

FUTURES UPDATE

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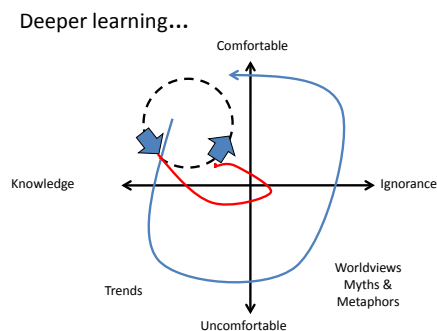
CREATIVE ALTERNATIVES

- Trends are the left over's of yesterdays futures.
- Plausibility is a co-created construct between people.
- Scenarios should not be best case/worst case. They should all have good and bad and all should be considered.
- Scenarios happen to you. Strategy is something you make up.
- Purpose of using futures thinking is more important than implementation of scenarios. If you have the purpose and the reason for scenarios the implementation will be natural.
- Concept of emergence.
- No ranks, all open, multiple paradigms coexisting.

Creating alternatives

How can we best broaden our understanding of future and go beyond 'business as usual'/more of the same expectations?

Scenarios are alternative maps of the future. They can be viewed as the link between the past and the present, which is both a comfortable space to be in as well as a space where we have known knowledge and the future which is yet to be realised. This future can be uncomfortable and, because it doesn't exist, we are not knowledgeable but often ignorant, and thus require deeper learning. Most organisations, understandably, like to operate in the comfortable/knowledge sector as illustrated below.



Source: Angela Wilkinson & Rafael Ramirez, University of Oxford

This diagram shows that in order to go deeper we need to enter the uncomfortable/ignorance sector as the blue line demonstrates. However, what usually happens is that we dive into shallow water and quickly retreat back to the comfortable/knowledge sector as illustrated by the red line above.

Shapingtomorrow.com describes the role of scenario planning is to question the assumptions we all make about the future. The method creates plausible views of the future that decision-makers can use to determine their best response and how to react to alternative plays.

Scenarios are qualitatively distinct visions, told as stories, of how the future looks. They make explicit the assumptions of how the world works. Building scenarios helps us to:

- Understand the realm of possible options
- Makes us live the future in advance so as we can take better decisions today
- Changes our vision of how the world works
- Generates a common understanding of the real issues
- Lets us test our decisions against a range of possible worlds
- Helps us to deal with complex adaptive environments where the outcome is uncertain

Scenarios are not an end in themselves, but a tool to:

- Identify risks to, and opportunities over a desired time period
- Expose long term challenges for strategies and policies
- Deal with a mix of wide ranging qualitative and quantitative inputs
- Enable assumptions to be made clear and explicit
- Make real the implications of these challenges
- Encourage collaboration
- Support and improve vision and policy making by starting grounded and challenging conversations about choices, trade-offs, and conflicts
- Build capacity among staff in futures work

There are multiple techniques, each with different benefits. The double variable is excellent in developing short and medium range strategy but weak at identifying outliers or events and trends that foundationally change the future.

Inayatullah's multivariable method is excellent at identifying futures based on different drivers but not as strategically useful as the double variable.

The organisational method is of less medium range strategic value as the double variable but far more useful in creating direction as it identifies the preferred future and in assessing risk as it identifies the outlier scenario.

There are a number of futures methodologies that are used but my observation is that the most common methodology is that of scenario planning. Whilst scenario planning is an effective methodology for creating a strategy document or intention, and are often readily accepted by CEOs and their Boards as effective strategy, from my experience, I find it too mechanistic a methodology when it is used solely on its own, which is most often the case. There is little room for an outlier scenario particularly when the most popular 'double-sword' traditional matrix scenario planning method is used. The goal in the double sword method is to enhance strategy within the framework of reference not rethink the framework. It is only based on what we don't know instead of the more challenging what we don't know we don't know.

There is a lot more thinking that needs to be done before an organisation embarks on creating its strategy otherwise they usually get results that are consistent with current paradigms, ideologies etc., or what Arygris (1991) calls single loop learning outcomes, i.e. learning within the current paradigm. It is this new thinking that needs to be encouraged, as a responsibility of executives, before you engage in creating a strategic plan for your organisation. Scenario planning may be a good management tool, but when used solely on its own it is not effective enough as a leadership method. This is because often it fails to deliver on what is the real leadership challenge for the organisation that is emerging.