

## Ongoing Discussion “Thought Piece”

*Hiding in Plain Sight: Six Techniques That Are  
Better Than Predicting or Forecasting*

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for

Aerojet Rocketdyne’s  
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### Why Are These New Techniques Important and What's the Benefit to You?

People, companies, nonprofits and governments all want to know *what's next*. Whether it's to stay ahead of the competition, or to avoid being blindsided, or just to be known as the "go to guy" who always seems to know what's happening," we're all curious about what's coming.

The good news is we **can** see what's around the corner. But we need different ways of doing this that better reflect today. Traditional methods relied on professional forecasts and predictions that worked well in a stable environment, a stability we haven't experienced in decades.

These older methods have become increasingly unreliable and inaccurate. Why? Many of the changes that occur are unexpected, unfamiliar, not imagined, and even weird. Forecasts just can't capture these types of events. The literature is filled with highly respected people and companies who were totally wrong.

"Two years from now, spam will be solved." Bill Gates, 2004, Davos, World Economic Forum

With over fifteen types of foreign cars already on sale here, the Japanese auto industry isn't likely to carve out a big share of the market for itself. [Business Week](#), August 2, 1968

"No woman in my time will be prime minister or chancellor or foreign secretary—not the top jobs." Said in 1969 by Margaret Thatcher, British prime minister (1979-1990)

In all likelihood world inflation is over. International Monetary Fund CEO, 1959.

No, it will make war impossible. [Hudson Maxim](#), inventor of the machine gun, in response to the question "Will this gun not make war more terrible?"

"It will be gone by June." *Variety* editorial on [rock 'n roll](#) in 1955.

Forrester Research chief, George Colony, predicted Amazon.com was toast when Barnes & Noble launched their rival website in 1997. Many journalists and investors believed he was right, and Amazon's share price dropped significantly, from \$100 to \$6 at the end of the 90s.

The media today is filled with comments and articles about what to expect tomorrow – whether that tomorrow is literally tomorrow or next week or next year. This presentation shifts our thinking from the usual approaches to ones that will expand thinking, understanding, and accuracy.

### ***Why It's So Difficult to "Let It Go Let It Go"***

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The following comments and the discussion apply both to our professional **and** personal lives. While we typically segment the two and believe they're separate, they're not. They're just different buckets.

Much of the following will be stated in terms of the business environment but as stated above, it applies universally, including to religious and educational institutions, and nonprofits.

The human element plays a large part of why we believe and trust predictions / statistics data. First, "stats" and data have the air of authority. According to current Cornell University research, a slide or article presentation that includes a graph "signals to readers that the information has a scientific basis, making it more believable" than a presentation with the same information delivered in text form. That is - graphs, tables, and statistics signal objectivity rather than opinion.

Second, people prefer and are comfortable with predictions and forecasts to which they can relate or have some connection to what they believe today. When they hear/read about predictions that are outside the realm of familiarity, the typical response is to laugh, ignore, dismiss or underestimate them. While this may be understandable, it reduces or undermines the ability to see beyond our ken or scope; therefore we ourselves are self-limiting as to our knowledge about what's emerging and unfolding.

Just because we can't connect the dots between yesterday and today/tomorrow – doesn't mean that *strange change* is not occurring. Those who "get" it sooner of course have the advantage. It's the difference between selling what has been successful vs. offering products and services that better fit our changing needs and demands. This does not mean that we still don't want and buy the same things, but it does mean there are new options. And these options may replace current offerings.

This infographic includes some of the words to describe today's changes and the six techniques that explain them.



### ***Predictions, Forecasts, and the Next Better Tool***

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We're not suggesting that you ditch predictions and forecasts. They continue to offer value, as they are the best guesses from industry experts. But those are no longer enough...and they may be misleading. To see a greater picture, for a better understand of a broader story, we're strongly encouraging that you supplement statistical data with new and different input on what's resonating with customers (B2B [business-to-business], B2C [business-to-consumer], nonprofits, and educational institutions.

Still not convinced? Think about two powerhouse groups who provide predictive analytics and their accuracy: economists and stockbrokers. How often do they get it right? How often do they fail to see or incorporate what's already occurring (and therefore don't include in their estimates)? If they can't get it right with ALL their models and humongous amounts of data, how can the rest of us see what's just ahead when relying solely on statistical data? This is why we need to add to our toolbox.

The word *disruption* has become part of our everyday vocabulary. We just don't know where or when it will occur. We know it's likely, yet we want and expect our lives to remain the same. So until we're confronted with something new, we go about our daily lives neither thinking about nor expecting change.

This is OK – as long as you're prepared to deal with being unprepared, surprised, or caught off guard. The fact that change happens is out of our control; it's what we do when it occurs that we exert control. The contradiction is while companies seek to know *what's next*, they may not actively do this, especially if they don't set aside time for strategy and thinking about tomorrow.

## Quotes

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Quotes succinctly capture concepts that are easily dismissed or not readily grasped or. As a prelude to the following techniques, we offer these to introduce the topic (gently) and to present (quickly) our perspective:

"The illiterate of the future are not those that cannot read or write. They are those that cannot learn, unlearn, relearn." Alvin Toffler, futurist, author *Future Shock*

"To see what is in front of one's nose needs a constant struggle." George Orwell

"I skate to where the puck is going to be, not to where it has been." Wayne Gretsky, hockey great

The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic."  
Peter Drucker

"It's not the will to win that matters - everyone has that. It's the will to *prepare* to win that matters."  
Bear Bryant, one the most highly respected and winning football coaches.

## Six Techniques

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We developed these techniques more than 20 years ago and have used them in business and in our personal lives. It's been a relatively easy and successful way to learn about new thinking and to consider new approaches and ideas.

These techniques provide a model for being proactive rather than reactive. The added benefit is acknowledging them provides one with more time to consider what's new and different. Once alerted, you may want to seek more input or confirmation. Others may act immediately as they believe the validity of this new perspective. Every person or organization has a different comfort level in responding to new input. And it changes with the situation and decision.

If the new insights make sense, act sooner. If you're not convinced, do some investigation or monitor your world until it's the right time to act. One final point about change: we acknowledge change from the moment we become aware. It may have been occurring for months or years, but if we haven't noticed it, then it's new. Of course, then we see it all around us and wonder "why didn't we recognize it sooner? Now you will.

The bonus is that you'll have a better understanding, earlier, of the state of the world or your industry. And it won't appear as disturbing or unsettling, and you'll be far less likely to fight it.

We invite you to send your observations, examples, and feedback.

## 1. Borrow

Our world is filled with new, good ideas that we recognize and wonder why we didn't think of them (especially if they're simple.) Yes, there are many bad ideas but they usually fail or don't make sense, so there's no need to discuss them here.

Good ideas are good ideas regardless of the industry. And they're worth our attention. You can't copy them as they must fit your specific situation. But you can adapt them to the particulars of your company, customers, way of doing business, and more.

American Airlines created the AAdvantage Frequent Flyer customer loyalty card in 1981. It may be hard to believe or remember but this was truly new. It made sense and was so successful that dozens of other industries have adopted it – all the airlines, as well as hotels, car rentals, supermarkets, dry cleaners, retailers, and more.

It seemed crazy when Starwood Hotels introduced the concept of selling their mattresses. It was an instant hit when customers believed the hotel mattress was more comfortable than what they had at home. And it offered far better “trying out” than during the usual mattress buying process. Now the better hotel chains sell everything - mattresses, sheets, mirrors, furniture, showerheads, hair dryers, and more.

How can you leverage what you're selling?

## 2. Observe

Customers and prospects provide clues and indicators even when they don't realize it. The challenge is for us to realize it – and that includes everyone in the company.

In the days when McDonald's offered mediocre coffee, employees noticed that some customers were bringing in cups of Starbucks' coffee. McD's sold coffee, but these customers clearly wanted a better grade. As Starbucks became ubiquitous, and not far from the equally ubiquitous McDonald's, more and more customers came into McD's with their cups of Starbucks.

Employees passed on this observation that eventually led to McD's testing better coffee and then switching all coffee to this improved offering. It was so successful, immediately, that many analysts credited McD's increased sales, in the first year of the roll-out, to this better product.

Good indicators emanate from unexpected and untraditional sources, which may range from comic strips to movie themes, late night monologues, to editorials, and more.

The President of Hallmark cards was reading the comic strips and noticed something different in Garfield the Cat themes. Garfield is a grumpy cat, and most of his comments reflected his curmudgeonly attitude. But some of the strip indicated he was beginning to show some other uncharacteristic kinder emotions. The President wondered if that reflected a similar change in society.

While Hallmark spends mega thousands on market research, this finding had not yet registered. The President requested the addition of questions to test his thinking, which resulted in a new line of cards, totally different from previous lines. And it was immediately successful.

Do you have a way to capture observations?

### **3. Other Uses and Users**

Almost every company defines their customers with a target profile. This might include age, income, type of industry, location, and many other characteristics appropriate to that business.

But there are many other customers who don't fit this profile who are buying your product or service. They may be using it in ways that the company did not intend, but they are buying.

Capturing these "other customers" provides a new revenue stream. It may require different branding, advertising, or even a new division. The important message here is that these "other" customers found you. You didn't market or sell to them but they found you as you offered something they wanted.

Scion was designed by Toyota for teens' and for this to be their first car. The styling was completely different from what existed. While teens did buy this car and made it a successful new brand, Scion also had a completely different group of customers.

Seniors, the age of the teens' grandparents also loved it. Why? The car is very low to the ground making it easier to enter than existing cars. Traditional thinking is that teens wouldn't buy what old people were buying. They were not upset and did not care.

This is a further indication of not knowing what's changing and how a company can make a poor decisions based on yesterday's "facts." Teens today think differently about almost everything, including others who use the products/services they do.

Almost every product or service can be used by numerous other industries. It may not make economic sense and it may not fit the company's strategy. But at least it should be considered – objectively and with evidence.

Paintball is a game where participants "shoot" each other with "bullets" filled with colored paint. These bullets are the same capsules made by pharmaceutical companies for medication, thus creating a new revenue stream.

What other industries or customers have you considered for growing your business?

### **4. Societal / Business / Economic Changes**

As changes occur – in society or business – opportunities arise.

The 2012 Olympics included Muslim women athletes. The clothing available to female athletes was not appropriate to Muslim women as they revealed skin. Smart manufacturers noticed this and developed athletic clothing specifically to fit the needs of Muslim women - head scarves that won't slip off, tops and bottoms that cover yet wick away moisture.

Some other changes that offered opportunities for new offerings include wedding dresses for pregnant women, and bicycles that support those weighing over 300 pounds.

While general subject magazines may no longer be published, there's interest in more defined titles. There are approximately 75 new magazines monthly, to service new niche needs – gluten food, alternative medicine, iPads for Seniors. And this number is higher than the ones that cease to exist.

## 5. Indirectly Related

Every business is related to other businesses, indirectly. This includes raw materials, and distribution channels.

At one time, there was only one basic sneaker design for the consumer. Then some manufacturers began offering athletic footwear to fit specific sports – running, hiking, basketball, and many more.

Similarly, there was just one basic sock design. When the manufacturer of Thorlo socks noticed these other shoe offerings, he wondered if the same situation would apply to socks – different socks for different sports. This sounds absurd now, but the idea of different shoes sounded equally absurd before they existed.

When polyester fabric started appearing and being touted as this great new material, Whirlpool washing machine added a new option on their machines – for polyester fabric, providing a differentiator for their brand.

## 6. Customer Complaints and Comments

How often do companies take advantage of negative comments? They appear more likely to defend them. Complaints are an opportunity to revisit the customer experience, to understand the customer's perspective.

Yes, not all customer complaints are valid, but we are suggesting a shift from being annoyed and dismissing these comments to spending time understanding what the complaint indicates and if it might lead to an improvement.

There are numerous sources in every company for gathering this input, from those involved in customer service, delivery, repair, and sales. We suggest creating a mechanism for gathering this information and looking for similar comments or patterns.

Teach all your employees to notice what's different. And create a mechanism for sharing this information. This can range from weekly informal meetings where everyone shares, or a dedicated email address where anyone can forward observations. Even the old-fashioned suggestion box, which provides anonymity, is still relevant.

Sometimes dissatisfaction is not voiced by the customer. See Technique #2 and the example of McDonald's and coffee. Chris Martin, lead singer of the rock band Coldplay, stated that he notices when concert-goers leave their seats (for food or smoke breaks.) For him, that's an indication that he hasn't selected the right play list, as they would not leave during their favorite songs.

### Takeaway:

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These indicators and clues are in our face every day but we don't know how to notice them. The bonus is they complement forecasts, delivering a double-barrel approach to knowing sooner.

They reduce risk by basing decisions on what customers are already buying, what's resonating with them, not what is predicted or forecast, which are guesses and may not reflect what's occurring.



## USE OF THIS PAPER

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## BIOGRAPHY

Seena Sharp, founder of Sharp Market Intelligence, is a pioneer in competitive intelligence, establishing one of the first firms in the US in 1979. She was born in Brooklyn, worked for 4 corporations in New York City, where she was the first woman hired for that position in three of those firms, including BBDO Advertising and Equitable Life.

Her clients range from Fortune 500 firms to unknown names, covering more than 200 industries, B2B, B2C, nonprofit and educational institutions.

John Wiley publishers commissioned her to write *Competitive Intelligence Advantage: How to Avoid Surprises, Minimize Risks, and Grow Your Business in a Changing World* which has already received more than 70 5-star reviews on Amazon.

Seena earned her masters' degree in mathematics from New York University. And she's a Fellow of her professional association and was inducted into the Hall of Fame from the Association for Strategic Planning.

Her newest book, *Shake Up Your Thinking*, also available on Amazon, is a fun, slim volume, filled with hundreds of real-world examples for brainstorming and uncovering emerging opportunities, surprising trends, and market changes.

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