

Using Strategic Foresight to Lead in a Gentrifying Business Culture

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ABSTRACT- Data has demonstrated that affluent suburban whites are returning to inner cities, which low-income minorities have occupied for decades. This return is increasing investment and development by small and large businesses seeking to meet the needs of this new demographic. The data has also demonstrated the conflict that these businesses are experiencing from long-time residents, community leaders, and activists. This article will give leaders a strategic approach to addressing conflict before, during, and after the gentrification process.

This article will discuss the theory of strategic foresight and its importance to leaders confronting gentrification. The article will demonstrate strategic foresight's advantages to leaders and their organizations and how predictive and adaptive leaders can better embrace the future and changes.

Strategic foresight assists leaders in embracing change and contemplating the effects of developing trends so they are well-prepared for market shifts, threats, and opportunities. While research has demonstrated the adverse effects accompanying gentrification, strategic foresight can assist leaders in discovering the opportunities these shifts can bring and how to gain the support and acceptance of others effectively.

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1. INTRODUCTION

The study of gentrification and its impact on low-income individuals, mainly minorities, families, and their communities, has become a topic of intense discussion in recent years as society weighs the advantages and disadvantages of this trend. Low-income communities are identified for their high minority rates, high vacancy rates, high crime rates, poverty, undervalued real estate, and many other issues. Having low-income communities experience revitalization with the introduction of investors, developers, and business leaders eager to purchase abandoned real estate and invest in rebuilding all aspects of the community is a benefit for the community and the city. And while businesses and their leadership have proven to provide positive benefits, the study also adds that these benefits come at the cost of displacing minority families, minority businesses, and even houses of worship because of the increase's gentrification produces. These increases include rent, property tax, and goods and services. These increases occur

because new residents, primarily white, migrate into these communities.

Studies show that gentrifiers are often more educated and wealthier than current minority residents and have different needs and desires. These needs and desires translate to upscale amenities, like high-end construction, specialty stores, shops, and developed parks and services. With the possibility of higher profits, business leaders and developers aggressively purchase low-priced properties in minority communities to convert them into what potential affluent residents desire. This conversion also means creating a community where low-income minorities can no longer afford to reside. Data has shown that long-time minority residents and minority businesses and churches are slowly and consistently displaced. Displacements have been at the center of the gentrification controversy, placing business leaders and communities at odds. Data has shown that communities' vital issue with business leaders is their inability to communicate throughout gentrification.

Because of the lack of federal legislation or policies governing gentrification, business leaders are left to design their own policies, which often do not include community residents or leaders. These minority communities often go on offense during the business development process to oppose the impact of gentrification and remain in their communities. They accomplish this through several methods.

Litigation has always been an effective tool for minorities experiencing possible discrimination issues and practices. Civil rights litigation has immensely affected the rights and liberties of minorities in various sectors. Litigation has proven to be an effective tool in the war against discrimination and has now

found a place in combatting gentrification. Where legislation has been lacking, litigators have found other laws to help minority residents stop and redirect gentrification. Data has demonstrated that litigation has slowed, delayed, and even halted business leaders' plans to develop in gentrified communities.

Residents have also used other tactics, such as protesting and negative P.R. toward developers, corporations, and their leaders, to bring light to the negative impact of gentrification on minorities currently occupying the community. This community effort has proven effective in shaming business leaders in the public eye and damaging their brand identity and image.

2. WHAT ACTIONS CAN BUSINESS LEADERS SELECT?

Strategic foresight is the ability to plan from the future back to the present and does not offer conclusive reactions about what the future will hold^{iv}. Chermack also states that strategic foresight is a way not to predict the future but prepare for the future based on current trends and possible scenarios. Given the current trend of gentrification, leaders can formulate a plan before entering into minority communities. Strategic foresight gives advantages to leaders and their organizations and how predictive and adaptive leaders can better embrace the future and changes. Strategic foresight assists leaders in embracing change and contemplating the effects of developing trends so they are well-prepared for market shifts, threats, and opportunities^v. When environmental conditions are volatile, strategic foresight is a good tool for organizations to navigate uncertain conditions. The study notes that while strategic foresight does not offer conclusive or decisive answers about what the future will hold, it is a way not to predict the future but prepare for the future. While research has demonstrated the adverse effects accompanying gentrification, strategic foresight can assist leaders in also discovering the opportunities that these shifts can bring. Strategic foresight employs Mental Modes to assist leaders in their rationale.

Leaders utilize Mental Mode One to ask questions about “the now,” while strategic foresight creates Mental Mode Two, which focuses on questions about “the next.”



Figure 1. Mental mode 1 for strategic foresight

As noted in the above diagram, leaders ask questions regarding the current state, current members' needs, current competitors, products and services, and current goals. This mode is often the rationale of business leaders entering into gentrifying communities, which is focused on the now or current business goals. In the diagram below, leaders ask questions about what future members will need, future competitors, what products and services will look like, and future goals.

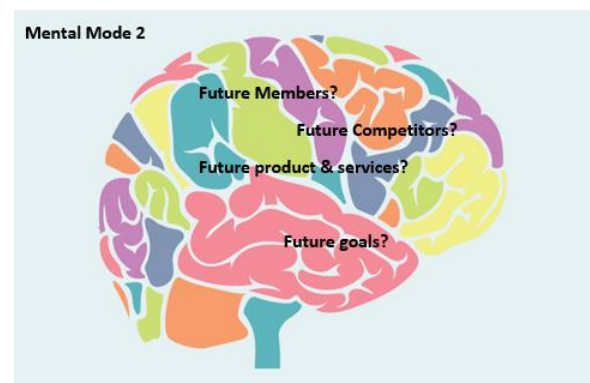


Figure 2. Mental mode 2 for strategic foresight

Strategic foresight permits leaders to look forward to the future and revisit the current day with new insights. Strategic foresight utilizes techniques that assist leaders in standing in future situations and reflecting on the present. Leaders attempting to build in gentrified communities will develop and build from a future position back, not from the present forward. This technique will allocate for possible conflict and a resolution if issues should arise. One technique that strategic foresight uses is scenario planning.

3. SCENARIO PLANNING

Chermack defined scenario planning as a method that assists leaders in developing answers and solutions for uncertainty by permitting leaders to observe formulated assumptions and design changes based on the environment that currently exists. By providing leaders with alternative future environments, scenario planning helps them perceive what could happen and aids them in preparing for every possible scenario. Scenario planning allows leaders to test their potential decision to see if it works in only the current environment or various future environments. This method is critical for decision-makers that must formulate decisions that will impact the organization in the future, so it is vital that decisions are not just based on the current environment. When various scenarios are introduced, it exposes the organization's readiness in each scenario and how quickly they can adjust to current and future conditions. Organizations can recognize their strengths, weaknesses, opportunities, and threats (SWOT) through scenario planning, given each scenario and readiness. It is essential that organizations prepare to adjust “when” change materializes and not “during” or after it occurs. Leaders must be future-smart to embrace scenario planning and its elements fully. While some minority communities view gentrification as an opportunity to gain access to new goods, services, and growth, others view it

as an invasion that must be opposed. Utilizing scenario planning will assist leaders in being prepared for both sides and various variations of both. Anticipatory management is at the core of scenario planning.

Anticipatory management is the ability of leaders to anticipate and adapt to changing external environmental conditions that could affect their organizations^{vi}. Most business leaders merely look at a business competitor and develop strategies around them without viewing the business's entire environment. Failure to anticipate shifts or changes in the environment can be fatal to business leaders.

Anticipatory management enables leaders to recognize developing issues that can affect the organization and develop adequate responses. In the case of gentrification, anticipatory management will enable business leaders to foresee emerging issues that might impact their business and future customer and community relationships. Anticipatory management offers leaders tools to assist in identifying issues: scanning, monitoring, identifying, and developing scenarios to address the issue.

Scanning has been defined as gathering information into the organization to supply early warning of changing environmental conditions. For business leaders, this means understanding minority community residents' cultures, beliefs, and values.

Monitoring collects adequate data to distinguish the past and future direction of trends. While scanning identifies trends, monitoring allows leaders to observe and examine data to distinguish the differences or similarities between trends and the directions they formulate. Monitoring, like scanning, must be continuous as environments and their forces are always fluid. For minority business leaders, this means that even when communities appear unchanged, if data has indicated in the past that gentrification has been developing, there is a strong probability that it has not stopped but may have slowed.

Issue identification gives leaders and the organization an identifiable and defined issue to target now and in the future. Once an issue or issues are visibly detailed, leaders can then identify potential solutions. As we have identified, gentrification has several issues that affect minorities. Scanning, monitoring, and issue identification assist in developing scenarios to help business leaders adapt and adjust to environmental changes

4. CONCLUSION

Gentrification continues to grow and develop throughout low-income minority communities in the U.S. Research and data suggest that gentrification is a trend that will continue to increase and spread across regions in the U.S. and abroad. This increased growth offers many opportunities for business leaders to gain new customers in regions otherwise overlooked. And while studies have demonstrated various negative encounters business leaders experience with communities and their leaders,

studies have also demonstrated the success of businesses that understood and correctly anticipated gentrification. Studies revealed that many minorities could even embrace gentrification when exposed to the correct information.

When accurately anticipated through strategic foresight, leaders have utilized its tools to develop strategies to combat gentrification's effects on their organizations. They have also been able to develop scenarios to discover possible outcomes that they should prepare for in the future. Through scenario planning, business leaders can develop several strategies to prepare better when gentrification shifts environmental conditions. While strategic foresight tools do not grant a specific direction of where gentrification is going, it helps the leader anticipate its possible direction. Foresight assists leaders in improved thinking about gentrification and any other issue that might arise associated with it.

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