

By Daniel W. Rasmus



The Tens—Ten Reasons Not to Trust A Futurist Forecast

1 There is no data about the future So far physicists have not discovered a way to transport data from the future—not in a lab nor in the parlor room of a soothsayer. Today’s quants and stats ninjas aren’t predicting the future, they are analyzing the present and hoping that tomorrow is pretty much like today. Disruptions along a number of dimensions can make today’s data irrelevant: consider MySpace growth forecasts prior to the introduction of Facebook, or oil futures before an economic tailspin. Studying today’s data will provide plenty of insight about the past, but it won’t necessarily apply to the future.

2 Some trends aren’t trends The late evolutionary biologist Stephen J. Gould argued against the evolutionary ladder and for an evolutionary bush, where accidents and serendipity play as much of a role in evolution and extinction than does the competition of genetics. Gould’s lesson from the fossil record was one of adaptation. Futurists often point to trends that disrupt and dislocate rather than identifying adaptive opportunities, which may prove the best kind of competitive differentiation.

3 Even real trends may turn out to be irrelevant Trends without forces and caveats are useless. No trend is independent of other forces. Futurists who deterministically state a trend without qualification may not be showing their work, or they may just be making an unfounded assertion. In either case, presenting a trend without its context misleads and endangers the potential trend watcher who may well follow that trend needlessly over a cliff.

4 Cycles are an Illusion Cycles are necessary in nature, they may not be so in history, because unlike natural cycles with underlying laws, history is the reflection of human intervention where cycles can as easily be recognized and broken, as acknowledged and followed. If your futurist forecasts tomorrow as the next peak in a waveform that has repeated itself throughout history, probe with deep skepticism because skepticism is the tool that best reveals flaws in reasoning.

5 The Futurist Has a Bias Everyone has a bias about something. Just by writing this I have revealed several biases: a bias against trends, for bushy evolution and skepticism of historical cycles and the use of data to forecast future behavior. Make sure you understand your futurist’s biases.

6 They are Historically Wrong Even Warren Buffett can be wrong. He bought Conoco Philips too high and Dexter shoes because he saw a differentiated future for them that didn’t exist. Most futurists and forecasters are wrong over the long term, which is why it is better to be diligent and purposeful. Create an uncertainties framework and monitor it. Paying attention in the present, and taking appropriate short term action informed by strategy, is more important than forecasting.

7 They don’t expose their thinking Your math instructor probably insisted that you show your work to prove you knew how to solve a problem. Futurists often show flashy images of emergent things that exist today, along with cool sketches, videos and animations of things that might happen tomorrow. They rarely discuss how they challenge their own biases, or the alternatives to their often overly deterministic assertions.

8 Probabilities are for bookies not futurists If futurists were accurate, they would be at the race track, not in the boardroom. As I have said for years, a futurist has the advantage of never being wrong today. And unlike bookies, they don’t even have to be right tomorrow. Probabilities about the unknown help set payouts, but they are not useful when selecting among futures or future impacts. When you don’t know, anything is equally likely to happen. This may be constrained by configuration, e.g., a baseball team with a man on base is more likely to score than one without a man on base, but the configuration does nothing to forecast the batter’s performance. Even the best models of the future don’t include enough relationship data to predict how an action today will manifest itself tomorrow.

9 They Don’t Admit Mistakes or Offer Lessons Learned A futurist that shares mistakes and lessons is more honest than one who does not. The best way to look into the future is through a range of possibilities and spending time exercising your options. And then watching diligently.

10 They Over Simplify The world is messy. The one thing we can predict about the future is it will be messy too—full of complex inter-relationships, forces and influences that make it difficult to slice through to create a meaningful picture, let alone, a forecast. Honest thinkers about the future embrace the messiness.