



If Governing for the Future is So Important, Why are So Few Boards doing it well?

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At The Governance Coach™, we believe that truly responsible boards seek to shape meaningful futures. Yet, from what we've observed, only a select few are deeply engaged in that outcome.

Here are a few reasons why boards are not getting to that level of profound future shaping and what they can do about those stumbling blocks.

1) Environmental scans do not predict the future

How are your shares in Blockbuster doing?

At one point there were 9000 stores in the franchise. At last count there was one!

There was a point in time where trends showed that the growth of Blockbuster's franchise appeared to be unlimited. But trends show changes between the past and now. They aren't projections of the future. Indeed, what is trending today might continue along the same trajectory. That same trend might also increase, decrease, or reverse!

Technological disruption might be one source impacting the direction of trends in the future. For example, streaming services shook the market for movie rentals from video stores. But so many other forces at play in the broader world may also have an impact.

2) Uncertainties are critically important

Hindsight may be 20:20, but predicting the future is nothing close to perfect vision.

Consider recent global events. The signals that war *could* come to Ukraine were obvious for months in advance, yet there was still uncertainty until the attacks were launched. Some with more in-depth knowledge of the region observe that the signals of these events stretch much further back. Yet there was uncertainty from the earliest, weak signals, until the strongest immediately prior to the invasion.

We can all play "Monday morning quarterback," criticizing the decisions of nation states as the signals of war ramped up, but more instructive for our purposes, what does that tell us about board governance? Is it wise to ignore early signals? Or would it be better to make decisions based on potential futures which might come to be depending on how those early signals progress?

3) Our biases get in the way

We see the world the way we choose. It's human nature. It turns out that each of us are likely subject to at least one form of [cognitive bias](#).

We use cognitive biases as short-cuts to process and understand information. Unfortunately, when thinking about the future, cognitive biases can blind us to other possibilities and that is especially so when we are considering unknown futures. Early signals can be interpreted through a narrow lens or outright rejected.

To really explore potential futures, we need tools to help us see past our cognitive biases.

Three Takeaways

Three takeaways for boards are as follows.

- 1) The board needs to do more than work from environmental scans to think about the future.
- 2) Instead of ignoring the discomfort of uncertainties in potential futures, boards should become intrigued by them.
- 3) Boards need to tap into the tools that have been developed for looking past our cognitive biases and deepening and broadening their perspectives on the future.

As that wise sage, Yogi Berra put it: “The future ain’t what it used to be!” Doesn’t your organization’s ownership deserve governance which makes its decisions today based upon a deep understanding of potential futures?

Interested in getting your board future focused? [Contact us](#) to find out more about how we can help.