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Forward Perspectives

Future Toys

By IAF President [Jonathan Peck](#)

Imagine you give a child a toy that delights that child for years. The toy develops as the child develops. This toy could emerge from a new business model that will help the toy industry offer children worldwide far greater value than toys could before. New business models in the toy industry will evolve in complexity as toy companies search for new ways to serve their customers. The toy industry can build on the historic role toys have played by expanding its markets into the fast growing entertainment and education sectors.

Today's \$22 billion toy industry only has flat growth in its core business. However, the growth is robust where toys meet entertainment--online, on TV and on movie screens.

Wealthier children typically start online before they are six years old. So leaders in the toy/entertainment industry are figuring out how to reach them as customers early. They may capture a child's attention on TV with cartoons and then sell them on a toy action figure of the cartoon character. The character could invite the child into a computer game that connects them to a social network filled with other children from around the world or encourage the child to watch a new TV show.

One example of this new model of connected toys with entertainment is Viacom's website for [Neopets](#). Neopets has tens of millions of registered users and your child could join over 50,000 other kids who are online playing on the Neopets site. Children can buy from [a growing product line](#) spawned in the virtual world of Neopets.

The business model pioneered by Neopets mixes traditional toys such as games and/or action figures with television cartoons, movies, comics, computer games, social networks and virtual worlds. There are many ways to monetize this market including retail sales, subscriptions, advertising and online fees. The model also includes many ways to give away free services and products to build customer loyalty and market new products. The virtual world component of the model acts like most networks where more offerings and customers on the network add more value to each other member on the network.

New business models for the toy industry are more complex than older models and are evolving toward even greater complexity. Each generation of business models depends on learning more about each customer and then devising multiple ways to make money from their customers.

Toy companies study their young customers intently to learn what they will want next. They work through multiple channels to reach the kids and keep them engaged. They know pre-teens multi-task far beyond adults (or even teenagers), working across technologies with such ease that they often become their families "chief technical officer." For these kids, good products have to be a great experience that captivates and connects them. But for the toy industry the key is to channel their young interests so that as the kids grow up they become bigger customers.

Children may benefit from these highly interactive, multi-media toys in ways that few adults can see. The brains of our kids are developing through the stimulus of these toys in new ways that may well be a better fit for the world to come. Virtual worlds and other forms of social networking build emotional intelligence while the puzzles and games work on cognitive intelligence. Furthermore, the left brain dominance strengthened by literacy and conventional education may be moderated in the play environments that take today's children into a far more interactive world than TV did for their parents. Today's children may be getting the preparation they will need for connecting with others around the world to solve the problems coming to a global population of eight billion people.

For companies, though, it's not all about the children or global problems, it is about growing markets. With Nintendo Wii now found on all Norwegian Cruise ships as well as in nursing homes across America, many toy industry executives realize they can grow their markets by appealing to multiple generations. Many older Baby Boomers worried about the memory loss of their parents are happy to buy puzzles promising to help their minds stay young. One toy industry executive described how he learns with his daughter through her online college SAT prep course, which sends him questions each day via email. It's fun for him, and he keeps on learning. For the toy industry, becoming more educational than most of the entertainment industry, and more entertaining than most of the educational sector, promises them more growth than just selling toys ever offered.

The toy industry can sustain a growing value proposition by understanding how human development works through the stages I describe as the Evolutionary Spiral. The needs and abilities are different at each stage growing more complex as people develop and their environments encourage them to add capabilities. The more we learn about people the more we can design their environments to help them develop. Toys are a key part of that environment from the very earliest ages up through the end of life. I recently read that studies show adults laugh fifteen times a day on average while children laugh 400 times a day. It seems we have something to learn from children, and the toy industry of the future may help us elders laugh more, learning all the way.

Trends & Insights

Planning for Crisis and Opportunity in the High Performance Learning Environments of the Future

Chief technology officers for schools will experience both crisis and opportunity as they extend the use of technology in learning and school district operations. IAF Senior Futurist Marsha Rhea looked at four different scenarios for the future of education technologies at a May 14th Keynote presentation for the SAS/Consortium of School Networking/Lenovo Conference in Cary, N.C.

Rhea drew on IAF futures research on the future of schools and the principalship for the National Association of Elementary School Principals and other research on the future of learning technologies to frame four scenarios keyed to high performance. Each scenario forecasts alternatives for 2013:

1. *Power Walking to Steady Progress* anticipates the expected future with progress toward electronic student records and greater use of course management systems, web-based learning, and simulations and gaming. School leaders will need to invest wisely, especially in staff development, to make these technology gains.
2. *Stuck on the Technology Treadmill* describes a feared future where technology is a commodity at best and many districts are on the wrong side of the digital divide. School district leaders will face a tough choice of using their limited resources to let some schools scale up while others wait--creating greater inequity within their own districts.
3. *Going the Distance to Education Reform* speculates on technological and learning advances in a preferred future. In this scenario data driven decision making is fully supported through integrated systems, continuous computer based assessments, and interactive and adaptive multimedia courseware. The school technology officer plays a leading role in education reform by developing a long term IT strategy.
4. *Enlightened Learning Through Technology* describes a preferred future where educators are using technology to achieve their highest aspirations. Innovations such as interoperability across agency data systems, electronic student portfolios, assistive technologies and virtual mentors and tutors help educators serve the whole child. School leaders are able to pursue innovative learning strategies and structures in their school districts.

Every scenario offers both crisis and opportunity. In the scenario, *Power Walking to Steady Progress*, school district leaders use student performance data to target remedial efforts so they meet the adequate yearly progress requirements of No Child Left Behind. In the *Stuck on the Technology Treadmill* scenario, only affluent school districts are able to invest in new technologies because of tight public treasuries and public and private debt. Yet they will be forced to make good use of the technologies they can afford to increase system efficiency and free up needed resources for instruction.

The two scenarios for the preferred future hold unexpected challenges. The scenario, *Going the Distance to Education Reform*, requires tight linkages between different technology systems to form integrated systems. In the *Enlightened Learning Through Technology* scenario, technology is woven throughout the learning process. In these two scenarios,

schools have much better technological capabilities to serve the individual needs of students and are expected to use those capabilities. Chief Technology Officers will be pressed to find enough skilled staff and time to deploy these proven technologies, and these winning products and services will command higher prices.

The opportunities in the preferred future excited the school district leaders at the conference. When the district teams were given an opportunity to work with the scenarios, most chose one of the preferred future scenarios. As one participant explained, these scenarios align with their vision for their schools. In this vision, technology dramatically improves the quality of education and leads to serious curriculum reform incorporating e-learning. School districts are able to integrate all their data systems to support the district's goals and finally begin to address the individual learning goals of their students.

News and Events

IAF Tackles Organizational Learning at WorldFuture 2008

Futures work contributes to organizational foresight and strategy. IAF has had the privilege of working with all types of organizations from small non-profits to Fortune 500 companies over the last 31 years. IAF futurists will bring their insights and experience in organizational foresight and strategy to the [WorldFuture 2008: Seeing the World Through New Eyes](#) in Washington D.C.

IAF will kick off a number of panels addressing organizational foresight with a special event on the morning of July 27th. In the panel session, *Using Futures in Organizational Strategy*, IAF Futurists Jonathan Peck, Bill Rowley and Devin Fidler will discuss their experiences and methodologies in using futures to craft business, non-profit and association strategies. The panel session will delve beyond blanket approaches to strategic foresight to explore forward-looking strategic planning processes. The panel will also explore the role of foresight in larger change management efforts and ways that futures tools are used to cultivate visionary leadership.

On July 28th, IAF Founder and Chairman of the Board Clem Bezold will lead a session on the business use of futures tools. The session, *Key Trends and Uncertainties, Views from Corporate Foresight*, will compare developments in Asia, Europe and North America. Bezold will be joined on the panel by Senior Foresight Consultant Gereon Uerz from the Foresight Company and Klaus Heinzlbecker, Director of Strategic Projects for BASF AG.

Meghan Sue McConaughy Enters IAF's Internship Program

IAF is continuing its strong record of student interns by welcoming Meghan Sue McConaughy for its summer internship program. McConaughy is currently pursuing a master's degree in public policy from Georgetown University, with a focus on international policy and development. She has a strong interest in democracy and civil society, but also has experience coordinating care for people with developmental disabilities and has an interest in healthcare.

McConaughy will be working on a varied selection of IAF projects including the [DRA Project](#) and the [2019 Project](#). The DRA Project is IAF's multi-year, multi-stakeholder project to identify the most promising advances for bringing health gains to the poor and underserved and

accelerate the development and deployment of those advances to reduce disparities. The 2019 Project is IAF's forecasting project designed to guide those who will transform healthcare after the 2008 U.S. Presidential Election. The briefing papers from the 2019 Project provide clear and compelling descriptions of a health system that works for all. McConaughey will work under the direction of IAF Founder and Chairman of the Board Clem Bezold.

Upcoming Events

[A Bold New World 2008 AACP Annual Meeting and Seminars](#), IAF President Jonathan Peck, July 20th, Chicago, Illinois.

Wiser Futures Workshop, [WorldFuture 2008: Seeing the Future Through New Eyes](#), IAF Futurists Clem Bezold, Marsha Rhea, Craig Bettles and Devin Fidler, July 26th, Washington, DC.

Health For All and a Health Care System Worth Creating, [WorldFuture 2008: Seeing the Future Through New Eyes](#), IAF Futurists Clem Bezold and Bill Rowley, July 27th, Washington, DC.

Using Futures in Organizational Strategy, [WorldFuture 2008: Seeing the Future Through New Eyes](#), IAF Futurists Jonathan Peck, Bill Rowley and Devin Fidler, July 27th, Washington, DC.

The Coming Decade in Air Travel, 2020 Visions from Two Blind Seers, [WorldFuture 2008: Seeing the Future Through New Eyes](#), IAF Senior Associate Jay Herson with David Pearce Synder, July 27th, Washington, DC.

2021 Vision for Elementary and Middle Schools in a Global Society, [WorldFuture 2008: Seeing the Future Through New Eyes](#), IAF Futurists Marsha Rhea and Craig Bettles with Elizabeth Carlson, July 28th, Washington, DC.

Key Trends and Uncertainties, Views from Corporate Foresight, [WorldFuture 2008: Seeing the Future Through New Eyes](#), IAF Founder and Chairman of the Board Clem Bezold with Klaus Heinzlbecker and Gereon Uerz, July 28th, Washington, DC.

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