Adapted from **ANTICIPATE: The Art of Leading by Looking Ahead, Chapter 4, Seeing Things Early** by **Rob-Jan de Jong** (AMACOM; January 8, 2015; $27.95 Hardcover; 978-0-8144-4907-3).

The Theory of the Car Crash

The strategic relevance of this first-class noticing ability is best explained by understanding what happens in a car crash (the parallel might at first sound far-fetched, but stick with me). I owe gratitude to one of my mentors, Jim Keen, for his creation of this memorable metaphor that visualizes the art and essence of looking ahead.

In a car crash there are *two* critical moments. First, there is the *point of surprise*. It's the moment when you consciously realize something is not what you thought it would be. In a car crash it would be the shock moment--the moment when sweat breaks out and cursing is forgiven. In our context, it is the moment at which you become aware of a changing reality, as you've noticed information that requires you to reassess your assumptions. Alan Greenspan's point of surprise came when he realized his deeply held belief that banks were better off with self-regulation had lost its validity. It's the point of realization that things are no longer the way they used to be.

The second moment in a car crash is the *point of no return*. Impact is inevitable; whatever you do from this point onward is of little use. It's only in the period between the point of surprise and the point of no return that you can deal with the changed reality. To further our car crash metaphor, this is why you want the interval between the two moments to be as wide as possible: It gives you the most time to react and prevent the crash. Since the point of no return is outside your control, the only way to maximize this interval is by influencing your point of surprise. That means concentrating on the road, avoiding distractions such as phone calls, and not driving under

influence. These factors can expand the length of time during which you can still respond to surprising changes.

In terms of visionary capacity, your goal is the same. Seeing things earlier than others creates a distinct *strategic advantage*. By deliberately working on your ability to pick up early signals, by actively engaging with the future, by imagining changing realities, by making predictions (not for the sake of predicting, but for the sake of reducing your thoughtlessness), *you move your point of surprise forward*. This is what level 3 and level 4 future engagement (see Preface) bring you: a significant strategic advantage through the extension of the interval in which you can successfully react to the change, either offensively or defensively.

If you and your organization are not actively engaging with the future and are not deliberately working on your ability to see things early, if you are rarely ahead of the curve, your conscious realization of changing realities most likely corresponds with that of others who equally lack this ability. You're only aware of something once it has become *conventional wisdom,* and by then the early adopters are well ahead of you. If you perceive the change earlier than others, however, you will find yourself with a tremendous head start. This is an invaluable lead in competitive environments since you have more time to understand, prepare options, decide, and react to the opportunities and their potential disruptive consequences. To use another popular metaphor, learning to do this systematically rather than incidentally will position you for blue oceans, rather than battle in red oceans of equally ignorant competitors playing a catch-up game.

Nolan Bushnell, the serial entrepreneur who founded Atari and is considered the father of electronic gaming, once remarked: "I try to get a vision of the future, and then try to figure out where the discontinuities are." That's how visionaries think: They deliberately stretch their

imagination by deviating from conventional wisdom in order to gain a head start on the point of surprise. The sine qua non condition for successfully adopting this way of thinking is your willingness to be open-minded, because if you don't keep an open mind, you might find yourself in Greenspan's position, having your point of surprise fall at (or even after) the point of no return. That's severe enough in a car accident, but equally devastating in the leadership game.

Market Transitions

Let's put theory to practice and consider a company that consistently lives on the edge of the change game. Founded in 1984, Cisco Systems is the largest global provider of networking and communication equipment. It's part of a four-decade-old industry that has gone through tremendous changes, riding the wave of the stellar growth of the Internet and related networking applications, and known for a perpetual stream of groundbreaking innovations. Yet while related industries, such as the PC and cell phone markets, have experienced a revolving door of winners and losers, Cisco has remained a steady leader. This is as impressive as it is intriguing. How could this company stay ahead in an industry with such challenging dynamics, ever-present newcomers, technological breakthroughs, and big bets on new products and standards? How has it managed to stay on top for so long? What are the culture, processes, and systems that help Cisco repeatedly recognize early signals?

In a 2008 interview, CEO John Chambers shed light on the company's extraordinary performance, describing a strong focus on what he calls *market transitions*. These occur "when there is a subtle but clear disruptive shift. It could be social, economic, or technological and it begins many years before the market actually grasps its significance and adapts to it. A market

transition gives you a glimpse of a new opportunity to take market share or move into new market adjacencies."

Chambers elaborates:

"Market transitions are the precursors to market disruptions, and in many cases, transitions cause the disruptions. Transitions can be driven by the customer, by the industry, or by economic factors, and they usually occur well before the rest of the world realizes what's happening. Disruption occurs as the market responds to a transition with a game-changing innovation.

"I look for transitions that are way ahead of the current--or even impending--technology cycle. It takes us three to five years to reach $1 billion in revenue after a new product idea is launched. If you add to that a two- to three-year development cycle, plus the six to nine months it takes for the organization to grasp the transition opportunity before committing to the development cycle, you get an idea of how far out we must recognize a transition to really capitalize on it."

Sound familiar? This is what moving your point of surprise forward looks like in real life. It's why Cisco institutionalized the art of looking ahead by exploring market transitions, and why Alan Mulally institutionalized the global Business Plan Review meetings at Ford, in which the developments, changes, and disruptions in the outside world are discussed. They understand the value of contextual intelligence, early noticing, and "pre-perceiving" the future. But doing this takes more than a process or a strategy; it requires the right mindset and associated behaviors. It also means leadership: setting the standard and leading by example. At Cisco that translates to "closely listening to hints dropped by customers about new technologies on the horizon, shifts in the demographic or economic picture, and other trends," and applying a nondogmatic mindset

receptive to exploring these hints and hunches. That's what future-oriented leadership looks like in practice.

Toys in the Boardroom

The good news is that this kind of future-oriented behavior and mindset can be cultivated and nurtured within an organization. To understand how that works, let's first sidetrack to some fascinating research by Harvard's Sreedhari Desai and Francesca Gino. Their study shows that adults are less likely to cheat and more likely to engage in positive social behavior when primed with reminders from their childhood. They demonstrated this behavior by having adults solve math puzzles in which they could easily cheat if they wanted to. Participants were told that the number of right answers mattered, so there was some incentive to reach a good score and therefore to cheat if they felt it would improve their results. And here comes their remarkable finding: The researchers discovered that their subjects were much less likely to cheat, by a factor of 20 percent, when they did these math puzzles in a room full of childhood cues, such as teddy bears, cartoons, and crayons, instead of in a neutral room. So, the sheer fact that they performed their exercises in a room that--unknown to them--was intentionally filled with reminders of children had a notable effect on the subjects' state of mind and their willingness to cheat.

Desai and Gino also found that people behaved much better around those cues, even when they weren't feeling particularly happy. They concluded that the better behavior was based on the idea of purity. Says Desai, "Child-related cues might unconsciously activate notions of goodness and drive us to get to a pure, nonpolluted state."

These are fascinating outcomes, which, when you think about it, are actually not so radical. As parents, we behave differently around children--we mind our manners, we swear less,

and we are much less tolerant of inappropriate conduct. Desai and Gino's study demonstrates that these behaviors can also be provoked in the absence of children by using childhood cues.

This intriguing research emphasizes that the thoughts we adopt, whether consciously or unconsciously, translate into how we behave. When primed with childhood cues, people become more honest and sociable. Imagine, then, what a boardroom filled with dolls could do for honest conversation. I'm guessing it would be more effective than a typical team-building cooking class, painting workshop, or off-site mountain biking trip. Try it!