



# **The energy future foresight playbook**

Moving beyond strategy capabilities to gain  
advantage

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# Foreword

The energy sector is at a critical inflection point, driven by the need to meet escalating global energy demands while transitioning toward more sustainable and low-carbon energy sources. This shift is not merely a response to environmental imperatives but represents a comprehensive transformation in the way energy is produced, distributed, and consumed on a global scale. In this era of rapid technological change, shifting regulations, evolving consumer preferences, and unpredictable geopolitical dynamics, the energy sector faces unprecedented challenges.

As the sector grapples with a host of uncertainties, the role of future foresight in strategic planning has become indispensable. Foresight is no longer just a tool for navigating uncertainty—it has become a strategic imperative shaping the future of energy companies. Traditional approaches to strategic planning are becoming increasingly inadequate in the face of these dynamic challenges.

A stark reminder of the importance of foresight is the declining lifespan of major corporations in recent decades. This trend highlights the reality that success in today's environment is fleeting without the adoption of forward-thinking strategies. The energy sector, in particular, demands a robust approach to foresight that ensures agility, innovation, and resilience. Energy companies must evolve by integrating foresight into their core strategies, enabling them to anticipate disruptions, mitigate risks, and capitalize on emerging opportunities.

This paper delves into the critical role that future foresight plays in navigating the complexities of the energy sector. It outlines the blueprint that can be employed to adopt future foresight and prepare for the challenges of today and the uncertainties of tomorrow. By embracing foresight, energy companies can position themselves for long-term success, ensuring that they not only survive but thrive in an increasingly volatile and complex world. The ability to anticipate and adapt to change is not just an advantage; it is a fundamental necessity for leadership in this transformative era that defines the future of the energy sector.

By embracing  
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# The case for future foresight

## Corporate longevity decline

Corporate longevity in the energy sector is increasingly becoming a matter of strategic choice rather than a given. Many organizations fall into the trap of short-term strategic thinking, where the pursuit of immediate profits overshadows the broader goal of long-term success and sustainability. The average lifespan of major corporations has plummeted from 33 years in 1965 to an expected 12 years by 2027—a staggering 64% decline<sup>1</sup>, as illustrated in Figure 1. This decline is largely driven by the escalating complexities and uncertainties that corporations face in today's volatile environment.

The average lifespan of major corporations has plummeted from 33 years in 1965 to an expected 12 years by 2027

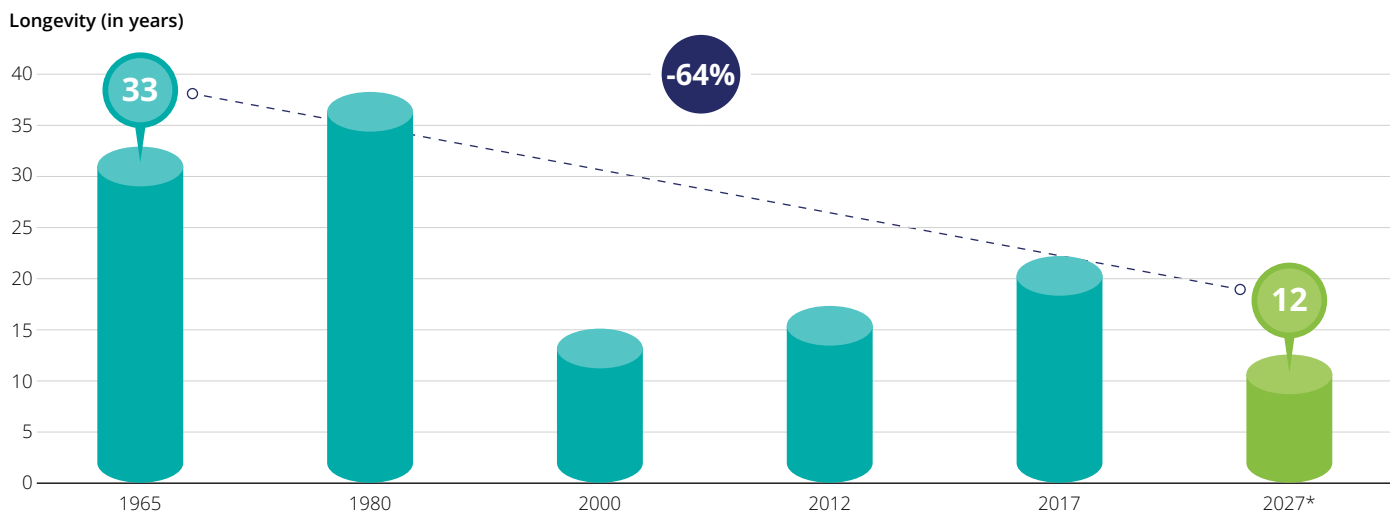


Figure 1: Longevity of global corporations<sup>1</sup>

In the energy sector specifically, several critical uncertainties are contributing to the decreasing longevity of corporations<sup>2</sup>:

### • Unpredictable natural events

Climate change is causing more frequent and severe natural disasters, posing risks to energy infrastructure and supply chains.

### • End-market demand uncertainty

The shift to renewable energy and changing consumer behavior are creating uncertainties in future energy demand.

### • Oil price fluctuations

Geopolitical factors and market dynamics cause oil price volatility, affecting revenues and investment decisions.

### • Overoptimistic demand outlooks

Overestimating demand growth has led to resource misallocation and stranded assets.

### • Low-capacity utilization

Improved energy efficiency and decentralized production are lowering traditional asset utilization rates, challenging profitability.

### • The rise of protectionism

Trade barriers and nationalist policies are disrupting global supply chains, causing uncertainty around resource access.

The decline in corporate longevity highlights the need for a forward-thinking approach. Energy companies must prioritize resilience, adaptability, and long-term planning to secure their future. Achieving longevity requires business leaders to shift from traditional practices and adopt innovative foresight strategies.

### Evolving market and increasing volatility

As central figures in the global energy landscape, energy companies bear a significant responsibility in adopting and advancing foresight strategies. The sector's deep roots in traditional energy markets, coupled with its pivotal role in the global economy, make foresight an essential component of strategic planning for these companies.

The transition to a sustainable energy future brings both challenges and opportunities for energy companies. To stay competitive, they must anticipate

changes in energy demand, technology, and regulations. By leveraging foresight, energy firms can adapt and thrive in this evolving landscape.

In addition to navigating this shift, energy companies face other challenges such as fluctuating oil prices and regulatory pressures. As shown in Figure 2, understanding past trends and market volatility can help them anticipate disruptions and seize new opportunities, including integrating renewables into their portfolios. Future foresight is the only viable alternative vis-a-vis the traditional approach to manage these complexities.

The transition to a sustainable energy future brings both challenges and opportunities for energy companies

Price  
(USD/BBL)

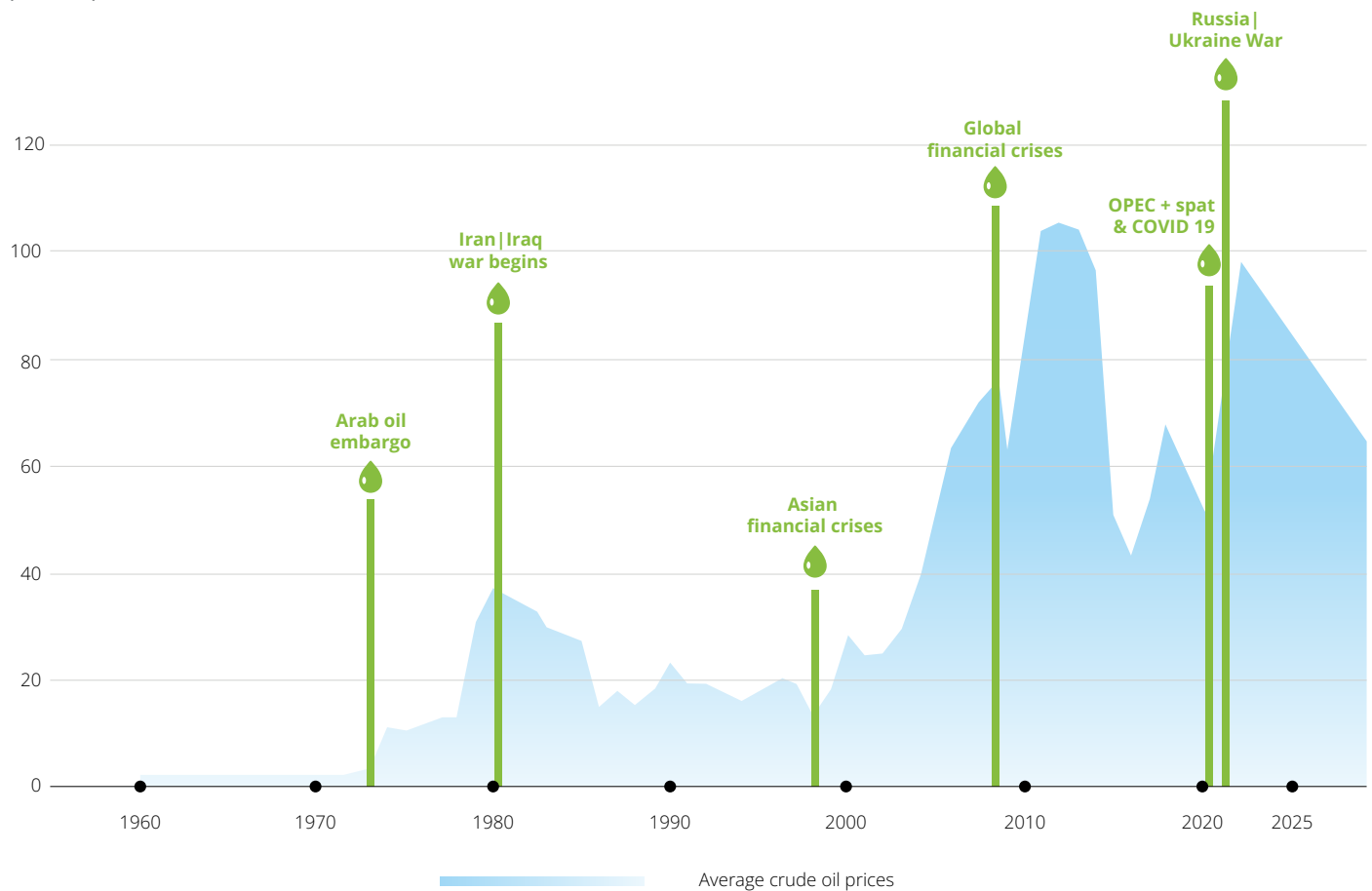


Figure 2: Historical overview of oil market price trends<sup>3</sup>

## Evident advantages of foresight

The integration of foresight into corporate strategy yields significant economic benefits, as suggested by various analyses<sup>4</sup>. A study of corporate foresight and its impact on firm performance revealed several key insights, illustrated in Figure 3.

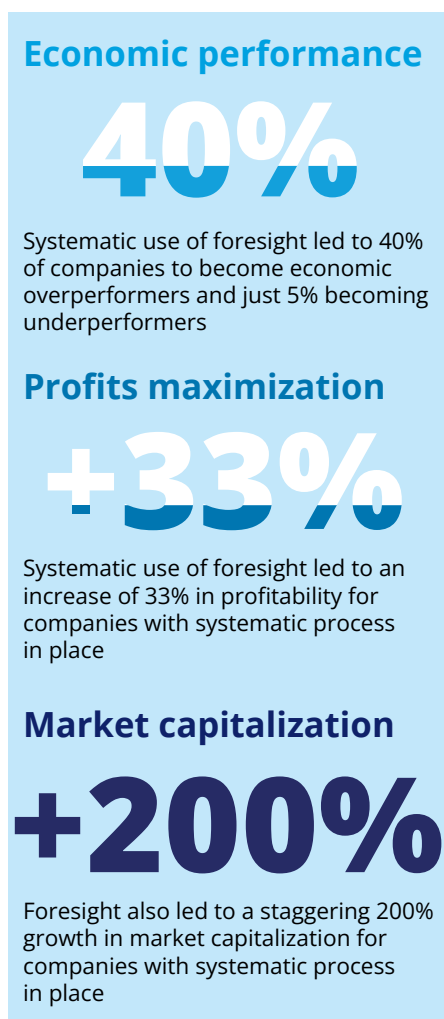


Figure 3: Economic benefits of future foresight<sup>4</sup>

## Industry case studies in future foresight

Companies that have embraced foresight have remained resilient and adaptive, securing their positions as industry leaders. In contrast, those that neglected foresight struggled to adapt to shifting landscapes, leading to their eventual decline, as depicted in Figure 4.

The integration of foresight into corporate strategy yields significant economic benefits

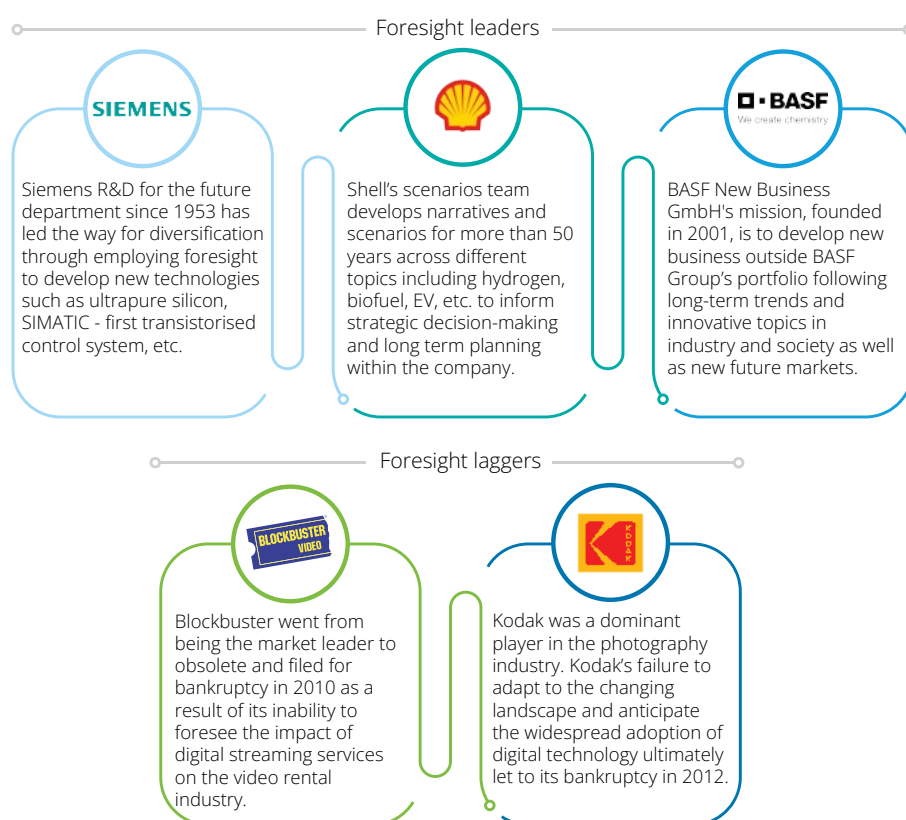


Figure 4: Examples of companies excelling in foresight versus those falling behind<sup>5,6,7,8,9</sup>

# Understanding future foresight

To enhance a company's longevity and navigate our constantly evolving and volatile market, corporate foresight offers a strategic solution. Corporate foresight refers to the ability to detect early signs of disruptive change, interpret their potential business implications, and develop proactive strategies for long-term success. By embedding foresight into the organizational structure and culture, companies can stay ahead of market shifts and better prepare for future challenges.

Incorporating foresight into strategic planning enables companies to navigate uncertainties more effectively and seize emerging opportunities. In the energy sector, firms that adopt foresight are often positioned as long-term leaders.

Future foresight supports the traditional strategy development approach through feeding in extensive insights from plausible futures. To fully leverage foresight, companies must embed it into their core strategic decision-making process, making it a vital component of strategy development. As illustrated in Figure 5, aligning future foresight with the organization's strategic position, scope, and key issues enhances insights and informs decisions.

Using methods like scenario planning, foresight helps evaluate market potential, competitive positioning, and risks, enabling informed choices on market entry, resource allocation, and risk management. Integrating foresight into strategic planning

not only prepares energy companies for the future but also enables them to actively shape it, creating long-term value and navigating uncertainty with confidence.

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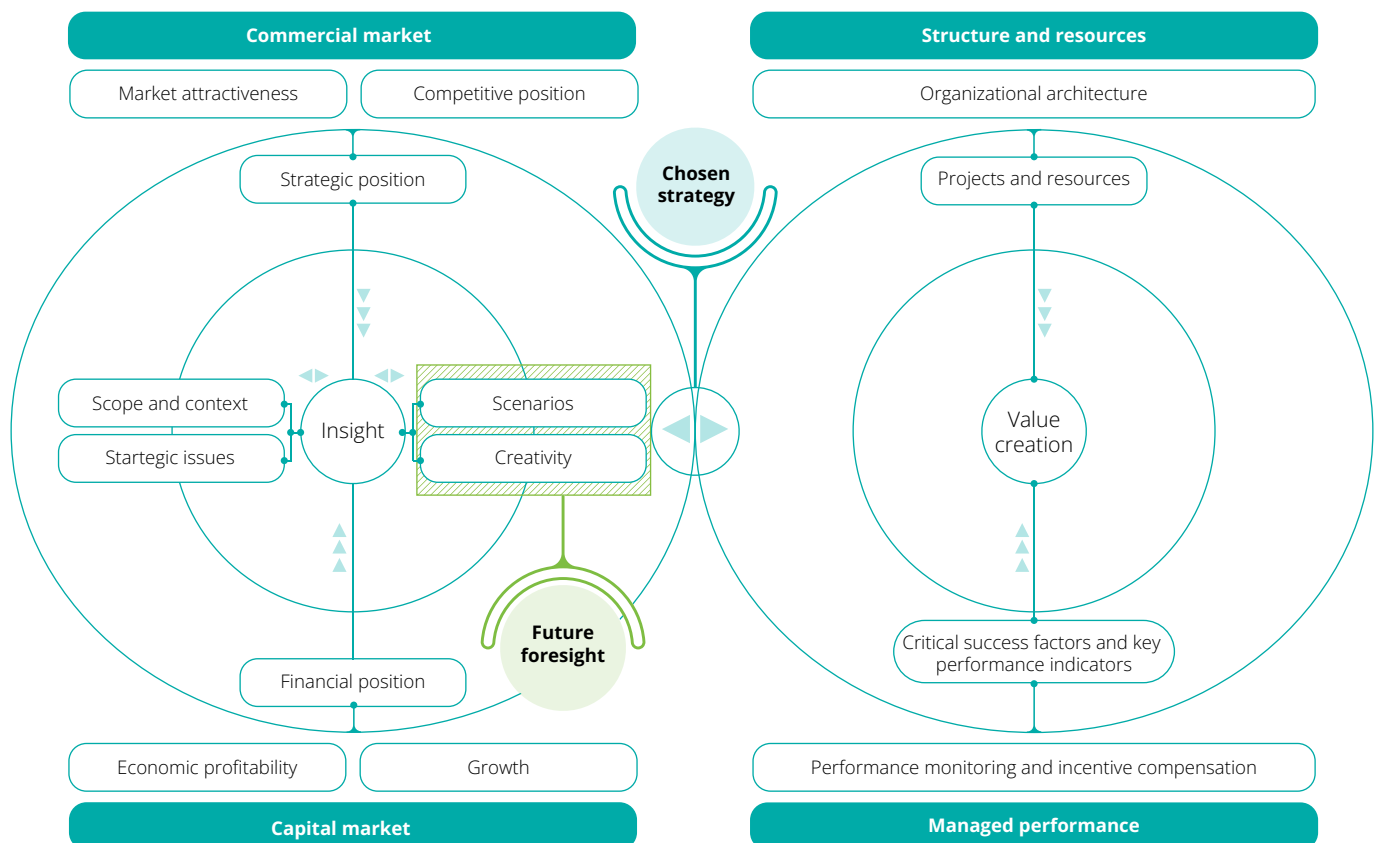


Figure 5: Integrating foresight into strategic planning<sup>2</sup>

# Foresightful organizations for long-term resiliency

## Future foresight strategy development

The strategy for a typical future foresight function in an energy company will be anchored around four pillars to ensure strategic resilience and responsiveness towards external change. Figure 6 highlights the vision, mission, and strategic objectives necessary for fostering a foresight-driven culture. Embedding these pillars into the organizational culture ensures alignment with long-term strategic goals and prepares the business for future challenges and opportunities in the energy industry.

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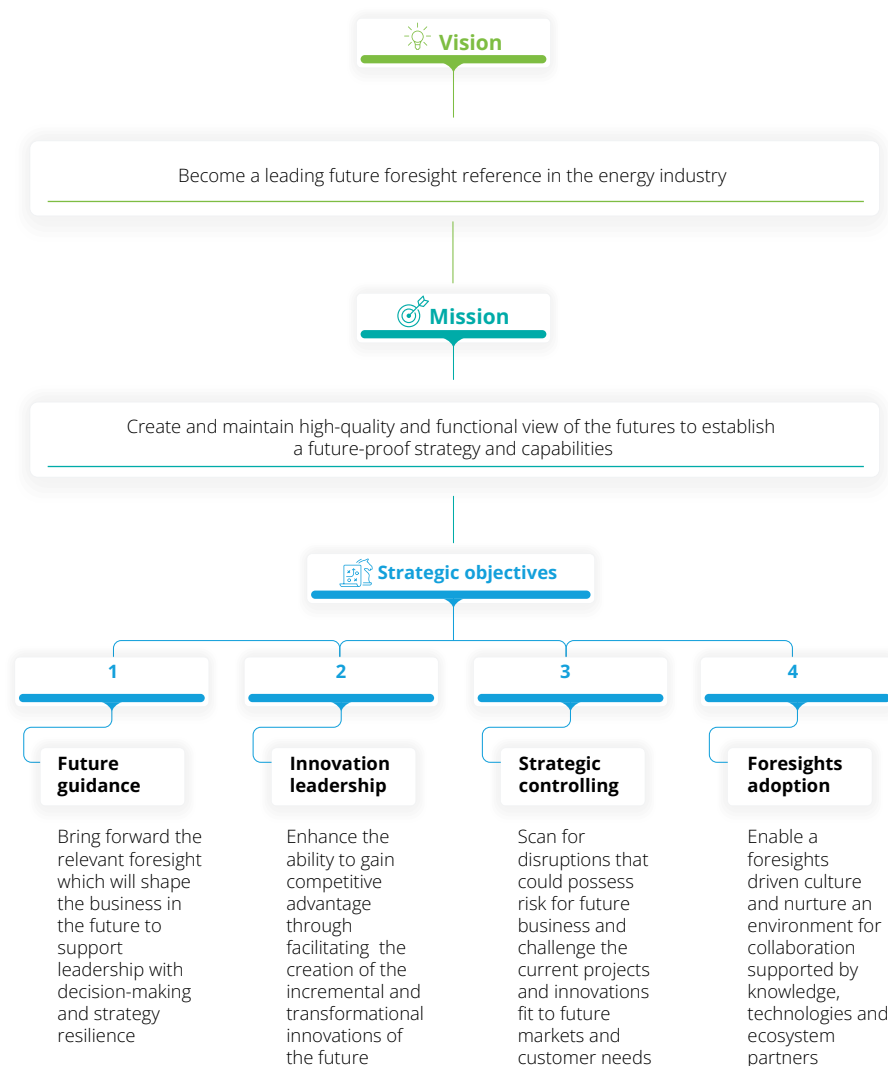


Figure 6: Illustrative future foresight strategic blueprint<sup>2</sup>



## Core components of a future foresight operating model

For future foresight strategy to be realized, a streamlined operating model is proposed to enable connecting the dots and cascade the inputs from the broader organization. Figure 7 illustrates the key elements required to embed foresight into an organization. It highlights the critical areas of resources, processes, tools, and ways of working, all centered around a cohesive strategy. These components, supported by a culture of leadership commitment, enable organizations to anticipate future trends, set clear priorities, and foster innovation for long-term success.

### Resources

- A dedicated team/person responsible for key foresight activities
- People have time to think about the future and make trails in an agile way

### Processes

- Foresight is linked with key planning and innovation processes
- A systematic way of gathering and distributing foresight information within the organization

### Tools

- Information available in a convenient and understandable format
- Tools that enable distribution of foresight data
- Forums that enable dialogue and formulation of common understanding of the future

### Ways of working

- Improved sharing of information
- More emphasis is put on the long-term perspective
- Different KPIs are set for measuring short-term and long-term success



Figure 7: Core components for future foresight operating model<sup>2</sup>

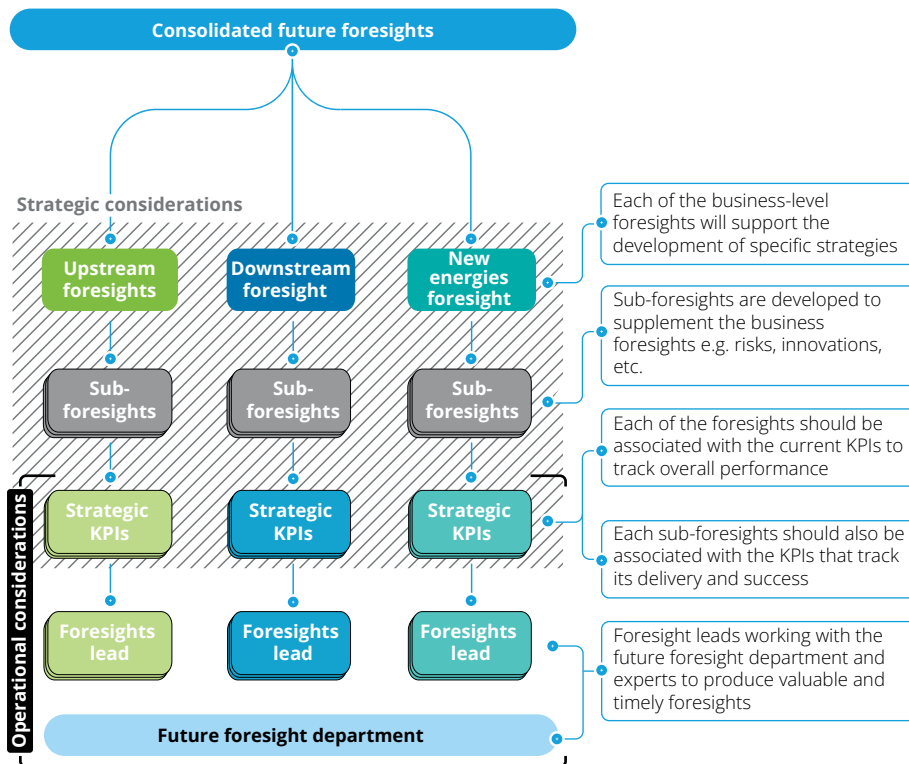


Figure 8: Illustrative future foresight capabilities<sup>2</sup>

## Integration of future foresight into the organization

Effective foresight is essential for energy companies to navigate industry challenges and seize emerging opportunities. By structuring foresight across various business levels and aligning initiatives with key performance indicators (KPIs), organizations can ensure strategic alignment and operational success<sup>2</sup>, as illustrated in Figure 8.

## Core process for future foresight

For energy companies to effectively implement foresight strategies, making 'no-regret' decisions—those that hold value regardless of how the future unfolds—is essential. Achieving these decisions depends on scenario planning, a key tool in corporate foresight.

Scenario planning involves crafting various future scenarios based on key uncertainties and influencing factors. This approach develops detailed narratives to assess potential outcomes and their implications. By thoroughly exploring various potential futures, organizations can identify and prioritize actions that ensure stability and success across different future scenarios. The scenario planning process follows several critical steps, shown in Figure 9.

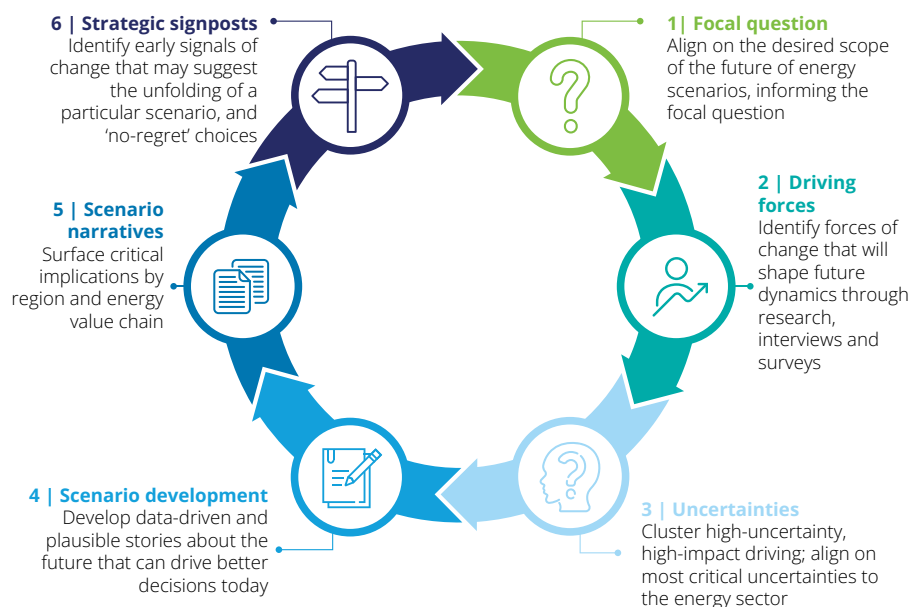


Figure 9: Scenario planning process<sup>2</sup>

## Future foresight roles in driving cultural change

To unlock the full potential of foresight, it is essential to foster a corporate culture that embraces its transformative roles. These roles are critical in driving innovation by enabling organizations to explore new business opportunities, generate a wealth of innovative ideas, and assess ongoing projects to ensure high-quality outcomes. This cultural shift is vital for maximizing a firm's innovation capacity and ensuring long-term success, making the key roles of foresight central to achieving sustained success<sup>10</sup>. Key roles in foresight are illustrated in Figure 10.



Figure 10: Key role players of the future foresight capabilities<sup>10</sup>

To unlock the full potential of foresight, it is essential to foster a corporate culture that embraces its transformative roles

# No-regret roadmap to enable future foresight

To showcase the transformative value of foresight, energy companies must commit to a series of carefully planned strategic steps that not only highlight the importance of foresight but also provide a comprehensive and actionable roadmap for seamlessly integrating it into every level of strategic decision-making. This

approach ensures that foresight becomes an indispensable part of the organization's core strategy, driving sustained success and resilience in an ever-evolving industry.

In light of the critical importance of foresight to long-term success in the energy sector, organizations must

implement a series of strategic initiatives that showcase foresight's value across multiple levels of the business<sup>2</sup>. These initiatives, illustrated in Figure 11, should be deeply aligned with the company's broader strategic vision, reinforcing the role of foresight as an essential component of decision-making and innovation.

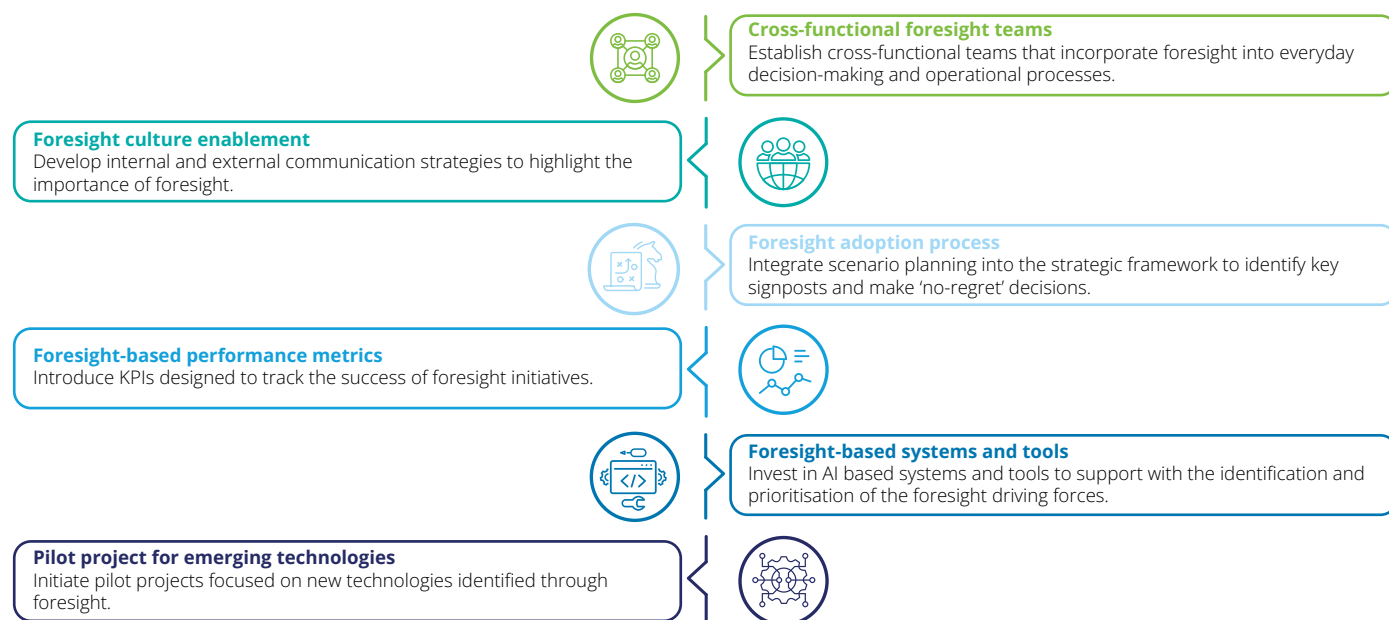


Figure 11: Initiatives to enable future foresight<sup>2</sup>

## Conclusion

In an era of rapid technological change, shifting regulations, and unpredictable geopolitical dynamics, the energy sector faces unprecedented challenges. Traditional industry models are being disrupted, making the ability to foresee and adapt a key factor for success.

By implementing the recommended initiatives and integrating foresight into strategic planning, energy

companies can thrive, not just survive. Foresight helps anticipate disruptions, mitigate risks, and identify emerging opportunities, enabling informed decisions that ensure relevance and resilience. This proactive approach allows companies to pivot quickly while staying focused on long-term objectives.

As the sector transitions towards sustainability, companies embracing

foresight will lead the way. They will set standards for innovation, operational excellence, and sustainability, balancing growth with environmental responsibility. Foresight will empower leaders to anticipate challenges, seize opportunities, and secure their place in the future. Success will favor those who prioritize preparation, with foresight becoming a vital component of strategic and operational resiliency.

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