

Thinking About the Future: Guidelines for Strategic Foresight

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Synopsis by Rod Cox

"There has perhaps never been a time in human history where strategic foresight is more needed. Whether for business, government, education, nonprofits, or even individual, the ability to 'see the future' and respond accordingly is at a premium."

Even the best run companies get into trouble by not paying attention to the future. The American auto industry – by basing profitability on a production lineup of large, low MPG vehicles at a time when fuel prices are skyrocketing – is a case in point, as is the Australian sheep industry in an age of synthetics, the current home mortgage industry, Social Security, the EPA, and the film-based photography industry, all caught up short because what has worked before does not work today.

Hines argues that these scenarios are avoidable. *"A holistic, long-term perspective combined with actionable business solutions helps companies mitigate risk, make the most of opportunities, and enrich decision-making."* He breaks the process into six involvements that leaders and organizations must do to get a "click" on the future:

- Framing: identifying the problems clearly and understanding their cost as well as the cost of solutions
- Scanning: understanding what's going on out there; the relevant information and trends
- Forecasting: considering a range of future possibilities; plugging into a meaningful view (pictures) of the future
- Visioning: deciding what the organization wants to be in the future and determining if the organization is working forward or avoiding it.
- Planning: creating a pathway to the future
- Acting: translating foresight into real action on an ongoing basis

"Strategic foresight is the ability to create and sustain a variety of high quality forward views and to apply the emerging insights in organizationally useful ways; for example, to detect adverse conditions, guide policy, shape strategy; to explore new markets, products and services." Richard A. Slaughter

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The concepts and quotes in this synopsis were pulled from Hines' Management Forum Series presentation, from his co-authored book ***Thinking About the Future: Guidelines for Strategic Foresight***, and from the rich table discussions that are a central part of MFS presentations.

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“The six groups or steps of activities were identified by Association of Professional Futurists’ Professional Development Team as fundamental to a comprehensive strategic foresight activity, and were deemed most critical for success.” While they may appear to be complicated, they are in reality a common-sense, step-by-step process that should be familiar to anyone who is experienced in project management.

Each of the six steps is outlined below. (For more information, examples, and depth of understanding, Executive Forum urges you to purchase and use Hines and Bishop’s very well organized and practical book. Each topic and sub-topic is organized around an explanation of the principle, the key steps, the benefits of the steps, implementation examples, and links to further reading.)

Framing: identifying and solving problems

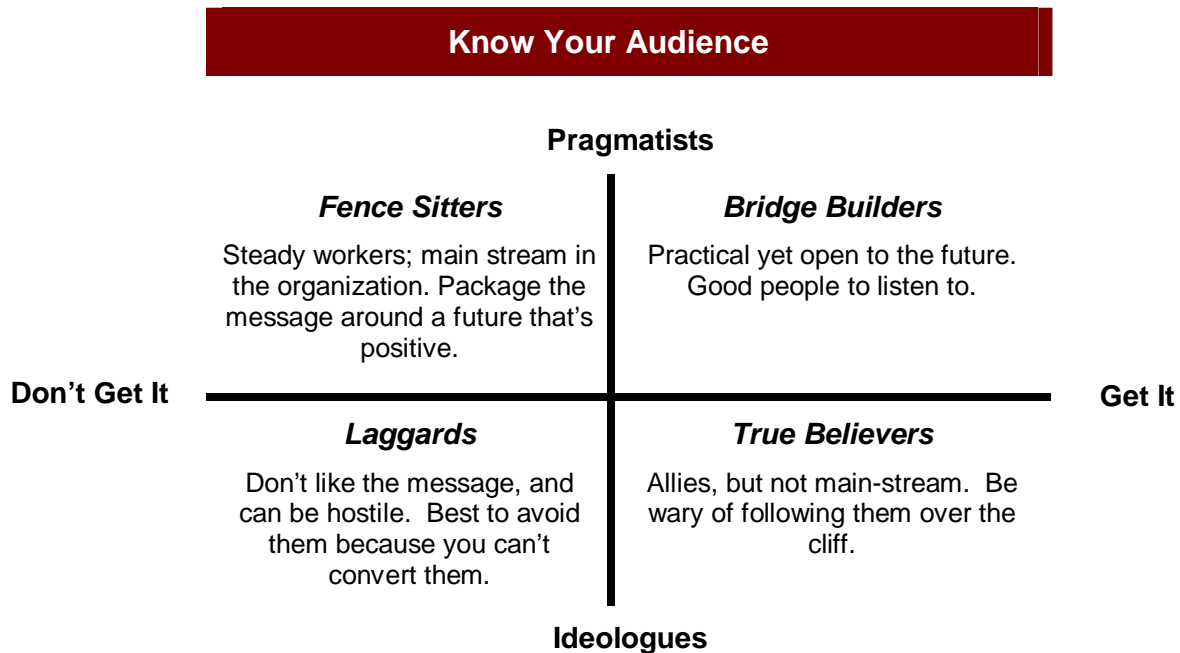
“Ideas come from wherever they come from.” Andy Hines

Before launching yourself into a future-changing effort, frame it. Make sure you’re working on the right problem: solving the wrong problem solves nothing. And make sure that it can be handled: do you and the organization have the capacity to change it?

The time you invest in framing pays off with huge returns: you will know your audience and you will solve the right problem. The process is:

1. Adjust attitudes so that your people have positive expectations about the future. Know your biases and recognize that self-delusion and wishful thinking are barriers to strategic forecasting. Use whole-brain processes that embrace complexity in addition to linear thinking. Recognize that different changes occur at different rates and will have different impacts at different times.
2. Know the audience. Learn as much as possible about the organization. Find out what’s keeping its people awake at night.
3. Understand the rationale and purpose. Explore the future to influence the present. Seek to improve the mental model of the decision makers. Balance exploration (longer term) and exploitation (now). Explore whether the problem as presented is really the problem to be solved: sometimes the stated problem (“Improve the furniture supply system.”) is actually another problem (“Make the warehouse the store.”).
4. Set objectives, and define them in terms that can be measured. Focus on outcomes, not outputs. Work in multiple time horizons that consider different perspectives and viewpoints, including evolution over time. Weave “inside and now” with “outside and then;” i.e., look at the present as well as the future.
5. Select the team and make strategic foresight as immersive and interactive as possible. As a source of new learning, include people who do not agree.
6. Create a strategic work environment that is conducive to open and uninhibited thinking. Encourage experiments and prototypes to get a sense for all of the options.

Your audience includes anyone who will be affected by the effort, but pay special attention to those who will be directly involved in it. What is their approach to work and the future? Are they likely to support or push against the change effort?



Scanning: understanding what's going on out there

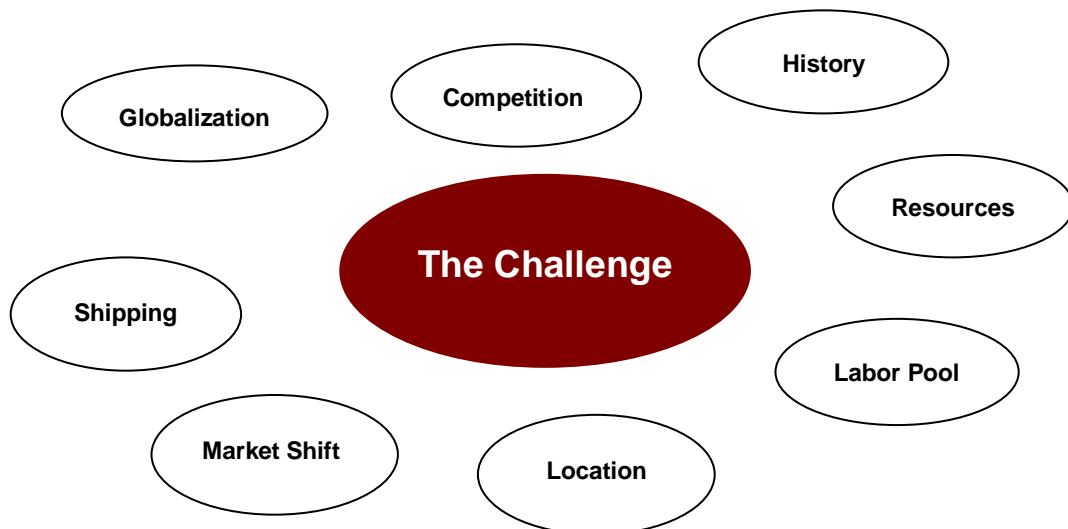
"Breadth + Depth = Foresight with Insight." Andy Hines

Scanning is the process of building the ability to see the future by broadening your visionary abilities. The payoff for scanning is increasing your ability to map the system (identifying the key components) and explore unfamiliar territory. The process of scanning includes:

1. Map the system (see diagram on page 4) and adopt a global perspective. Then, map the system under consideration, and check it against a STEEP framework (Social, Technological, Economic, Environmental, and Political forces). Take an integral view of the issue and conduct a stakeholder analysis.
2. Study the history. Start by looking backward so that you don't reinvent the wheel. Be wary of past success that leads to thinking in a rut.
3. Scan the environment for awareness of how the context is changing. Integrate the internal with the external and be willing to explore unfamiliar and uninteresting areas. Don't try to win with research because not all of the data exists.
4. Include colleagues and outsiders, the "remarkable people," who may give you insights including outliers, complainers and troublemakers.

Be sure to allocate sufficient time for scanning. This can take weeks, months or even years for major strategic foresight initiatives. Ideally, scanning is an ongoing, integral process, constantly on the lookout for greater understanding and new perspectives.

Map the system. What are the key components? What is the history of the organization? What is influencing the nature of the challenge? Where can you find information about it?



You are seeking to build your ability to see the future so broaden your visionary capabilities by involving colleagues and outsiders including those who may disagree yet have valuable input.

Forecasting: considering a range of future possibilities

“The surprise-free future isn’t.” Herman Kahn

“Forecasting involves creating alternative futures. Most organizations, if not challenged, tend to believe that the future is going to be pretty much like the past.” As a result, they let the future take care of itself instead of shaping it. Forecasting is about making the future look tangible. This doesn’t necessarily mean predicting the future and getting it exactly right. However, forecasting can seek possibilities and find a strategy that is robust enough to accomplish the inevitable shifts. The point is to change behaviors and do something about the future.

What are the signals or indicators that tell you where you’re heading in the future? The process includes:

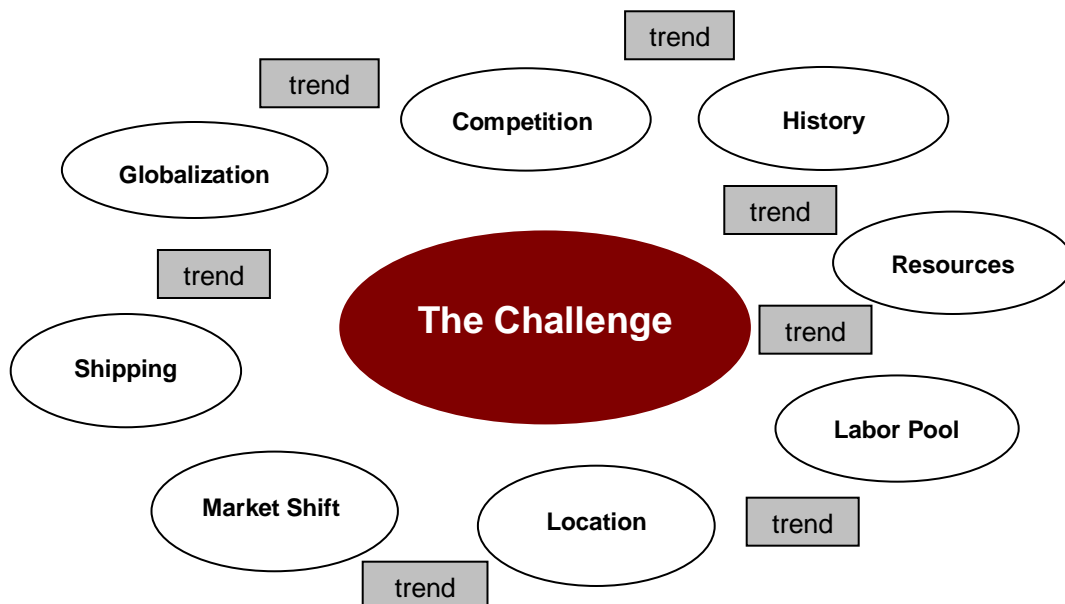
1. Identify the drivers and uncertainties by uncovering the underlying drivers using a layered approach to get below the surface. Assess the fundamental shifts that could impact business-as-usual. Look for colliding change trajectories and turning points and improve decision-making by reducing uncertainty.
2. Choose forecasting techniques that are appropriate to the situation and that include at least one formal method or proven process. Adapt existing methods and models to the situation and combine different techniques to envision a broader range of possible futures.
3. Diverge: generate ideas and possibilities by going beyond brainstorming. Provoke new lines of thinking with creative approaches and tools, assuming that what is known for certain is false. Explore ideas that cause discomfort, combining rigor with creativity. Incorporate analytical, emotional and sensory elements to gain compelling strategic conversations. Avoid early convergence of ideas; when blocked, put it aside and sleep.

4. Converge; prioritize the ideas (as a function separate from generating them). Approach trends with skepticism. Begin by identifying and prioritizing areas of common ground and think about the future with an open attitude that balances realism with a critical approach.
5. Form alternative futures, recognizing that baseline forecasting is almost always wrong because data never leads to one and only one conclusion. It needs to be interpreted correctly. Develop possible, plausible, probable, and preferable solutions that emphasize plausible surprises. One technique is to work backward to distinguish how an extreme scenario could unfold. Explore how the rules might change. Check the resulting alternatives for quality and consistency, and support alternative futures with empirical data.

The payoff comes from probing beneath the surface to experience the future first-hand; i.e., from looking for the trends beneath the noise and from considering long-term trends vs. short-term trends.

Type of Trend	Indicator	Affect
continuous	problems	the litany, observations
years	driving forces	trend analysis
decades	worldviews, culture	breadth and depth analysis
societal/civilization	archetypes or commandments; the very nature of life	myth/metaphor analysis

The point is to find out where the future is actually happening. By inserting the trends or issues into the system map, you can see how they influence your challenge. They help you get the systems map right.



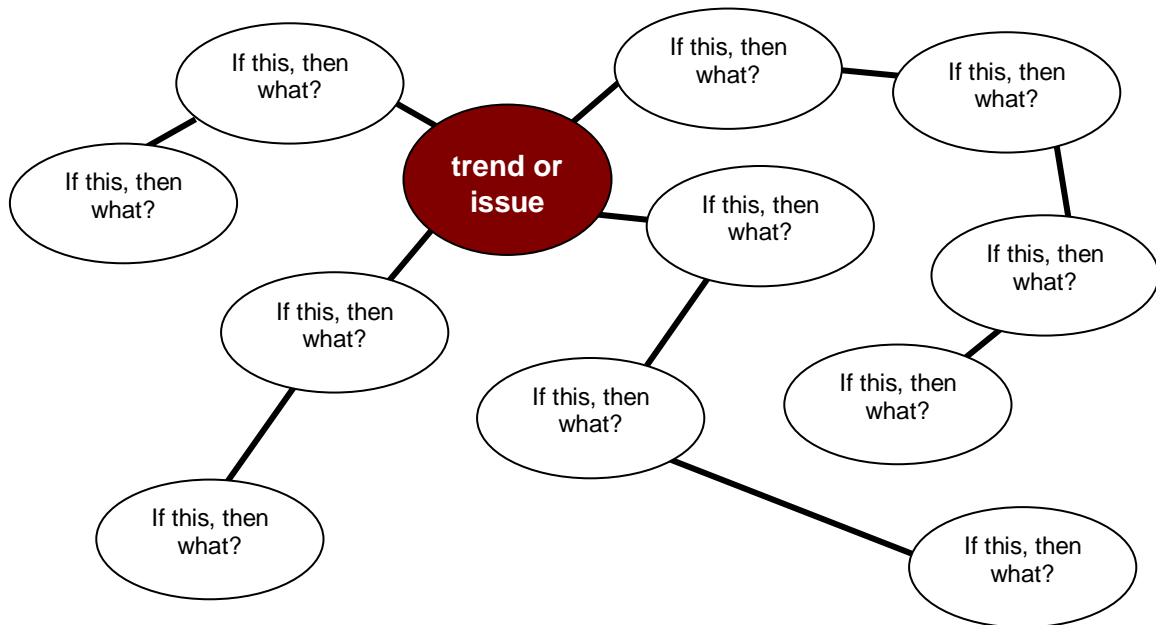
Visioning: deciding what you want to be in the future

“Whatever you can do or dream you can, begin it. Boldness has genius, power, and magic in it.”
Goethe

Visioning is important because it lets you know what to do and what not to do. It helps you and your organization decide what you, and it, want to be in the future. Consider the impact of these well-known visions: “. . . land a man on the moon safely before the end of the decade.” “I have a dream.” “. . . life, liberty, and the pursuit of happiness.” “Contract with America.” “. . . land of milk and honey.”

The payoff for visioning is getting to the second and third order of implications, and from them, developing a strategic vision. *“If this, then what?”*

1. Identify implications and use alternatives, not as the answer, but to help frame the important questions. Think of longer-term and unintended consequences.
2. Challenge assumptions by uncovering and clarifying them. Challenge conventional wisdom; assume nothing and question everything. You may need to tear down organizational taboos. Validate assumptions by cross-checking them.
3. Think visionary; i.e., develop a strategic vision and put it in a time continuum. The strategic goals should stretch you. Leverage the positive to get what you think and know that any useful statement about the future should appear to be ridiculous; if not, it’s based on the past and present. Ask “what if” questions. Sense and enable the future.



The goal is to assess where you are and then develop a plan for getting to the next level, one step at a time. The movement is telling > selling > testing > consulting > co-creating, moving from dependence on the boss to dependence on the troops.

Once you have a sense of where your organization is going, what do you want to do about it? How will it change the organization’s future; i.e., what are the implications of the trend? What are the real issues and implications that need to be thought through before execution?

Planning: creating a pathway to the future

“Plan your work. Work your plan.” John Wooden

Planning for the long-term future will help you make decisions about what to invest in today. Planning is how organizations create their pathway to the future. The payoff is in knowing what to change and what not to change, and in having contingency plans for surprises.

1. Think strategically to enable emergence. Make the socio-cultural context central to stimulate strategic conversations. Spot areas of strategic choice by identifying critical branching points.
2. Develop strategic options and recommendations based on the organization’s distinctive attributes. Evaluate the proposed strategy along multiple dimensions that include “no-go,” “most plausible,” and “preferred” options. Have a contingency plan for surprises because something improbable is likely to happen.

Scenario planning is a way to think about different possibilities as a means of avoiding future problems. The method started in the defense department in WWII. “What if” the Allied supply chain of US resources were blocked? “What if” the Axis were to have the atomic bomb? Planning gives us the mechanics to talk about stuff that’s hard to talk about. When planning doesn’t happen, we run into situations such as Y2K, and the morass of today’s health care industry issues.

Another way to think about planning is, what should you start doing? Stop doing? Continue doing?

Acting: translating foresight into action on an ongoing basis

“Forewarned is forearmed.” Anon.

Acting is the process of making your future planning tangible. The payoff for planning is multi-level: it reinforces what your organization is already doing well and it creates an ongoing intelligence system that will help it do well in the future. It’s a method for giving yourself “permission futuring” in much the same way that you give yourself permission to plan for a holiday, college, and retirement; and for bringing along an umbrella even though, at the moment, it may be sunny outside.

The most formidable barrier to acting is overload; i.e., including so much information that you don’t know what to do with it. You need to develop a process for bringing it together and for eliminating the information that doesn’t belong:

- Results need to be designed with attention to communicability. Tailor the message to the thinking styles of the audience. Avoid surprises and resistance by immersing the stakeholders in the alternatives. But, be provocative: challenge the existing mindsets and value sets. Think in terms of gray to determine what to keep and what to toss; build awareness through experience, insight and reframing.
- Create an action agenda that includes a sense of urgency. Reinforce what your organization is already doing and build from there. Aim the activity at helping make better decisions even when all of the desired data may not be available. Create milestones and as they are achieved celebrate the successes along the way. And, to stimulate a continued interest in strategic foresight, invest in at least one unlikely or provocative idea.

“If you don’t know where you’re going, you may wind up somewhere else.” Yogi Berra

- Create an intelligence system that aligns strategic foresight and the planning process. Establish an early warning system that scans for possible changes in context, as well as turbulence. Choose indicators that are easy to understand and collect.
- Institutionalize strategic thinking to develop a future cadence; i.e., a balanced, rhythmic flow in studying the future that repeats strategic foresight activities on a regular basis. Develop training programs that institutionalize strategic foresight and that reinforce learning and shift attitudes toward change as the best approach.

Application

While not implying that buffet-style (pick-and-choose) activities will achieve strategic goals, some actions tend to have greater impact than others. In an organizational environment where resources are already stretched thin, where can a leader get the biggest bang-for-the-buck? What might be an appropriate allocation of resources to the six strategic foresight activities?

In the current marketplace, Social Technology studies point to the percentages below:

Activity	Benefits
Framing (22%)	1. Thinking more diverse, open, balanced and non-biased (9%) 2. Focusing on the right questions and problems more clearly (7%) 3. Being aware of, and influencing, assumptions and mental models (6%)
Scanning (16%)	1. Understanding the context, in all its complexity, through establishing frameworks (5%) 2. Anticipating change and avoiding surprise (11%)
Forecasting (21%)	1. Producing more creative, broader, and deeper insights (16%) 2. Identifying a wider range of opportunities and options (5%)
Visioning (10%)	1. Prioritizing and making better and more robust decisions (10%)
Planning (7%)	1. Constructing pathways from the present to the future that enable rehearsing for the future (7%)
Action (23%)	1. Catalyzing action and change (7%) 2. Building alignment, commitment and confidence (14%) 3. Building a learning organization (2%)

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“You see things and say ‘Why?’ But I dream things that never were and I say ‘Why not?’”

George Bernard Shaw