

A Report on

STRATEGIC FORESIGHT FOR BOARDS: SHAPING THE FUTURE

Wednesday, July 7, 2021



The Institute of Directors (IOD), India held a global webinar on “**Strategic Foresight for Boards: Shaping the Future**” on July 07, 2021.

The global webinar was hosted online via Cisco Webex account, and also streamed live on YouTube. The event witnessed participation by over 500 business participants, comprising business leaders, corporate directors, board experts, policy-makers and subject matter specialists from across the country and world-wide. Twelve countries, apart from India, were represented- United Kingdom, United States of America, United Arab Emirates, Canada, Singapore, Germany, Estonia, Spain, Oman, Finland, Malaysia and Turkey.

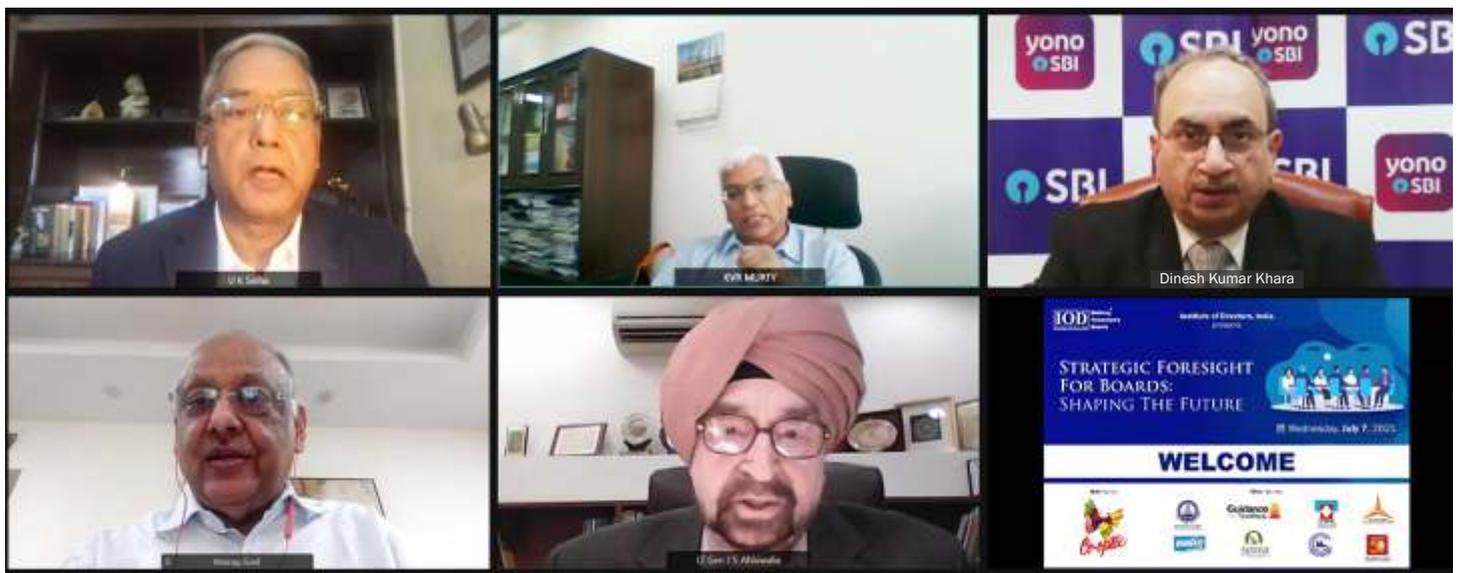
A large number of private and public sector institutions participated, including both Central and State Governments.

The event was **Chaired** by **Mr. Anurag Goel, IAS (Retd.)**, former Secretary, Ministry of Corporate Affairs & former Member, Competition Commission of India, Government of India and Founder, Shaping Tomorrow Consultants LLP, India.

The **Chief Guest** for the event was **Mr. U. K. Sinha, IAS (Retd.)**, former Chairman, Securities and Exchange Board of India (SEBI) and Board Member on multiple Boards in India.

The **Guest of Honour** for the event was **Mr. K. Venkata Ramana Murthy, IDAS**, Joint Secretary, Ministry of Corporate Affairs, Government of India & Board Member, Securities Exchange Board of India (SEBI).

Lt. Gen. J. S. Ahluwalia, PVSM (Retd.), President, Institute of Directors, India in his '**Welcome Address**' shared the objective of the global webinar - the need to deliberate on several amorphous, but critical elements of foresight, management and leadership that need most attention to address challenges & bridge gaps to enable transformation. He stated that exponential technologies are transforming and reshaping the world. Boards need to align their corporate strategies with the transformative changes that lie ahead. Boards must understand the paradox of exponential technologies, a future where unlimited opportunities and existential threats, coexist. The fusion of technologies is blurring the lines between the physical,



Distinguished Speakers live during the event: (From L to R): Mr. U. K. Sinha, IAS (Retd.), Mr. K. Venkata Ramana Murthy, IDAS, Mr. Dinesh Kumar Khara Mr. Anurag Goel, IAS (Retd.) and Lt. Gen. J. S. Ahluwalia PVSM (Retd.)



Mr. Anurag Goel IAS (Retd.)

Former Secretary, Ministry of Corporate Affairs & Former Member, Competition Commission of India, Govt. of India;
Founder, Shaping Tomorrow Consultants LLP



Mr. U. K. Sinha, IAS (Retd.)

Former Chairman, Securities & Exchange Board of India (SEBI);
Board member on multiple boards



Mr. K. Venkata Ramana Murty, IDAS

Joint Secretary
Ministry of Corporate Affairs, Govt. of India; &
Board Member, SEBI

digital, and biological spheres. Strategic Foresight is a deep understanding of trends and technology, demographics, regulations and lifestyles, which can be harnessed to rewrite industry rules and create competitive space.

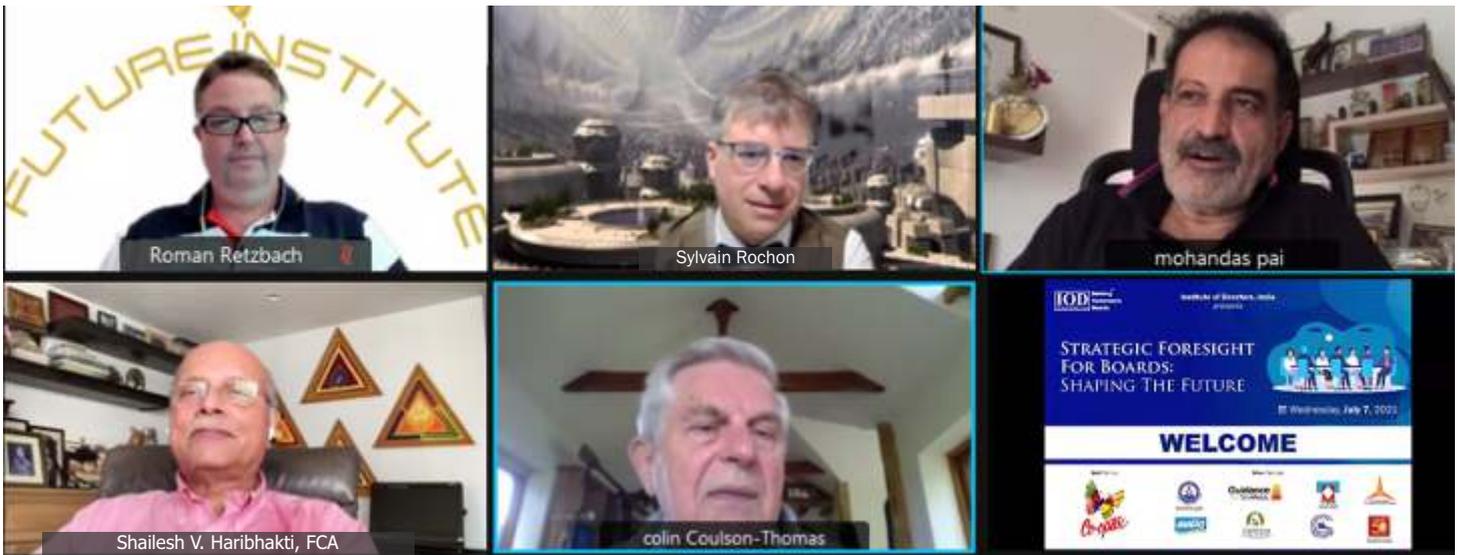
IOD has made a pioneering start on 'Strategic Foresight' in corporate India since 2020, with expert inputs and overall guidance from Mr. Anurag Goel, IAS (Retd.). IOD plans to soon set up a 'Strategic Foresight Cell', under IOD's 'Board Research and Advisory' (BR&A), which will be mentored by Mr. Goel.

Mr. U. K. Sinha, IAS (Retd.), former Chairman, Securities and Exchange Board of India (SEBI) and Board Member on multiple Boards in India in his '**Chief Guest Address**' shared that out of the top 100 Fortune global companies in 2008, only 57 companies could survive and retain their place in the 2018 list. 43 companies were new entrants, whereas 57 companies which made to the list even lost their ranks. Of the top 10 companies in the world (by their market capitalization), 8 companies are from the Fintech and Technology sector. It is not a question of being in the right sector, and how have they done it. Rather the lesson to learn from these companies is how they were able to innovate, accept challenges, accept new questions and asked themselves new questions, refocused their energy, visualized the future as it is evolving and reinvented themselves.

He defined '**Strategic Foresight**' as the DNA of the company, which can be changed with the efforts of the Management and the Board. Strategic Foresight is a concept, much deeper and goes beyond the changes in the technology and boards. Strategic Foresight is simultaneously a cultural issue of the organization, and is not limited to any select group of people. The companies must listen to the various business sources and stakeholders, including whistle-blowers and employees, signalling the changes in the market. The Boards must set up a mechanism to listen to their stakeholders, as when it comes to Strategic Foresight. It cannot be just a vertical approach (top-down) but also a horizontal one at the same time.

To bring greater transparency and enable market participants to identify and assess Sustainability -related risks and opportunities, SEBI has mandated the top 1,000 listed entities by market capitalisation, to report '**Business Responsibility and Sustainability Report**', to replace the existing '**Business Responsibility Report**'.

Mr. K. Venkata Ramana Murty, IDAS, Joint Secretary, Ministry of Corporate Affairs, Government of India & Board Member, Securities and Exchange Board of India (SEBI) in his '**Guest of Honour Address**' highlighted how the pandemic had pushed us all to go for 'Strategic Foresight'. Within the Ministry of Corporate



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Mr. Roman Retzbach, Mr. Sylvain Rochon, Mr. Mohandas Pai, Mr. Shailesh V. Haribhakti FCA and Prof. Colin Coulson-Thomas

Affairs, Government of India – the two key aspects which were considered, to take measured actions in response to apprehended first lockdown, were:

- i. Ensuring business continuity
- ii. Understanding business and making required regulatory

changes, mainly in 'The Companies Act, 2013' and 'The Insolvency and Bankruptcy Code, 2016'

He emphasized that boards have to not just 'react' to disruptive changes but 'invest' in advance to prepare for such changes. **Boards need to stay nimble-footed and agile, for disruptive technological changes; and Strategic Foresight is a tool that**



Lt. Gen. J. S. Ahluwalia, PVSM (Retd.)
President
Institute of Directors, India



Mr. Shailesh V. Haribhakti, FCA
Chairman - Western Region, Institute of Directors, India;
Board Chairman - Blue Star Ltd., L&T Finance Holdings Ltd.,
Future Lifestyle Fashions Ltd. and
NSDL e-Governance Infrastructure Ltd.;
Independent Director on multiple Boards



Mr. Dinesh Kumar Khara
Chairman
State Bank of India



Mr. Roman Retzbach

German Professional Futurist, and Futurologist,
International Renowned Futures Studies Expert,
Germany



Mr. Sylvain Rochon

International Keynote Speaker,
Futurist, Author & Entrepreneur;
Director and Co-Founder, The Canadian
Institute of Mass Communication, Canada



Mr. Mohandas Pai

Chairman,
Aarin Capital;
Manipal Global Education, India

can help boards to make informed decisions. He urged the boards to invest in both '*capital*' and '*intellectual capital*'

Mr. Shailesh V. Haribhakti, FCA Chairman - Western Region, Institute of Directors, India; Board Chairman - Blue Star Limited, L&T Finance Holdings Limited, Future Lifestyle Fashions Limited, NSDL e-Governance Infrastructure Limited and Independent Director on multiple Boards, in his '**Keynote Address**' said that Boards should drive towards '**The Clean Tech Era**'. Boards have to exercise 'Strategic Foresight' at pace, as it will help dealing with the issues at the cellular level. Access to data repository and collaboration with technology tools, will give the power to boards to make future decisions. He highlighted, that a shift from 'ESG' to 'Clean Technology', i.e. zero carbon technology, is already put in motion. He urged the boards to espouse a mindset which is driven towards experimentation, innovation and zeal to 'achieve the moonshots'.

We have to bring in empathy, the desire to ensure that we don't have a world of 'haves' and 'have-nots' but a world of 'haves' and 'have more', so we change the whole baseline and make sure that the entire planet earth and the entire human race moves to this new philosophy of 'haves' and 'have more', using clean technology.

Mr. Anurag Goel, IAS (Retd.), former Secretary, Ministry of Corporate Affairs & former Member, Competition Commission of India, Government of India and Founder, Shaping Tomorrow Consultants LLP, India in his '**Programme Chairman Address**' touched on three key points, namely:

- i. Why is it more imperative than ever before to anticipate the future?
- ii. Do we have a tool to travel to the future?
- iii. Does it help in creating the future or in inventing the future?

He asked, '**What is Strategic Foresight?**' and replied that Strategic Foresight is itself going to shape the future. He quoted Alvin Toffler, 'those who make magic, see the future before anyone else'. Making magic for their companies is what directors and boards should strive to do, they must be motivated to guide the companies in understanding the forces shaping systems, anticipate surprises and adapt dynamically. Strategic Foresight is a tool to see the future, anticipate the future, and explore all plausible altered futures. Boards would have to look at different possibilities in the future. He concluded his address by saying: "*To understand the future, you need not be an expert, but to have a 'Future Mindset'.*" To tide through this pandemic, the

World Economic Forum shared that four skills will be required, of which three relate to *seeing the future*, i.e. Future Literacy, Anticipation, and Strategic Foresight.

Thereafter, a '**Keynote Session**' was held on "**Strategic Foresight: Empowering Directors for Future-Ready Corporate Governance**", with the following Distinguished Speakers:

1. **Mr. Dinesh Kumar Khara**
Chairman
State Bank of India
2. **Mr. Roman Retzbach**
German Professional Futurist, and
Futurologist, International Renowned Futures Studies
Expert, Germany
3. **Mr. Sylvain Rochon**
International Keynote Speaker, Futurist, Author &
Entrepreneur;
Director and Co-Founder, Canadian Institute of Mass
Communication, Canada

Mr. Khara highlighted that the most visible impact of the Covid-19 pandemic is 'rapid digitization' and 'increasing need for accelerated use of exponential technologies' across industries.

There has been unprecedented disruption of business and the global economy, due to which the boards of the companies and policy makers are required to shape their strategies and decision-making, aligned with the exponential technological changes. He advised the boards to embed AI and Machine Learning in the boardrooms, which will add to the conventional wisdom of boards. Further, he said AI & Machine Learning will help the companies to understand consumer behaviour and creating the right product.

He also shared that, one of the critical aspects for any decision-making entity is the '**Availability of Data**' from which actionable insights and value can be derived. Apart from getting deep insight on consumer behavior, 'integration of available data' will assist the boards in strategic planning. Data plays a key role in enhancing customer experience through targeted marketing and understanding customer needs. Insight from data analytics will also help in product designing, achieving cost reduction, and bringing improved efficiency in the existing processes. IT, strategy information, and cybersecurity data governance and protection will assume greater importance in board deliberations.

He concluded his address by saying, the calibrated conventional wisdom of the top level policy makers in industry, government as



Mr. T. P. Rajesh, IAS
Managing Director
Co-optex
(The Tamilnadu Handloom Weavers'
Co-operative Society Ltd.)



Ms. Vandana Garg, IAS
Executive Director, TIDCO
(Tamil Nadu Industrial Development Corporation Ltd.);
and Managing Director, TIDEL Park, Tamil Nadu



Ms. Deepa Devi
Vice-President
Guidance, Tamil Nadu

well as regulatory bodies would have to factor in the disruptive impact of these technologies in decision-making and provide the required agility to proactively respond to the fast changing markets dynamics.

Mr. Retzbach introduced the global audience to the practical future trends in India and other global economies. He highlighted the risks and challenges being faced by the major global economies including India and China, in comparison to rest of the world. Businesses need to learn to react to the disruptive forces and become more flexible. He suggested for an alignment between the University's syllabus and markets demand for workforce. For the Indian economy, government also has a big role in providing the right infrastructure like IT Parks and other world-class amenities, which attracts global investors.

Mr. Rochon in his address urged the boards on having a '**Futurist Mindset**'. The companies perform on the basis of how their Board's think. There is a need to 'build foresight capacity' and 'embed strategic foresight' in boardrooms. He defined 'Strategic Foresight' as a tool, to anticipate scenarios and taking the best decisions to make that scenario more probable. He suggested that companies and the boards must have interactions with innovative start-ups and learn on the agile development processes. Using Strategic Foresight is not just to

foresee future in the next 5 or 10 years, but making decisions in the present and implementing them. He highlighted that everything is accelerated in today's world. We have to, therefore, be on the lookout, create our own future, tweak processes according to the market trends, bring idea to the boards and embed Strategic Foresight in business cycles.

The '**Guest of Honour Address**' was delivered by **Mr. Mohandas Pai**, Chairman, Aarin Capital and Manipal Global Education, India. He highlighted that the companies which were able to adapt and were technologically driven, were able to successfully fight through the pandemic. He informed that a dramatic shift has already happened – '**The future has arrived**'. We are in the midst of '**Digital Revolution**'. Consumers have moved from 'physical interaction' to 'digital interaction'. Companies which had the trend portals, like Apple and Amazon were able to connect with the customers, despite the pandemic, which shows that the market has shifted dramatically. In the midst of the digital revolution, it can be said that there is no business model which is not under threat from the technological disruptions.

He highlighted the need to have alternate in energies, and reduce the consumption of fossil fuel-led energy sources. He added that the Indian economy is both consumption-driven and demography-driven. Today, India is a \$3 trillion economy, but it came down to \$2.7 trillion in 2020, and then it went back to \$3.1

trillion in 2021. It is estimated that by 2032, India will be a \$10 trillion economy, and is going to be one of the fastest growing regions in the world, led by innovation, enormous human capital, and rapid political changes. More and more people are coming for 'Work in India', and it could become the factory of the world, because the Chinese labour costs are going up, and therefore the availability of Chinese labour has come down. So, amidst all this, 'Digitization' is being taken up by China, and it will play a dominant role there, whereas it is expected that Europe's domination is going to come down, and India's domination will go up, depending on how geopolitics shapes the world by 2030. Companies need to factor in these aspects, if they want to operate in the country or globally, and that is what the theme today is 'the Calling for Strategic Foresight' for boards.

This was followed by an interactive **Q&A Session** with the audience.



Prof. Colin Coulson-Thomas
Director-General - UK and Europe Operations,
Institute of Directors, India
President, Institute of Management Services, UK



Mr. Pradeep Chaturvedi
Vice-President
Institute of Directors, India



Distinguished Speakers live during the event: (From L to R):
Mr. Ashok Kapur, IAS (Retd.), Mr. T. P. Rajesh, IAS, Ms. Deepa Devi, Ms. Vandana Garg, IAS and Mr. Pradeep Chaturvedi

Thereafter, **Prof. Colin Coulson-Thomas**, Director-General- UK and Europe Operations, Institute of Directors, India and President, Institute of Management Services, UK shared the '**Summary of Recommendations**'. The comprehensive Summary of Recommendations has been printed elsewhere in this issue.

Thereafter, a '**Business Breakout Session | Focus State: Tamil Nadu**' was held to showcase '**Tamil Nadu: The Preferred Investment Destination**', with the following representatives of the state of Tamil Nadu:

Mr. T. P. Rajesh, IAS

Managing Director
The Tamilnadu Handloom Weavers' Co-operative Society Limited (Co-optex)

Ms. Vandana Garg, IAS

Executive Director, Tamil Nadu Industrial Development Corporation Limited (TIDCO) and Managing Director, TIDEL Park, Tamil Nadu

Ms. Deepa Devi

Vice-President
Guidance, Tamil Nadu

Mr. Ashok Kapur, IAS (Retd.), Director General, Institute of Directors, India delivered the '**Welcome Address**'. On behalf of IOD, he thanked **Dr. V. Irai Anbu IAS**, Chief Secretary of Tamil Nadu who had fully encouraged IOD to showcase the State of Tamil Nadu before a Global audience. The **Hon'ble Chief Minister of Tamil Nadu, Mr. M. K. Stalin's** public address to make the State 'A Favourable Investment Destination in South Asia', will be a source of inspiration for IOD's next Annual Global Convention (physical) in Singapore, as and when the situation becomes normal. He also welcomed **Mr. T. P. Rajesh, IAS**,

Managing Director, the Tamilnadu Handloom Weavers' Co-operative Society Limited (Co-optex); **Ms. Vandana Garg, IAS**, Executive Director, Tamil Nadu Industrial Development Corporation Limited (TIDCO), and Managing Director, TIDEL Park, Tamil Nadu; and **Ms. Deepa Devi**, Vice-President, Guidance, Tamil Nadu.

Mr. Rajesh shared the journey of Co-optex, which was established in 1935 and is primarily engaged in marketing of handloom fabrics produced in the State. With an annual turnover of around Rs. 1000 crore, it is the largest textile hub of India, in the state of Tamil Nadu. He informed that the textile industry plays a significant role in the Indian economy and provides direct employment to several thousand labours. Tamil Nadu, as a state, contributes 8% of the National GDP of India, and had a record \$ 30.5 billion worth of exports in 2018-19, contributing to 9.3% in India's net exports.

Ms. Garg said, the state of Tamil Nadu has a very favourable investment climate, and is ranked among the top 3 FDI destination in India. TIDCO, established in 1965, endeavours to achieve a balanced and continual industrial growth by promoting medium and large industries in the State through Joint Ventures. TIDCO is also the Nodal Agency for the development of various industrial corridor projects in Tamil Nadu. The vision of her organisation is to have accelerated, balanced, inclusive and harmonious industrial development of Tamil Nadu.

Ms. Devi shared that the state of Tamil Nadu has been repeatedly rated as one of the most favourable investment destinations in India. The State aspires to become 1 trillion GDP economy by 2030, by creating a business-friendly industrial ecosystem; creating employment opportunities for 46 lakh people, creating world class industrial infrastructure; and upgrade/create new Technology Parks. Tamil Nadu hosts a well-

connected infrastructure of airports, seaport, roadways and internet connectivity; and also provides a highly skilled and abundant workforce. She also shared the key highlights of Tamil Nadu Industrial Policy, 2021.

The event was supported by numerous generous partners of IOD. The **Gold Partner** was The Tamilnadu Handloom Weavers' Co-operative Society Limited (Co-optex). The **Silver Partners** were Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB), Tamilnadu Industrial Development Corporation Limited (TIDCO), State Industries Promotion Corporation of Tamil Nadu (SIPCOT), Tamil Nadu Co-operative Milk Producers' Federation Limited (TCMPF), Chennai Metro Rail Limited (CMRL), Guidance Tamilnadu, Tamil Nadu Cements Corporation Limited (TANCEM), and Tamil Nadu Tea Plantation Corporation (TANTEA).

Mr. Pradeep Chaturvedi, Vice-President, Institute of Directors, India proposed the '**Vote of Thanks**'. He thanked the Chief Guest, Guest of Honour, Programme Chairman, distinguished speakers and the audience who joined us from India and the twelve countries across the globe. He also thanked the State of Tamil Nadu for giving IOD an opportunity to showcase the vision of the State before a global audience. Special thanks were also conveyed to the Event partners.

Compiled by:

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Director General
Institute of Directors, India

and

Ms. Sana Rehman

Executive Editor &
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Director General
Institute of Directors, India

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IOD India Global Webinar

Strategic Foresight for Boards: Shaping the Future

Summary of Recommendations

Wednesday, July 07, 2021

GENERAL

1. Forecasting should cover contextual factors such as demographics, lifestyles, aspirations and concerns as well as operating and organisational models and economic, political, scientific and technological developments. As many people as possible should be encouraged to think about the future, look further ahead and explore alternative scenarios. Important customers, suppliers and business partners, and key stakeholders, should be involved. Possible scenarios may need to be evaluated before contingency measures can be put in place to address the most probable outcomes.
2. A current situation may change. Assessments should embrace impacts and implications for what could be the position, when possible scenarios arise. Forecasts are only as reliable as the estimates provided by those consulted, the data examined, and the assumptions made in whatever models are used. Representations of the future and measures used to assess possible scenarios should include externalities and cover impacts outside the money economy.
3. High impact events may become more frequent and their consequences might be more severe. Multiple clocks are ticking and the stakes are high. For example, four billion people are particularly vulnerable to climate change. For many of them the future is already here.

BOARDS

1. Boards should do their best to distinguish the developments, events and possibilities that are strategically significant, and focus upon them. Forethought can allow a board to react more quickly than others, who are still trying to understand what is happening around them and to them. While exercising foresight, boards should be prepared to deal with the unexpected and be open to new possibilities.
2. Boards should consider both the direct and indirect impacts of possible events, developments and situations. Helping customers and other stakeholders to respond, might create business opportunities. Confident and positive boards proactively look for opportunities to reposition, repurpose and/or reinvent and to innovate, transition and/or transform. Boards should be flexible and willing to re-align purpose, vision, mission, goals and objectives to match changing aspirations and identified possibilities.
3. Boards should consider the relevance of a company's capabilities to future scenarios and what new capabilities might need to be accessed or developed. They should also think about the role it might play in possible collaborations. Boards should secure the collaborations and capabilities needed to address them.
4. They should think through the implications of having to negotiate, cooperate, and form alliances and public-private partnerships. Boards should be ready to negotiate and govern collaborative arrangements with diverse entities. Boards should avoid getting a company locked in to complex and long-term arrangements that might become redundant and prove difficult to unscramble.
5. Boards should value anticipation, forethought and preparedness and encourage agility, prescience, foreknowledge and forewarning. Boards should heed the alerts and warnings of environment scanning and forecasting and ensure appropriate preparation, adaptation and mitigation.

DIRECTORS

1. Directors must be alert, vigilant and sensitive to what is happening around them. The provision of strategic direction requires boards to look ahead. Directors should actively look for signals and signs, monitor external trends and developments, assess their possible impacts and consider and initiate responses.
2. Directors should remain positive, preserve a capability to flexibly respond, and balance courage and initiative with circumspection and prudence. As well as looking ahead, directors should endeavour to be prepared for a variety of

eventualities. Directors should achieve an appropriate balance between reacting to events and being proactive in the pursuit of corporate purpose and priorities.

3. Directors should expect to encounter the unfamiliar and to confront difficult issues that cannot be easily delegated. Stark choices between different options might emerge. Directors should be prepared for possible disagreement on objectives, strategies and priorities, relating to anticipated events and possible situations. Directors should always be on the lookout for the next wave or 'big things'. They could leave some bandwidth for dealing with them, and benefiting from them.
4. Forewarned is forearmed. Strategic foresight is critical. How business and political leaders practice it and decisions they take will shape all our futures. Directors can steer possible and plausible futures to preferred and better ones.

TEAM

1. Teams could be established to consider opportunities, identify vulnerabilities and scope alternative offerings. Different models of operation, organisation and collaboration could be explored. Listening leadership is required. Discussion and the exercise of individual judgement are particularly important, when considering possible futures. Groupthink should be avoided. ■

Compiled by

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President, Institute of Management Services, UK