Quick Answer: How Do I Capitalize on Future Trends Using Levels of Uncertainty?

When evaluating the impact of trends, organizations often categorize them based on their expected time horizon: short-, medium- or long-term. However, their level of uncertainty is a more important factor. Here, we discuss this trend dynamic and what steps to take for each level of uncertainty.

Quick Answer

How can my organization better capitalize on future trends by recognizing their level of uncertainty?

We distinguish four different types, or levels, of trend uncertainty:

1. Use best practices to address established trends, which have a high level of uncertainty.

2. Make predictions via forecasting and planning methodologies for evolving trends, which are less certain than established ones.

3. Keep options open for emerging trends, because they have a high level of uncertainty.

4. Perform scenario planning and technology experiments in a "backcasting" fashion for exploratory trends, which are fundamentally uncertain.

More Detail

Traditionally, trends are often characterized by a time horizon:

- Long-term trends on the horizon require your awareness.
While the time horizon is a useful descriptor, the level of uncertainty associated with a trend works better as the main organizing dimension to trendspotting activities.

Generally speaking, long-term trends will be more uncertain, but some, such as macroeconomic cycles, can be relatively certain. Short-term trends are often more clear and certain, but they can also appear suddenly because of a breakthrough or disruption requiring an immediate response. For example, the need to respond rapidly to the COVID-19 pandemic led to a short-term trend of remote working for a large number of people.

Each level of trend uncertainty shown in Figure 1 comes with its own approach on how to effectively evaluate the potential impact and how to respond to the trend.

**Figure 1. Track Trends by Level of Uncertainty**

<table>
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<tr>
<th>Level of Uncertainty</th>
<th>Established</th>
<th>Evolving</th>
<th>Emerging</th>
<th>Exploratory</th>
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<tr>
<td>High Certainty</td>
<td>Broad adoption</td>
<td>Rising adoption</td>
<td>Some adoption</td>
<td>Little to no adoption</td>
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<td></td>
<td>Slowing change</td>
<td>Steady change</td>
<td>Tipping point</td>
<td>Unclear catalysts</td>
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<td>Methodology:</td>
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<td>Increasing Uncertainty</td>
<td></td>
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This research discusses each level of uncertainty, what it means to your organization and the steps to take to address trends in that category.

**Established**

Some trends have a high level of certainty. These “established” trends are already a reality. Market adoption is broad, and changes are slowing. However, this type of trend may be new to you, because you may not have addressed it yet in your organization.

For established trends, you should build out business cases that highlight near-term business impact and aggressively move to exploit the trend. Focus on establishing best practices by following these steps:

1. From the available best practices in this area, pick the one that fits best with the way you work.
2. Roll out the best practice to select areas, prove the results, and use the momentum to transfer the best practice to other areas.
3. Based on the lessons learned, make changes and fine-tune the best practice.
4. Keep monitoring the results to ensure the best practice continues to work as it should.

However, avoid being overly reliant on wanting best practices and seeking certainty, because you may miss new relevant trends.

**Evolving**

Evolving trends are less certain, but their changes occur along predictable paths. You can plan when you think you should adopt them. Trends that have this level of uncertainty are developing in an organic manner. Their trajectory can be forecast; hence, the level of uncertainty is still limited. Innovation is incremental, and adoption is growing.

The most important methodology for this type of trend is forecasting and planning. This is the domain of making predictions.

Follow these steps when making predictions for evolving trends:

1. State your premise. What trends are you making growth predictions for?
2. Establish the growth pattern: linear, exponential, accelerating, decelerating, etc.

3. Determine the right moment to introduce this trend into the organization based on your risk profile (early adopter, fast follower, late majority) and the trend's potential value (quantify that value).

4. Leverage your processes for business-case generation to create a strategy or plan that includes resources and budget.

However, you should always consider being wrong in your planning, because there can be unforeseen events.

**Emerging**

Emerging trends have a high level of uncertainty. It is unclear if and when they will become mainstream. Emerging trends develop based on “triggers.” They progress gradually, and then suddenly materialize. This actualization can take 10 years or happen tomorrow. We've seen this phenomenon with breakthroughs in artificial intelligence, for example.

You cannot predict the timeline for these types of trends. However, you can be ready for them by tracking their accelerators and inhibitors.

Take the following steps when tracking emerging trends:

1. Use technology, politics, economy, social/cultural, trust/ethics, regulatory/legal and environmental (TPESTRE aka “tapestry”) analysis to determine external accelerators and inhibitors. Which factors in each category influence your trend?

2. Determine internal accelerators and inhibitors that would speed up or slow down adoption. Think of strategic direction, governance structures, culture and your infrastructure.

3. For each external accelerator and inhibitor, track the progress to the level of uncertainty you feel comfortable with.

4. For each internal accelerator, support it as much as possible. For each internal inhibitor, remove it as much as possible to speed up your readiness.
When preparing yourself for emerging trends, consider the risk of being too late, more than being too early.

**Exploratory**

In some cases, trends are fundamentally uncertain. Organizations are unsure of their timing, their impact and even their appearance. We call these trends “exploratory.” The catalysts or tipping points that would make such trends more certain and drive adoption may be unknown (or, at least, ambiguous). However, should these trends turn into reality, they are potentially disruptive.

You cannot come up with a definitive forecast or action plan, but you can — and should — imagine various potential futures. Scenario planning and technology experiments are important tools to explore these trends, even though accelerators and inhibitors may not be clear.

Instead of forecasting, you should rely on backcasting. Take the following steps:

1. Use scenario planning to design multiple scenarios around exploratory trends.

2. Establish and track “early warning signals,” or “signposts,” that show the world is moving to one of these scenarios or a combination of them.

3. When the time is right, conduct some experiments to learn about what this trend would mean in reality.

Remember that the future is always different than you can imagine — and that is fine. The goal of scenario planning is not to be right, but to spot change early on and prepare accordingly.