



How Organizations Can Use Change to Strengthen Strategy

Reacting to Every Change Does Not Strengthen Strategy

Geopolitical risks, tariff policies, regulatory changes, and technological advances are continually altering the conditions under which companies operate. Keeping track of these developments and assessing their implications for the business is essential for effective strategic planning.

But when each new development prompts a shift in priorities, strategy can quickly lose its coherence. As priorities continue to change, teams across the organization are left without a clear strategic direction. Yet this does not mean that organizations can ignore changes in the external environment and adhere rigidly to a long-term plan.

A stronger strategy therefore requires both long-term direction and continuous reassessment. The challenge is to incorporate new information without allowing every short-term development to redefine where the organization is heading.

Combining Forecasting with Backcasting

Strategy often starts with an assessment of current conditions. Companies examine markets, competitive dynamics, technology, regulation, and their own capabilities, and project how these factors are likely to evolve from where they stand today. This forecasting approach is essential for keeping strategy grounded in reality. Yet relying on it alone can narrow the range of possibilities considered, because strategic choices remain anchored in the constraints and capabilities that exist today.

Backcasting broadens the frame. Instead of extrapolating from existing conditions, companies begin by looking further ahead. Megatrends such as demographic shifts, the energy transition, and technological change provide a structural view of how societies and industries may evolve over the next decade. Drawing on these megatrends, companies define a desired future state, determine whom they aim to serve and what value they want to create within it, and then work backward to identify what needs to be put in place today.

Using that future state as a point of reference can reveal new strategic options that may not emerge when strategy is developed solely from current conditions. Existing regulation, for example, need not be treated as a fixed constraint; if regulatory change is necessary to realize that future, advocating for that change can itself become part of the strategy. Similarly, if critical capabilities are not available internally, companies can consider accessing them through external partnerships.

However, neither perspective is sufficient on its own. Backcasting without reference to current realities can produce ambitions with little prospect of implementation; forecasting alone can confine strategy to what already appears feasible. Their value lies in how they work together: backcasting expands the range of strategic possibilities, while forecasting tests their feasibility and underlying assumptions.

Long-Term Direction Gives Meaning to Short-Term Change

Combining forecasting and backcasting changes how organizations interpret the constant flow of new information. A new tariff policy, regulatory shift, or technological breakthrough does not, in itself, require a change in strategy. The strategic significance of each development depends on whether it materially affects the future state the organization has defined or challenges the assumptions on which the path toward it depends.

A long-term direction informed by megatrends provides a reference point for making that judgment. These structural trends are not intended to predict the future with precision; rather, they provide the longer-term context within which near-term developments can be interpreted. From this backcasting perspective, some developments may have little bearing on the path ahead, while others may challenge assumptions that are fundamental to the strategy. Management can therefore distinguish between short-term fluctuations and structural changes that require a strategic response.

When new information challenges an important assumption, the path forward needs to be revised. If the change is significant enough to undermine the future state itself, that future may need to be redefined. The future state established through backcasting should therefore not be treated as a fixed destination, but as a strategic reference point that is continually tested against new information through forecasting.

The value of a long-term view lies not in predicting what comes next, but in helping organizations distinguish what should remain constant from what needs to change. This ability to adapt without losing strategic direction is what organizations whose strategies are dictated by change find from those that can turn change into a source of competitive and strategic advantage.

How IGPI Can Help

Effective strategy requires organizations to look beyond immediate changes and consider how broader shifts may reshape their business over time. This means developing a clear long-term perspective while remaining prepared to reassess strategic assumptions as the environment evolves.

IGPI works with management teams to translate long-term perspectives into clear strategic choices, priorities, and actions. By connecting structural changes with the decisions businesses face today, we help organizations develop adaptive strategies that remain relevant and resilient as conditions evolve.

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After joining Cap Gemini and Coca Cola, Kohki joined Revamp Corporation where he managed projects on global expansion and turnaround in various sectors including F&B, healthcare, retail, IT, etc. After joining IGPI, he has managed projects mainly on global expansion and cross border M&A in various sectors such as logistics, IT, telecom, retail, etc. In addition to his broad experience in implementing solutions that has been developed in Western countries, he has developed multiple methods to turnaround Asian companies with focus on setting clear vision and employee empowerment. Kohki has proven the practicality of these methods by turning around Asian companies not only as an advisor but also as senior management.

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Issued by: Industrial Growth Platform Pte. Ltd. (IGPI Singapore)

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