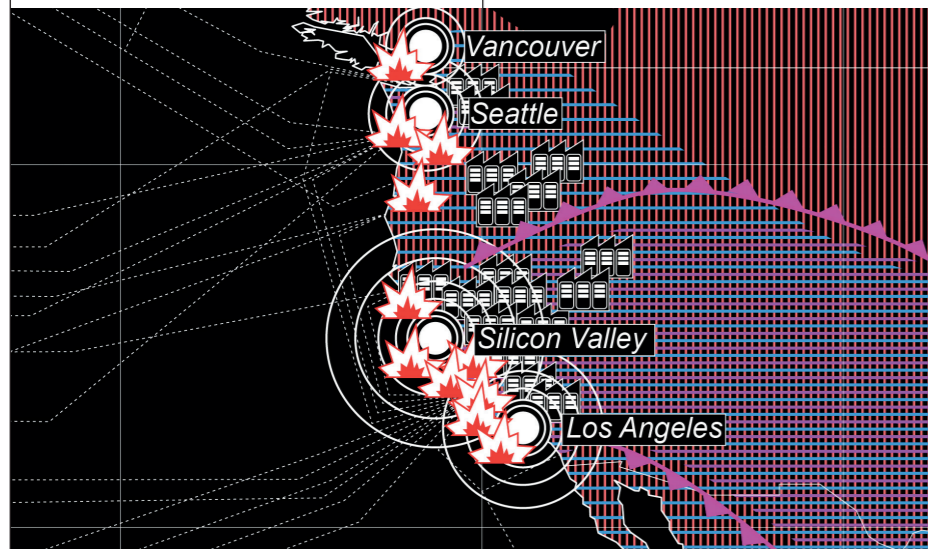
The Invention Gap

The government has stepped back from its role as the instigator and organiser of large-scale innovation during more than 30 years of neoliberal, market-focused economics, leaving private industry and brands to concentrate on often incremental, small-scale solutions that are focused on the bottom line.

'In the past, if we wanted to solve food shortages, invent the first jet plane or send a man to the Moon, a government would step in to pull together thousands of companies in a concerted effort to make it happen,' says Edward Jung, chief technology officer of Intellectual Ventures.

'It took a government to get all of the innovation done in a way that enabled those companies to safely take risks. But by and large, governments are out of that business today.'

'It's true that as companies scale up they may become involved in large projects of their own, but it's very hard for them to get into very large integrative projects. So there is an invention gap.'



MAP OF DISCONTENT, PART OF THE PANDA EXHIBITION BY OMA AND BENGLER, OSLO

Data Delusion

Our society is drowning in data and as yet it lacks the experience and analytical tools to sort the wheat from the chaff. We now need to explain why something is happening instead of simply pointing out that it is.

Every day, we create 2.5 quintillion bytes of data – so much that 90% of the data in the world today has been created in the past two years alone, according to IBM. To make matters worse, experts predict there will be a 4,300% increase in annual data production by 2020, according to Forbes.

'We've never had more powerful analytical tools and access to data, so we've never known more about our customers, but that's not translating into predictable innovation success,' says Dillon.

In fact, our decade-long dream that Big Data analysis holds the answer to innovation is looking increasingly questionable. 'We are recognising a need to use our old-fashioned human skills of intuition to focus more comprehensively on individuals and their behavioural patterns, rather than on creating little bits of data and applying these to everybody,' says Dillon. 'That way we'll create things that people want to buy.'

Identity Paradox

Brands are seeking to innovate for a new breed of digitally-savvy consumers with short attention spans who want to be both part of the gang and to stand out from the crowd.

'Everyone wants to belong and be part of a tribe, but at the same time, to be special. That's the paradox of human nature,' says Baroness Susan Greenfield, scientist, writer and broadcaster specialising in the physiology of the brain.

'It is particularly thrown into



HONDA. GREAT JOURNEY BY MAP PROJECT OFFICE AND MORI INC FOR HONDA, UK

sharp focus by our new digital technologies. Everyone wants to conform or they fear a troll is going to come and get them. At the same time, they're crying out to be special and famous and different.'

Innovators are desperately attempting to engage with the needs and desires of a very different kind of consumer shaped by the peculiar environment of cyberspace. 'They have sharper and more agile minds and can process information quickly, but they rely on the web as their knowledge memory, have a shorter attention span and place a premium on immediacy,' says Greenfield.

'They are risk-takers with lower empathy, and a rather fragile sense of identity that needs a lot of feedback. This is the first time we've had this profile, and therefore we need to adapt to that in a way that we haven't taken on board yet.'

'We've never had more powerful analytical tools and access to data.'

Karen Dillon, author and former editor of Harvard Business Review

Creativity Hurdle

Open, emotionally connected businesses are becoming the goal for brands with innovation on their minds, leading to a drive to address the shortage of leaders from creative backgrounds at board level.

It is for that reason that Mexico City's Laboratory for the City – the creative think tank charged with innovating for the government of the North American megalopolis – has appointed a chief creativity officer whose key task is to provide human-centric support for staff researching fresh creative solutions to urban problems.

Jonathan Sands OBE, chairman of global brand design consultancy Elmwood, sums up the dilemma that would-be innovative brands face today: 'Our businesses are out of balance. They are analytically and rationally hard-wired and legally bound to have a finance director.'

'There should be directors of emotional intelligence or directors of escape, because, fundamentally, I believe that's what businesses and brands are there to help us to do.'

INNOVATORS' TOOLKIT

Against this backdrop of shifting consumer expectations, data overload and a transforming business environment, we at The Future Laboratory have drawn on our wealth of research and thinking, and the insights and observations of a string of global experts, to consider anew what it means to be an innovator in this century of disruption and transformation.

Our conclusion is that brands will need to adopt six key strategies in order to innovate successfully in the decades ahead.

Redefine the Relationship

Many brands still pay little more than lip service to the idea of true innovation, rather than embracing it enthusiastically as one of the key things that they do. This superficial, arm's-length relationship needs to change – and fast.



FES WATCH ON DISPLAY AT SONY'S FIRST FLIGHT PLATFORM LAUNCH EVENT, NEW YORK

'Innovation only becomes real when we stop referring to it as innovation,' says Daljit Singh, principal director of design strategy for Europe, Africa and Latin America at Fjord. 'Beyond this, any single innovation must become a practice that we absorb into the everyday.'

To turn intention into action, brands need to:

Make innovation a core function

Innovation has to become something that everyone in the business plays a part in making happen, not just a specially designated, rarely seen team of specialists in a password-protected room on the top floor.

As Nicolas Roope, co-founder and creative partner of digital communications innovator Poke, says: 'Change and adaptation are horrendously problematic. So the easiest thing to do is to set up an innovation department because it creates a nice story that you can take to market and stipulate easily.'

'You can fund it well too, because it's important to everybody. But it's not part of your core business and a gym membership mentality develops. In the same way that you pay your gym membership and somehow think that

makes you fitter even when you don't go, you've conceptually covered your innovation need without actually innovating across the business.'

Future-facing brands are aware that compartmentalising innovation from the rest of the business is tantamount to saying it doesn't matter. They are introducing strategies that ensure their employees have some investment in their organisation.

Adobe has introduced its Kickbox Personal Innovation Kit. This takes the form of a physical box of tools and resources for independent and rapid innovation, including a £785 (\$1,000, €897) pre-paid credit card for research and proof of concept, which is handed to employees with complete instructions about a challenge that needs solving. Once their solution has been submitted, the employee receives a new Blue Box (contents unknown) as well as an executive sponsor to help bring the idea to life. Since its inception, more than 1,000 new ideas have been prototyped.

Kickbox is a one-stop toolbox that enables employees to pursue innovation autonomously. This approach by Adobe ties into the principle of open-sourcing innovation. By inviting employees to innovate independently from the company, the organisation can then draw on a profusion of new ideas, which it can choose to pursue or shelve depending on the quality and timeliness of the idea, and the conditions necessary to launch it. This is a thrifty and inventive way to draw on the latent talent locked inside a company.

Sony's First Flight platform is designed to crowdfund new projects by employees, and enables a backer to directly buy and pre-order new devices created by the brand's staff.

As Daljit Singh says: 'True innovation comes from two things, ideas and the way those ideas fit in the conditions in which they are launched.' This approach increases the chances of ideas becoming successful.



MODULAR CONCEPTS BY SEYMOURPOWELL



SPACE 10 BY IKEA, COPENHAGEN

Reject incremental change

Taking safe baby steps towards change is no longer enough. The future of innovation will require brands to take psychological and financial risks in order to make big leaps forward to keep pace with advances in technology and rising consumer expectations.

'Very small changes are only fabulous from the company's perspective. They are too myopic to be considered a long-term strategy for success,' says Dillon.

'You need to reframe the way you think about what you're trying to accomplish to see a different set of competitors and options. At that point, you'll stop making the tiny incremental changes and improvements that nobody gets excited about, and begin to make far better products and services for your customers.'

It's about asking different – and much more wide-ranging – questions than whether a small improvement in a product range will give you a short-term competitive advantage. 'Brands need to start asking how artificial intelligence or radical sustainability will affect their industry,' says Joe Coppard, founding partner and executive creative director of Another Tomorrow.

'Change and adaptation are horrendously problematic. So the easiest thing to do is to set up an innovation department because it creates a nice story that you can take to market and stipulate easily.'

Nicolas Roope, co-founder and creative partner of digital communications innovator Poke

‘Those are the big picture questions that will help [brands] innovate and evolve to keep pace with a world that is changing so much, so quickly,’ says Coppard.

Leading brands are looking for inspiration and expertise outside of the business sector to discover how to recognise where major innovation may be needed and how to negotiate it. Rolls-Royce has a long-term partnership with the academics and scientists at the Royal Academy of Engineering as part of its most future-facing research and development push.

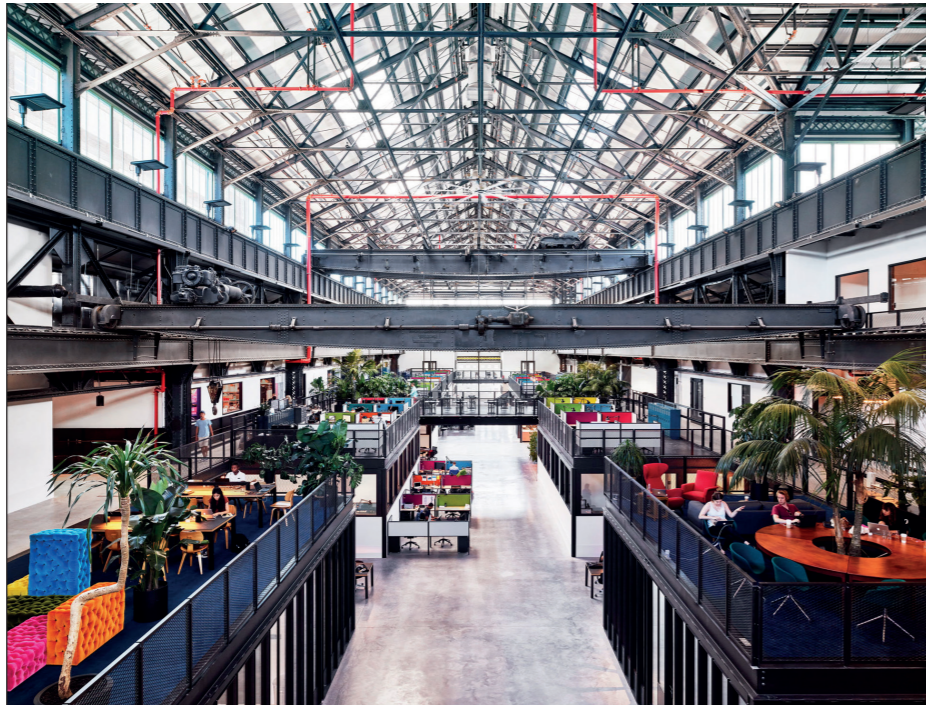
Long-termism is key to successful innovation, as Sarah Tulej, senior sustainability adviser at Forum for The Future, says: ‘Today’s environment demands that we act in moments, but think in ages.’

Ken Forster, angel investor and managing director of Internet of Things accelerator Momena Partners, believes that businesses should build grand challenges into their DNA: ‘The key in this short period we call a lifetime is to develop long-term strategies for business,’ he says.

Forster embraces longevity, maintainability, transparency, evolvability and scalability – the principles of long-termism in business defined by Stewart Brand, writer and co-founder of the Long Now Foundation.



THE OPAQUE BUT STILL TRANSPARENT RANGE BY FREITAG



NEW LAB, A CO-WORKING SPACE IN BROOKLYN NAVY YARD, NEW YORK

‘I’ve always aimed to apply these to business,’ says Forster, whose company is in the top 10 global investors in the Internet of Things infrastructure.

‘But there is still a lot of short-termism, especially in quarterly reporting on key performance indicators (KPIs). The most inspirational leaders take a longer-term view, and have a long-term vision as well as a business plan based around short-term results.’

New criteria are separating business leaders who have a long-term view from those who do not. Tugboat Institute is a membership organisation for what it calls Evergreen CEOs.

It presents a set of criteria through which Evergreen business leaders operate. The tenets include prioritising purpose over profit, putting people first and pacing growth. This can be summarised as: ‘Having the discipline to focus on long-term strategy, balance short-term and long-term performance, and grow steadily and consistently from year to year.’

‘Today’s environment demands that we act in moments, but think in ages.’

Sarah Tulej, senior sustainability adviser at Forum for The Future

‘There is a misconception that technology is the solution and the answer.’

Joe Coppard, founding partner and executive creative director of Another Tomorrow

Recognise peak tech

There is a strong current temptation to believe that innovation will simply happen magically if you throw enough technology at it. But as Joe Coppard says: ‘There is a misconception that technology is the solution and the answer.’

‘In fact, it is the human mindset and the processes that need to change, particularly in these big organisations.’

It is time to start regarding technology as a tool and an enabler rather than an end in itself, a portal rather than a goal. And it should be used to enable everyone to have access to innovative solutions to their needs, wants and aspirations.

‘Technology is a fantastic amplifier for social voices and an amazing articulator. But we need to be continually reminded that it must be anchored in institutional and societal practices to be of use,’ says Gabriella Gomez-Mont, founder and director of the Laboratory for the City in Mexico City.

Using digital technology to offer a new way of addressing a long-standing pattern of behaviour and need is one powerful way of technologically innovating in a human-focused way. ‘Technological advances are running faster than we can embrace, so you almost have to cherry-pick the technologies that you want to embrace,’ says Jonathan Sands of Elmwood.

The AI-powered mobile app Your.MD takes this approach, mimicking a consultation with a doctor to cut down trips to surgeries by people with minor ailments or problems that can be remedied with over-the-counter medication.



MESH SMART DIY KIT ON DISPLAY AT SONY'S FIRST FLIGHT PLATFORM LAUNCH EVENT, NEW YORK

Reframing the conversation: The Future Laboratory view

‘Many of our clients have innovation as a core function in their businesses, but creating real change is often something those functions struggle to achieve. The speed to market of traditional innovation is struggling to keep up with the ever-increasing pace of change in consumer behaviour. Clients come to us because our tried and tested approach to future consumer insights gives them the confidence to invest in developing new products and technologies knowing that they will still be at the cutting edge when they are launched.’

Daniella Betts, strategy director, The Future Laboratory



MODULAR CONCEPTS BY SEYMOURPOWELL



NEW LAB, A CO-WORKING SPACE IN BROOKLYN NAVY YARD, NEW YORK

INNOVATORS' TOOLKIT

Be a Beta Brain

Innovation in the next decade will be defined by a brand's ability to remain fluid and flexible in the face of a rapidly changing commercial and technological landscape.

Resist strongly any calls to dogmatically assume a set posture or a defined way of responding to emerging challenges or opportunities because it has worked in the past. Instead, think of your business as a Beta-stage prototype product, and always be ready to pragmatically pursue what is working, and jettison what isn't.

'Innovation and Black Sky thinking are all about asking questions and inviting responses to them. The responses re-inform the questions. To work properly, innovation must be iterative and not assume that it knows the answers,' explains Rachel Armstrong, TED Global fellow and pioneer of Black Sky thinking.



FORESTS BY ASIF KHAN FOR MINI LIVING, LONDON DESIGN FESTIVAL 2016

'We must also challenge the assumptions of what our businesses do. You could start a cake business, but then in 50 years that cake business could have morphed into a packaging company.'

Rachel Armstrong, TED Global fellow and pioneer of Black Sky thinking

'We must also challenge the assumptions of what our businesses do. You could start a cake business, but then in 50 years that cake business could have morphed into a packaging company.'

For organisations such as Google, the path to innovation is inspired by the world of hardware and software development. Jake Knapp, design partner at Google Ventures, discusses this in his book *Sprint: How To Solve Big Problems and Test New Ideas in Just Five Days*. The rationale behind this new innovation technique is to work to a five-day structure to arrive at an end goal.

The framework is spread over a normal working week. Monday is about mapping out and identifying problems. On Tuesday, the team will sketch out competing solutions to the problem on paper. On Wednesday, decisions are made and ideas are turned into a testable hypothesis. Thursday is used to create a prototype, and finally, on Friday this is field-tested with real people.

'Bringing a vision to life is difficult. It's all too easy to get stuck in a churn: endless email, deadlines that slip, meetings that burn up your day and long-term projects based on questionable assumptions,' writes Knapp. 'It doesn't have to be that way. Sprints offer a path to solve big problems, to test new ideas, get more done and do it faster. They also enable you to have more fun along the way.'

Use emerging strategies

Learn to exist in a state of flux in which innovation is a long journey with no clear destination, rather than an A-to-B trip to a pre-determined destination. As Gabriella Gomez-Mont says of her innovation projects in Mexico City: 'Our experiments are living creatures that are changing continually under our feet. We have to be very willing to adapt, re-adapt and rethink continuously.'

To adopt this approach to innovation successfully, a business needs to tap into two powerful trends that The Future Laboratory has examined and discussed in depth over the past 18 months: The Immortal Brand and Cathedral Thinking.

Both require brand leadership teams to step back from the usual fixation on quarterly results, and refocus on the truly long-term – creating a business that has the innovative, adaptive culture to enable it to change over many generations, even centuries.

'If you're not failing, you're not learning. If you're just being successful then it's almost easy and you can become dangerously complacent because you feel you don't need to innovate when things are going well.'

Jonathan Sands OBE, chairman of global brand consultancy Elmwood

Nicolas Roope of Poke explains why innovators need long-term fluidity of thinking to achieve repeatable success: 'You can't check a destination and a target, and arrive there in three years and the job is done, because that target has moved and may have changed.'

For clues about what this approach looks like as it emerges today consider IBM's Design Thinking system, designed as a 'scalable framework to help teams understand and deliver – continuously'.

By the end of 2016, 100,000 IBM staff will have been through the training to build fast-paced, multidisciplinary teams that work in a state of constant prototyping to adapt to changing customer demand and shifting commercial pressures.

The teams are encouraged to 'restlessly re-invent' and treat every project they work on as an iterative prototype to solve old problems in new ways.

'When you use IBM Design Thinking, your bias is towards action,' reads the mission statement. 'You will pursue perfection with the humility of knowing that in the fullness of time, nothing is perfect; that is, everything is a prototype.'



TRANSFORM, A SUSTAINABLE ENTERPRISE PARTNERSHIP BETWEEN THE UK DEPARTMENT FOR INTERNATIONAL DEVELOPMENT, UNILEVER AND THE CLINTON GIUSTRA ENTERPRISE PARTNERSHIP

Be suspicious of easy success

'In business you get tail winds and head winds,' says Ken Forster of Momenta Partners. 'It is vital to be humble enough to accept whether it's the plane you're flying or the conditions you're in that are leading to your success.'

Failure is scary and can be costly, but it is often a price that must be paid for daring to push the boundaries and avoiding the danger of basking in the warm glow of current success at the expense of planning for the next wave of innovation.

As Jonathan Sands of Elmwood says: 'If you're not failing, you're not learning. If you're just being successful then it's almost easy and you can become dangerously complacent because you feel you don't need to innovate when things are going well.'

Brands need to put processes and systems in place that make failure an acceptable part of their innovation culture, while mitigating the risks to the future of the business. Staff need to feel safe to make mistakes without fearing that they will wreck a brand or blight their professional future within it.

'Trying to conquer the fear of failure is intrinsic to successful innovation,' says Joe Coppard. 'At Another Tomorrow we say: 'Master the fear of failure – fail fast in order to explore lots of different ideas and concepts to find the ones that work''

The Unilever Foundry is a strong current model for how this can be done in practice. The project uses venture capital to trial dozens of innovations by digital marketing start-ups within the FMCG sector, enabling them to find out which ones will stick while outsourcing some of the capital risk of failure.

To embed this approach more deeply in its global web of businesses, the group has now launched the Foundry Network, a network of staff who champion the innovation model within their particular brand or function, piloting it and exposing their teams to new thinking and strategies.

Beta Brain innovation: The Future Laboratory view

'We recently worked with a media brand that wanted to understand how to engage with its future youth audience. We helped it to recognise the importance of a Beta mentality in remaining ahead of the curve in the social media landscape that is being rapidly reshaped by evolving Generation Z consumers. Our insights are helping the brand to develop an organisational model to embed this as a way of working to drive future innovation.'

Daniella Betts, strategy director, The Future Laboratory

INNOVATORS' TOOLKIT

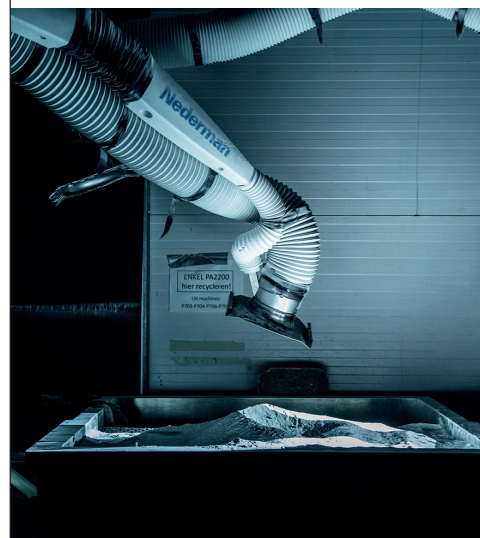
Create a Human-centric System

Wide-ranging changes in attitudes to leadership, vision and the use of technology are needed to transform a brand from a modern-day success into a future innovation hothouse.

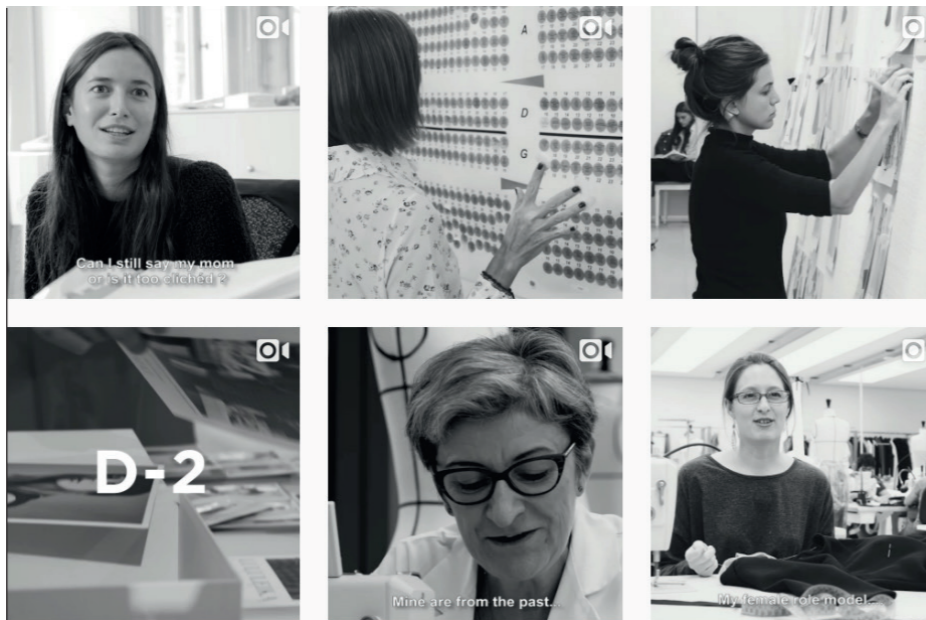
It's not about using digital technology to monitor the efficiency and productivity of your staff, and then designing processes to make them work harder and smarter.

Instead, brands need to create an innovation culture that continually asks the same question from the other end of the telescope: What technology, resources and support do our staff need to free them up to be creative?

As Roope says: 'It's the least convenient answer. But it's about imbuing qualities into organisations through existing individuals so that there can be a genuine cultural shift.'



ADIDAS FUTURECRAFT ENABLES STAFF TO COLLABORATE WITH DESIGNERS BY GIVING THEM ACCESS TO NEW TECHNOLOGIES



#THEWOMENBEHINDMYDRESS BY DIOR, PARIS

Introduce human-focused leadership

Creatives and finance experts need to have equal and balanced representation at board level in order to step away from old-style economic rationalism and embrace Beta Brain strategies. 'The next generation of board directors will need emotional IQ as much as the ability to simply read a spreadsheet,' says Alexander Kjerulf, chief happiness officer at Woohoo.

It's a difficult balance to achieve because it relies on a brand's ability to assemble a group of powerful and forthright individuals from very different disciplines who nonetheless share a mutual respect. But for a brand seeking to be a true innovator, it is a goal worth striving for.

As Sands says: 'The trick is to avoid a potentially adversarial relationship by gathering a group of people with different ways of looking at things who are nonetheless culturally aligned with a common goal and focus.'

'They all need to be great listeners who want to understand where the other side is coming from so that they can work through their fears and trepidations together. When you have that, you've got a very powerful foundation for business-wide innovation.'

It is clear that many major brands with innovation on their minds are beginning to get the message about building a critical mass of senior staff with high emotional IQs. In 2016, Dutch bank ING put 350 senior sales staff through a 'soft skills' training programme to help them form better, deeper, more personal relationships with clients, and each other.

Build a shared innovation vision

Brands need to empower and educate all staff to feel that they are an important part of an overall vision for innovation. Front of house and finance should be as familiar as the creative team with how, when and why a business is planning to innovate in the decade ahead.

'Little pockets of innovation, such as innovation labs, are often intended to inspire lots of new ways of working within a business. Instead, they become isolated silos that have little impact on the greater whole,' says Coppard.

It's a mistake that can fatally undermine a brand's drive towards an innovative future. 'It's not that it's nice to involve everybody in the process of innovation,' says Roope. 'It's that it's the only way of having a fighting chance of getting to the right answers.'

Delta Air Lines has recognised the need to mix up its staff teams in order to enable everyone to see business challenges and opportunities from a different point of view. Its trading places programme lets employees spend a day in the life of a colleague to see how things could be done differently.

Beyond this, it is vital to build innovation into the everyday. All too often, businesses innovate briefly and then revert to a business-as-usual mentality. Innovation is viewed as a flash in the pan rather than a continuous endeavour. In 2016 we are learning that innovation is not just about individual sparks of genius, but instead about intense and constant focus. This notion is explored in the book *Innovation as Usual: How to Help Your People Bring Great Ideas to Life*, by Paddy Miller and Thomas Wedell-Wedellsborg.

The authors recommend that business leaders aspire to become innovation architects; that is, create a system in which their teams engage in innovation behaviour in the everyday. The book makes it clear that innovation isn't just for designers, marketers or line managers, but for finance, sales and operations too. In thinking this way innovation becomes the rule rather than the exception – systemically and sustainably done.

Make your technology serve your people

Rather than using technology systems to micro-manage existing human behaviour, innovative businesses need to introduce advanced software and AI platforms that free their staff to be intuitive and creative.

'We're turning ourselves into second-rate computers, and we're not very good at that. You can't have algorithms for intuition and common sense,' says Baroness Greenfield.

'The whole point of a computer system is to reduce the time between input and output. For humans, it's that space that makes all the difference – because that's where you add value. You need to give people time rather than having as a premium the speed of response from an input.'

Re-assessing what digital technology is intended to do, and ensuring that the relationship between future AI-powered systems is one of collaborative equals rather than human masters managing robotic servants promises to have a huge impact on a brand's innovative efforts.

Researchers from BMW and MIT recently discovered that teams of humans and robots collaborating effectively were about 85% more productive than teams of either people or robots alone.



THE 360I WEBSITE ENABLES POTENTIAL RECRUITS TO EXPLORE 14 DEPARTMENTS AND OBSERVE AVATARS OF REAL STAFF MEMBERS AT WORK AND PLAY, UK

INNOVATORS' TOOLKIT

Offer Emotional Solutions

In the past, innovators have tended to approach innovation from a purely practical, and often incremental, perspective. Identify a practical consumer need, modify a product or create a new one to meet it: that's been the general approach.

In the next decade, innovative brands will need to think more about how they connect with their consumers on an emotional level to understand the areas in which they need to be innovating, and the visceral and psychological obstacles to the adoption of a new product.

'In a world in which our lives have become so systemised and calculated, we are also yearning for community, intimacy, slowness and more relational experiences from brands. Successful companies will combine the two elements,' says author and strategist Charles Leadbeater.



PROTOTYPE BY AIRBNB'S STUDIO SAMARA



YOSHINO CEDAR HOUSE BY AIRBNB'S DESIGN STUDIO SAMARA AND GO HASEGAWA FOR TOKYO VISION, JAPAN

Sands agrees: 'Innovation needs to be the key to unlocking atmospheric experiences that touch the human soul, enabling people to escape from the everyday. Innovation is not the end game. The end game is the escape, and innovation is a route for getting there.'

Reframe consumer conversations

Rather than searching for practical problems to solve, brands need to tap into consumers' emotional journeys, encompassing their hopes, desires and aspirations as well as exploring their unique cultural reference points.

'The most important things for us to realise and take into account when we innovate are the unique emotional circumstances of what we're trying to achieve,' says Gabriella Gomez-Mont.

Formulaic solutions built around a broad analysis of demographic expectations will not give brand leaders a key to understanding your consumers' emotional needs. 'You need to think much more in terms of psychographics – shared lifestyle choices and aspirations that can unite consumers from different cultures on different sides of the world,' says Martin Raymond, co-founder of The Future Laboratory.

'The most important things for us to realise and take into account when we innovate are the unique emotional circumstances of what we're trying to achieve.'

Gabriella Gomez-Mont, founder and director of the Laboratory for the City in Mexico City

Brands that are able to put themselves in their customers' emotional shoes will be able to innovate from a position that isn't simply about creating a product with the 'exact right combination of features and benefits', explains Karen Dillon.

'Until you have a clear understanding, on a deep emotional level, of the job that people are trying to get done, your innovation efforts are always going to be unpredictable – and you'll never quite know why,' she says.

In Kenya, Safaricom is wrestling with a different kind of market segmentation aimed at identifying underlying emotions in purchasing situations. The brand aims to grab the greatest possible market share of the 13% of people not yet subscribed to a mobile network.

To do so, it segments by psychographics – attitudes and aspirations – rather than just age and income. It recently sent out its teams to buy £30 (\$40, €36) worth of goods they thought consumers might buy. Then they gave real customers the same amount of cash and shadowed their shopping trips to discover whether their emotional purchase assumptions were accurate.

Identify emotional obstacles

Having identified and explored consumers' emotional needs that point towards future areas for innovation, brands need to examine the flip side of the coin: what emotional responses might be obstacles to the adoption of innovative new product ranges?

A focus on visceral human feelings and cultural beliefs will often be far more effective in gauging the commercial success of a particular path of innovative thinking than an obsession with fine-tuning a specific product.

'Brands need to anticipate wider emotional and cultural responses to innovation that have little to do with how effective or useful the product itself is,' says Baroness Greenfield.

Medical device brand Medtronic's experience in India is a good example. The company knew that its sophisticated new pacemaker, introduced in a country where heart disease is rife, was effective and endorsed by doctors. Yet uptake was low.

An in-depth study into consumers' emotional responses discovered that anxiety about navigating the healthcare system, paying for the product and the overall surgical process was the biggest barrier to adoption.

Success happened after Medtronic changed its question to: 'How do we make this work in people's lives?', addressing not the product, but the emotion and logistics that surround making a choice.

Understanding psychology in this way can 'transform the effectiveness of a business', says Rory Sutherland, vice-chairman of Ogilvy & Mather UK. 'If you are very bad at psychology you will make bad product development and marketing decisions.'

Emotional Solutions: a case study

A major property developer has collaborated with The Future Laboratory for the past two years to recognise and define the roles of its shopping centres in communities across Australia.

Each city and area has its own history and identity. Understanding the cultural nuances, the individual context of each area, and the physical and emotional needs and aspirations of local communities has been key to redefining the role of each shopping centre and putting it at the heart of community life.

'We forget a simple thing when designing the built environment,' says John Prevc, partner at Make Architects. 'That is that buildings aren't designed to be about buildings, they are designed to be about people.'

Using this principle, The Future Laboratory has based the strategy on balancing what Pierre Bourdieu called The Forms of Capital in the space – social capital, enabling space to facilitate conversations, chance encounters and serendipity; cultural capital, ensuring that the design and build facilitate the arts, culture and aesthetic sensibilities of shoppers; and commercial capital, designing the areas that lend themselves to positive commercial ends.

01 Jumpman
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01 Little Bit of Rain
 02 Dark End of the Street
 03 Four Strong Winds
 04 You and Your Sister
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Music frees my brain.

The music generation.

A STUDY BY UNITED MINDS FOR SONOS AND APPLE MUSIC REVEALED THE EMOTIONAL IMPACT OF MUSIC ON PEOPLE'S RELATIONSHIPS AND MOOD

INNOVATORS' TOOLKIT

Become a Silo-buster

Collaboration has become a modern panacea for all of our business ills. But tomorrow's ability to innovate will rest on a brand's ability to identify who should be collaborating, how and why.

Cracking open silos and creating cross-disciplinary synergies will help to establish an innovative culture. As Coppard says: 'We're moving into a time when it's open versus closed. On a business level, it is the open organisations that will be able to innovate and change their world in the long run.'

But it's not only internal silos that will need to be busted. External walls will need to crumble too, exposing brands to a constant wash of inspiration from a host of unexpected, and sometimes challenging, sources.



THE FOOD + FUTURE COLAB, A COLLABORATION BETWEEN TARGET, IDEO AND MIT MEDIA LAB, MASSACHUSETTS



THE NATURE OF MOTION EXHIBITION BY NIKE AT MILAN DESIGN WEEK 2016

Encourage Collaboration

Creating new partnerships, coalitions and alliances across a broad spectrum of consumers, employees, academics and even competitors will be the order of the day in the next decade.

'It's about thrusting all sorts of sectors and industries together to create synergies and throw up exciting opportunities to distil the best elements of all of them to solve major problems,' says Coppard.

The first green shoots of this kind of thinking can be seen today. At the Lululemon Lab in New York dedicated teams harvest live product feedback from consumers to design teams to fine-tune the next version of a product range.

The Leading Strand is a TED Residency-backed multidisciplinary initiative that links scientists and designers to explore the untapped possibilities of a collaboration between these two seemingly disparate worlds.

Meanwhile, design consultancy IDEO encourages junior staff to teach senior people new skills and chooses its leaders by peer approval rather than seniority, which can yield higher levels of innovation, according to *Strategies to Rewire Business* by SustainAbility.

'New waves of digital technology and the emergence of virtual reality will give more and more businesses the opportunity to participate and collaborate at a whole new level,' says Coppard. 'That combined brain power will enable us to innovate to conquer the huge challenges that are coming our way.'

'We're moving into a time when it's open versus closed. On a business level, it is the open organisations that will be able to innovate and change their world in the long run.'

Joe Coppard, founding partner and executive creative director of interdisciplinary team-builder Another Tomorrow

Build a cross-disciplinary ethos

Recruiting unexpected people into multidisciplinary environments must become a key innovation strategy to avoid the danger of permanent single-discipline teams becoming unchallenged echo chambers, empty of new ideas.

'It is vital to connect lots of different people who would never normally work together into a shifting interdisciplinary model,' says Coppard. 'Bring together artistic perspectives, business perspectives, sustainability perspectives, and you have a ready-made innovation seed bed.'

Mexico City's Laboratory for the City is putting this concept into action. Half of the team are from professions that can be found in almost any government-linked innovation project – urban geographers, data analysts and planners. But the other half are an esoteric mix of artists, designers, historians and play coordinators.



LULULEMON LAB, VANCOUVER

'It's important to open up to people who may have issues with what's happening, and people from outside your organisation who are specialists in different and unusual areas,' says Coppard.

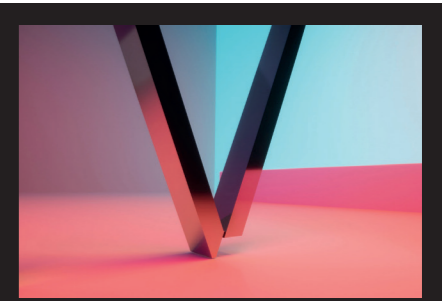
Penguin Random House and Ernst & Young are trying to avoid creating teams of the usual suspects by removing traditional degree qualifications from their recruitment criteria in an effort to encourage applications from a broader spectrum of candidates.

In her book about innovation strategies, *The Silo Effect*, Gillian Tett describes how Facebook is tackling the dangers of internal isolationism with boot camps and all-night hackathons for engineering teams that build a cross-departmental *esprit de corp*.

Invest in facilitation

One problem with pulling down walls and busting open silos is that there will inevitably be emotional fireworks as groups of people from hugely disparate backgrounds and work cultures come together, often for the first time.

Recruiting a skilled facilitator, a talented networker who can bring together cross-disciplinary in-house teams and external experts will be crucial to a brand's innovation strategy.



TYPE REINVENTED BY FIELD AND MONOTYPE

Silo-busting: a case study

A partnership between Monotype and The Future Laboratory began with the Monotype Lab, a symbiotic session between both parties and specialist creative studio Field, which combines art and technology to create immersive audio-visual experiences, and powerful new formats of visual communication.

The two-day immersion was curated and hosted by The Future Laboratory at its headquarters, and enabled Monotype to select and mix new consumer, technology and cultural trends into a set of unique concepts that led to a future vision of typefaces.

'The way that we interact with these networked teams is going to be really important, and the role of the facilitator, in-house or external, will be key to getting these people to work together,' says Coppard.

'To change the siloed mindset will require expert facilitation and curation to put the tools and processes in place to make sense of their different perspectives in a way that works.'

INNOVATORS' TOOLKIT

Practise Future-proofing 2.0

Over the next decade, new and advanced forms of artificial intelligence and virtual and augmented reality technology will become an intrinsic background part of every brand's infrastructure. Suddenly extremely sophisticated future scenario planning and modelling, based on advanced data analytics and extrapolation, will become a mainstream innovation strategy.

This will open the door to an exciting new possibility for innovators: the ability to consider the needs of people who haven't even been born yet – the consumers of the 22nd century.



HONDA. GREAT JOURNEY BY MAP PROJECT OFFICE AND MORI INC FOR HONDA, UK

Brands such as global sensory experience designers Holovis are road-testing this approach today, using virtual reality Cave Automatic Virtual Environments (CAVEs) and 3D theatres to enable businesses to fine-tune innovative prototypes by exploring how they might play out for future audiences.

Similarly, BAE Systems has created a network of visualisation suites at sites in Glasgow, Portsmouth and Bristol that create full-scale 3D ship prototypes, enabling engineering teams to virtually build and test the design of vessels before the first steel is cut.

'This idea of using VR technologies and Big Data analysis to simulate futures is going to be a very big trend in innovation,' says Joe Coppard.

'Technology will give brands the power to create environments and scenarios where they can catch a glimpse of a future that is very likely to happen. It will be the ultimate test of human creativity to use these machine-granted insights to learn from a hypothetical tomorrow about how to innovate better today.'

Beyond technologies that are still at a nascent level of adoption, techniques exist today that enable us to plan future scenarios by thinking beyond what we already know. A prevalent approach is to conduct a backwards forecast; that is, beginning with a far-flung future scenario and working back to the present in order to create a road map to the future.

In their best-selling book *Decisive: How to Make Better Choices in Life and Work*, authors Chip and Dan Heath recommend backwards forecasting as a way to make better decisions.

According to the pair's research, trying to predict the future is much harder than working backwards from a particular outcome. 'The second scenario feels a bit more concrete, offering firmer cognitive footholds,' they write.



MACHINE FOR FLYING BESNIER (1673) BY TANIA CANDIANI, PART OF THE NO SUCH THING AS GRAVITY EXHIBITION BY FACT

Future-proofing 2.0: The Future Laboratory view

'Embracing the unknown and actively embedding Blue Sky thinking is hard for brands to do as business models are tailored towards short-term strategies. So many of our clients come to us wanting help in imagining a future in order to prepare for it. One recent client let us take them on a new product development journey driven by advanced data and DNA technology to understand how this approach would soon shape their own future innovation strategies. Defined as the 'next' versus the 'now' or the 'new', this type of Future-proofing 2.0 will ultimately drive new business models, POS, marketing and future scenario planning.'

Philippa Wagner, strategic insight director, The Future Laboratory

Conclusion

We are all aware of the feeling that everything is about to change – Brexit, the tick, tick, tick of the climate change clock, the rise of right- and left-wing populism, the audible creaking of the vast edifice of neoliberal economics, and the white heat of further technological disruption to come. This has become the backdrop of our everyday lives, pregnant with the promise or, depending on your viewpoint, the threat of radical societal transformation.

The change when it comes – and it is coming – will be impossible to hold back. Standing, King Canute-style, against the economic and cultural tide is simply not an option. Becoming a true innovator to your very core will be the only reliable way to surf this particular wave towards a stable and successful tomorrow.

So begin making plans to embrace bold, big-picture innovation as one of the key elements that defines your entire brand. Adopt a fluid, flexible Beta posture that pragmatically views innovation as a never-ending journey rather than a dash towards a predetermined point.

Create human-centric systems of leadership and technology adoption within your business that include all of your staff in a shared vision, and put the machines at their service rather than the other way around.

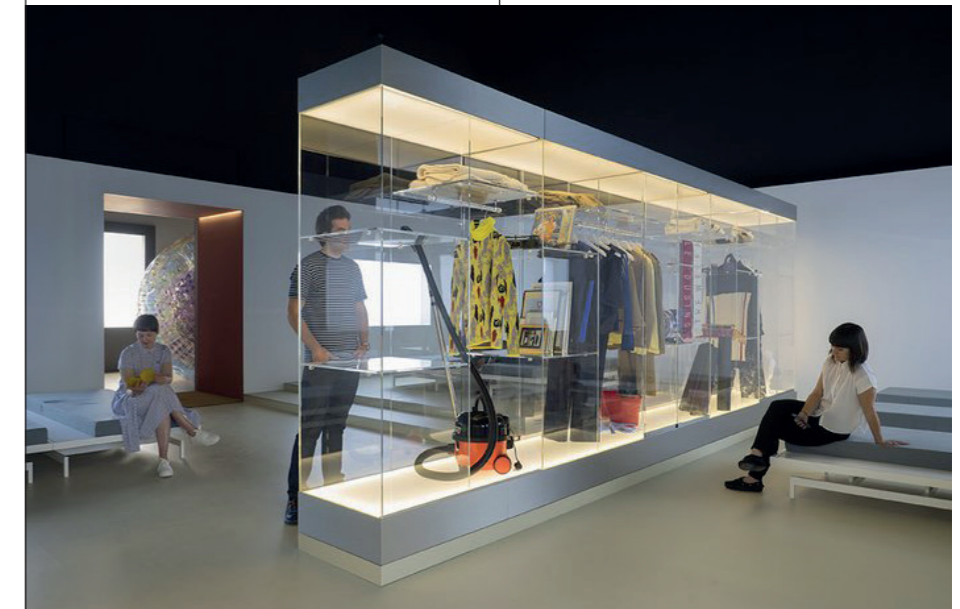
Put aside economic rationalism in favour of a visceral, emotional connection with consumers that enables you to understand their real needs and desires, and then to innovate to address and satisfy them.

Crack open the silos to create the fertile cross-disciplinary teams and thinking from which future innovation will grow and flourish, and use emerging virtual and artificial intelligence technologies to practise true future-proofing by harvesting machine-granted insights into the aspirations of consumers who have not yet been born.

Assemble this toolkit, sensitively and thoughtfully, and you will have everything that you need to go forth into the future – and innovate.



MONTHS ROOM, PART OF THE HOME ECONOMICS EXHIBITION AT THE BRITISH PAVILION, VENICE ARCHITECTURE BIENNALE 2016



HOURS ROOM, HOME ECONOMICS AT THE BRITISH PAVILION, VENICE ARCHITECTURE BIENNALE 2016

The Innovators' Toolkit Report is a practical and actionable road map for brands that are seeking to innovate confidently and effectively in The Dislocated World of the early 21st century.

Using six key strategies, it explains the major technological, economical and cultural trends that are reshaping the global innovation landscape, and offers inspiration, insights and examples that signpost the opportunities to come in the decade ahead.

From inspiration to strategic advice and activation, The Future Laboratory offers a range of services to help you harness market trends, understand and adapt to emerging needs, and keep you ahead of the competition.

For more information, please contact:

info@thefuturelaboratory.com
or call +44 20 7186 0776.

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