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What is corporate foresight?

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 fields/markets;
- ? create orientation on future developments;
- ? 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 (Öner,Atilla M, Göl, Be'er Senem, (2011)).

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? (Rene Rohrbeck,2010 - Corporate Foresight: Towards a Maturity Model for the Future Orientation of a Firm, p.11)

In order for a company to adapt to discontinuous change has to have **?dynamic capabilities?.**

?Dynamic capabilities? is the ability to renew the portfolio of strategic resources when the company is facing discontinuous change.

For out-competing their rivals, organizations use some strategic resources with the following characteristics: (1) appropriable? i.e., difficult to imitate, substitute, or transfer; (2) scarce; and (3) in demand.

Of course these resources lose their competitiveness in time and the companies need to develop new resources. However it's quite difficult for companies to adapt quickly and to renew their resources need in times of discontinuous change.

Why is difficult for the companies to renew their products and organizations is detailed explained in the other article. The major reasons are: High rate of change, Ignorance and Inertia.

How the discontinuous change can be managed?

How organizations can successfully managed discontinuous change has been approached from three major research perspectives: **strategic management, innovation management, managing the future**

1.Strategic management ? in time of change the companies need to have the ability to adapt incrementally and the ability to adapt radically (exercising both capabilities is used the term organizations ambidexterity). Environmental scanning is also needed to find up to date information regarding the direction and magnitude of emerging external change

2. Innovation management ? companies can gain competitive advantage by: acquiring new technologies, linking emerging technologies to the customer needs, building separate organizations for developing radical and incremental innovations, initiating new R&D projects.

3. Managing the future ? identifying methods to systematic explore the future. In the past the change occurred slowly enough and the companies were able to prepare themselves and respond adequately. Today the future research aims more to discover undetected currents that will influence the future. Future orientations are achieved by exploring possible futures rather than predicting future developments.

The objective of this article is to show that corporate foresight can contribute through its three roles (initiator role, strategist role and opponent role) to the innovation management process.

The research goal of this study is to define a maturity model that can be applied to any organization. For this reason, this study uses information gathered from different companies from different : industry, position in the value chain and business driver (either technology or the market).

For more detailed explanations regarding the three roles of the corporate foresight in maximizing the innovation capacity of the firm, please refer to the other article from forwiki.

Conclusions:

The conclusion of the article is ? there is value from corporate foresight and corporate foresight can contribute through its three roles to exploit the opportunity that arise from disruptive change.

- The cross case analysis revealed eleven impacts of corporate foresight on the innovation capacity of the organizations
- Through clustering the impacts corporate foresight efforts can be classified in three roles and these roles are effective in maximizing the innovation capacity of the firms
- This research showed to be important and different from other researches because applying the resource based view and dynamic-capabilities theory to the field of corporation foresight a theoretical base was built.
- The research has brought contributions on the importance of dedicated management systems to allow firms to move into new business fields and produce radical innovation (organizational ambidexterity)
- Corporate foresight and innovation management contribute to organizational ambidexterity: corporate foresight performing the strategist role allowed the company to explore and develop new business fields and performing the initiator role increases the ability of the company to have incremental innovation

References:

Rohrbeck, René, Gemünden, Hans Georg (2010), Corporate foresight: Its three roles in enhancing the innovation capacity of a firm in Technological Forecasting & Social Change, Berlin.