



FUTURES GROUP

Foresight for the Future

Moving Forward, One Step at a Time

By Ed Orlet and Mark Dancer
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Continuing our work with NAED's Futures Group, it's clear that foresight prepares decision-makers by helping them embrace uncertainty and understand change. Will you join our conversation and help create a springboard for growth?

Under the leadership of the NAED [Futures Group](#), we recently conducted our first *Office Hours*, a live chat with members, suppliers, and stakeholders. Our goal is to explore ideas and develop foresight for the future of distribution. We discussed possibilities for supplier go-to-market strategies and what distributors can do to remain valued partners and, better, to lead the value chain forward in the digital age. Our conversation was robust and lively, and in this edition, we share our key takeaways, ideas, and stories. Our work is just beginning, so please feel free to chime in with comments and suggestions or reach out directly to Ed Orlet at eorlet@naed.org or Mark Dancer at mark.dancer@n4bi.com. (Click [here](#) for an in-depth explanation of our mission and work.)

A launching point for innovation

Perhaps the most important observation from our first NAED *Office Hours* is that we need a foundation to help organize our explorations, conversations, assessments, and actions—one that aligns with unprecedented innovation possibilities shaped by the history of distribution and its untold future in the digital age. Searching, we found the [Playbook for Strategic Foresight and Innovation](#), published by the Human Sciences and Technologies Advanced Research Institute ([H-STAR](#)) at Stanford University and developed by [Tamara Carleton](#), [William Cockayne](#), and [Antti-Jussi Tahvanainen](#).

Distribution's past and future are best understood as a unique meld of human-centric services increasingly enabled by information technology. The future of distribution must not be lemming-like adoption of the supposed best practices of digital commerce, nor a struggle to endlessly defend against outside disruptors keen to displace, defeat, or co-opt incumbent businesses. Distributors can own their future, and we sense common interests in H-STAR's bold focus on "how people use technology, how to better design technology to make it more usable (and more competitive in the marketplace), how technology affects people's lives, and the innovative use of technologies in research, education, art, business, commerce, entertainment, communication, national security, and other walks of life."

Carleton and her co-developers offer the playbook as a practical resource to help anyone step into the role of an innovation leader, creating plans for the future and delivering results today. Foresight is explained as a capability, a "mix of mindset and methodology" needed to plan for the future. Foresight unlocks possibilities because "future outcomes can be influenced by choices in the present." Foresight is not a prediction because the future remains forever ambiguous.

Instead, foresight prepares decision-makers by helping them embrace uncertainty and understand changes that may occur. In this context, innovation is about "finding, building, and taking a new idea to the marketplace." Radical innovation is a process of "imagining big ideas that ultimately can create a big impact." The pursuit of radical innovations increases the magnitude of effort, goes beyond incremental developments, and seeks to achieve a "new technology or solutions that create an entirely new and often unexpected market."

We will use the playbook's methods, case studies, and frameworks as we go, but as we get started setting mindsets and culture for our *Office Hours*, two inspirations quoted in the playbook seem especially relevant and perhaps self-explanatory for the innovation challenges distributors face:

“Innovation can be systematically managed if one knows where and how to look.” Peter Drucker, Professor of Management, Harvard Business Review, June 1985

“The only way to discover the limits of the possible is to go beyond them into the impossible.” Arthur C. Clarke, science fiction writer, (“Profiles of the Future”, 1977)

First thoughts and first steps

Our *Office Hours* are live events and not recorded for later listening. We will share findings in articles like this and perhaps in video snippets shared through social media. *But if you want the full impact, you must participate.* Our first session was rough; we worked through three scenarios (too many!) and asked for ideas without context (too unstructured!). But we made progress, and our takeaways will shape our Future Group projects and task team initiatives. Check out our plans and scheduled *Office Hours*, and register [here](#).

Digging into case studies offered in Carleton’s playbook, we found that our first experiences are not unique. Turns out, attempts to provide a space for creative ideas and the freedom to innovate are often not comfortable or familiar for almost anyone, let alone voluntary participants in a virtual discussion like ours. Without well-constructed scenarios, expert points of view, or meaningful data, participants see ambiguity and struggle to stay on track, volley ideas back and forth, or expand on personal experience.

In our next *Office Hours*, we will take this lesson to heart, but in this newsletter, we can push forward by acting on advice offered in the playbook—expand on ideas and experiences by crafting them as stories. In a workshop setting, this might be accomplished in teams, with small groups taking one person’s view and pushing further through dialogue and shared knowledge. In this article, we attempt something similar. Below, we share three discussions from our *Office Hours*, each with a lightly edited comment from our audience, followed by ideas for crafting stories in the pursuit of foresight and radical innovations. It’s a start, and we look forward to your comments and suggestions.

Finding common ground

Distributors and manufacturers exist to solve problems, but with differing approaches. As both parties adopt digital technologies, new opportunities for collaboration will emerge. One supplier explained:

We talk a lot about digital transformation with our distribution partners and have learned that digital commerce isn't necessarily all about purchasing and placing orders. During the pandemic, customers searched for solutions and made selections online, and customer buying behaviors changed. We are

researching online behaviors and working on our strategies. One priority is to find ways that we can collaborate with our distributor partners to “own the selection” by leveraging each other’s digital capabilities.

Stories about collaboration are essential because manufacturers and distributors still need each other to offer complete solutions for customers despite disintermediation and disruption. Progress requires approaches beyond defining distribution’s role as adding value to supplier products. Digital customer experiences enable the customers to journey through all phases, starting when a need arises and continuing through the use of products after they are purchased and delivered. “Owning the selection” is only one way to invite suppliers and distributors to work together. More is needed. Much more.

Helping customers innovate

Operating as connected businesses in a digital value chain means that systems must be connected across and among suppliers, distributors, and customers. Application programming interfaces (APIs) are a start, but collaboration and standardization can lead to breakthrough benefits. One member from our audience explained:

Manufacturers, distributors, and technology partners can collaborate to help contractors innovate and become more operationally efficient. One focus area is creating estimates for commercial building projects, all the way through to 3D modeling and integration with ERP systems for procurement, which might include fabrication. There is a lot of friction because estimators use their own dates and processes. We can standardize information sources and automate project workflow, and everyone benefits. But it takes an industry-wide effort.

Most manufacturers and distributors act in their own interest as they investigate and master digital technologies. This is natural because collaboration requires transparency and committed resources. By developing stories around working together to help customers innovate, suppliers and distributors may find radical innovations leading to unimagined mutual benefits. Such stories can break down barriers, support the formation of collaboration teams, and point to returns to support investment.

Data as a shared resource

In the digital age, value chains will operate algorithms powered by data from suppliers, distributors, and customers. But today, all parties protect most of their data to maintain a competitive advantage. One audience member offered:

Data sharing is a critical topic and something that hits close to home in our business and with our partners. We are developing our data analytics and tools because we must develop algorithms to predict purchases, suggest conversations, and solve problems. Manufacturers and distributors that find ways to share data will be far ahead of those that don't. But pooling data requires standardization around part numbering schemes and how data is organized. We wonder if that is happening. Or if there is a workaround.

Data sharing will be the norm because digital technologies that are fired by the most comprehensive data yield exponential gains. Standardization seems necessary, but automation tools may evolve to help remove the need to implement rules or data cleanup work by humans. Moreover, if shared data creates significant and otherwise unattainable improvement in sales effectiveness or operational efficiencies, distributors and manufacturers will happily collaborate, invest, and implement new processes. Stories of potential futures, debated and assessed by partners, are essential for imagining the benefits of sharing data and operating as connected businesses. Stories may help usher in the future.

Starting the journey

We've received excellent feedback on our first *Office Hours* and look forward to our next. Please join us on November 10th at 1 pm CT for a discussion of *Marketplaces as Competitors or Collaborators*. You'll need to register on the [Futures Group](#) homepage.

In closing, we would offer one more insight gleaned from the [Playbook for Strategic Foresight and Innovation](#)—innovating for the future is not a problem that can be solved in any one meeting or, for our purposes, any single *Office Hours* chat. Our market is complex. Creating actionable foresight and considering radical innovations requires group collaboration and sustained commitment. We are attempting something new and bold, engaging every distributor, supplier, and stakeholder to imagine new possibilities and customer outcomes. We have a long way to go, and there will be many twists and turns, but we have taken the first step and hope you will join us on our journey. As John Galsworthy, an English writer, once said: "If you don't think about the future, you cannot have one."

About Ed Orlet

Ed is the National Association of Electrical Distributors' Senior Vice President of Government Affairs and Strategic Projects, where he leads NAED's governmental advocacy and strategic planning efforts. He is a

registered lobbyist charged with representing NAED in Washington, DC and mobilizing NAED members at the grassroots level to advocate for NAED's legislative agenda. He also serves as facilitator for diverse distributor and cross-industry groups, as well as moderator for industry panels nationwide. Reach Ed at eorlet@naed.org.

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