Unlock The Futurist Mindset.

STRATEGIC FORESIGHT PRIMER
Unlock The Futurist Mindset.
ABOUT KEDGE

Kedge is a global foresight, innovation and strategic design firm that empowers organizations to discover, explore, map and create the future today. Our passion and expertise will lead you to unprecedented opportunities and unlimited success.

OUR CLIENTS ARE FUTURES-EMPOWERED THROUGH FORESIGHT, INNOVATION, STRATEGY, CREATIVITY & DESIGN.

LEADERSHIP

Yvette Montero Salvatico

Yvette is driven by the desire to help organizations and individuals discover their innate and untapped ability to create the future. With 15+ years of corporate finance, HR and leadership experience, she is uniquely positioned to successfully leverage the power of strategic foresight for complex organizations and entrepreneurial start-ups alike. Yvette understands that while leaders continually tout the necessity of futures thinking on their teams, they fail to structure their business processes in a way in which long-term thinking is valued or rewarded. This fundamental disconnect is what causes businesses and organizations to miss opportunities and ultimately fail, and it’s this disconnect that she consistently helps to address and eliminate.

Frank Spencer

As the founding principal at Kedge, Frank knows the importance of helping today’s leaders to develop a futurist mindset and organizations to establish a future-empowered culture. His passion for this work, coupled with his creativity and impressive futures expertise in both the professional and academic realms have propelled Kedge to become one of the leading global foresight, innovation and strategic design firms. Frank possesses the unique skillset that is essential in assisting any organization that is seeking to create a foresight division or competency – a must have in today's uncertain business environment. And he knows how to meet every client “right where they are,” helping them to leverage their strengths as a springboard to foresight-inspired thinking and action that creates both immediate and far-reaching success.

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Few would argue that we are living in turbulent times. In fact, experts across disciplines have adopted an acronym for the current business environment that was first coined by the U.S. military to describe the chaotic situations in modern war-torn landscapes: VUCA, which stands for volatility, uncertainty, complexity, and ambiguity. This challenging landscape is here to stay, and businesses will need to embrace new leadership and organizational development approaches in order to be successful.

Volatility, amplified by accelerating change, produces a world in which social, cultural, and technological progress is exponentially increasing in ever-shorter intervals of time. In such an ecosystem, it is not enough to stay informed about the latest trends and data. Savvy leaders understand that there is now a mandate toward staying ahead of growth curves, and having the foresight to both know how to find breakthroughs and, ultimately, create the future. Despite our outward desire to embrace creativity, scientific studies have demonstrated that our innate desire to reduce uncertainty actually works to sabotage our innovation efforts. Rather than attempting to plan and problem solve their way to reduced uncertainty (an impossible goal), today’s leaders must demonstrate more agility and adopt approaches to actively engage with uncertainty.

There is more than technology driving the complexity of today’s environment. Societal, economic, environmental, and political drivers are colliding with technological advancements to create new challenges and, more importantly, new opportunities. In the future, only those organizations that are adept at recognizing emerging patterns and developing resilient strategies will survive and thrive.

Finally, if uncertainty is when the variables are defined but their values are unknown (like rolling a set of dice), then ambiguity is when even the variables are unknown (do you even have a set of dice?). Businesses that focus solely on uncertainty actually delude themselves into thinking that they have a handle on things. Traditional strategic processes that rely on extrapolating historical data assume that today’s variables will be relevant in the future. In a VUCA environment, these linear forecasts provide a false sense of security and are inaccurate beyond a short-term timeline.

It is clear that leading organizations in these volatile and complex times require new approaches and mindsets. Today’s business leaders must remain focused on what’s next. In order to gain greater visibility about the future, what is needed is not a better crystal ball, but an instrument for building resilience, adaptability, and opportunity through recognition of emerging patterns. Futures thinking is that instrument, and strategic foresight provides the framework.

• Define strategic foresight and outline the business imperative for this approach.
• Describe the push and pull of the future, and how leveraging both ends of the foresight spectrum (trends and aspirations) is critical.
• Provide guidance on putting strategic foresight into practice.
• Explain how applying the Natural Foresight framework can help unlock your futurist mindset.

WHAT IS STRATEGIC FORESIGHT?

Strategic foresight is a decades-old discipline that allows us to create functional views of alternative futures and possibilities. Through this process, organizations are better prepared for potential threats and are able to capitalize on hidden opportunities. While no one can predict the future, foresight allows us to mine the external environment for trends and leverage those insights to create maps of the emerging landscape. These well-informed maps of the future allow us to test our current strategy, develop breakthrough innovations, and create transformative change.

Strategic foresight and its most common tool, scenario planning, have been used successfully at the corporate planning level for decades, the most famous example being that of the energy and petrochemical giant Royal Dutch Shell. During the oil crisis of the late 1960s, Shell altered its strategy and successfully propelled itself to the top of the
industry, a move accredited to the use of scenario planning. Today, organizations like Intel, Ford, and Disney have joined Shell in employing futurists to leverage foresight tools for organization-wide strategy development and innovation.

Ultimately, the power of foresight lies not in its tools and methods but in its ability to alter perspectives. For this reason, strategic foresight is not just useful within strategic planning, but it also provides a new lens through which to reframe all of our outdated, Industrial Age processes that are no longer effective in our VUCA environment. Strategic foresight is a discipline, but it actually works best as a philosophy running in the background and supporting all of our decision making and actions. In other words, strategic foresight should act more like an operating system than just another app that is added to the organization’s processes. Organizations that intentionally develop a futures culture are primed for market-leading innovation, successful opportunity development, and revenue-generating futures intelligence.

THE PUSH AND PULL OF THE FUTURE

When contemplating the future, we instinctively think of the “top trends” lists that are always making headlines. For most, the word trend has become synonymous with the future. This common but erroneous interpretation causes...
many strategic foresight efforts to stall because trends are not the future. Trends are visible because they are occurring today. They represent the present. In fact, trends can be our worst enemy; they tend to keep us connected to what is immediate and surrounding us, but fail to stretch us to see what is changing, what is emerging, and what is possible.

While identifying and interpreting trends is an important part of the strategic foresight process, trends themselves represent just one aspect of strategic foresight. The future exists across a spectrum, with two distinct ends: the push and the pull of the future. Most organizations focus solely on the push of the future. This end of the spectrum represents the trends and emerging issues that are coming at us, pushing us into the future regardless of our actions. On the other end of the spectrum is the pull of the future. This represents our ability to purposefully identify and create our preferred futures.

WHAT MAKES A GOOD FUTURIST?

In our VUCA environment, everyone in your organization must be a futurist, continually challenging biases and scanning the environment for hidden opportunities. Here is a list of attributes a good futurist should embody.

A good futurist should:

* **Crave curiosity.** As a futurist, it is more important to ask “why?” than “what?” so that we can dive into the root cause of an issue and understand the value shifts driving today’s trends. It is not uncommon for good futurists to explore so far into a trend that they forget where their journey began. In other words, if you feel like you have been down the rabbit hole while examining trends, you are probably doing it right!

* **Act courageously.** Thinking and acting on our futures intelligence takes courage. As humans we are wired to reject change, and the future is synonymous with change. A good futurist must recognize that the insights we share will make others feel uncomfortable, but it is in that discomfort that growth occurs.

* **Welcome diversity.** Foresight is a team sport. We all have biases and assumptions driven by our worldviews and mental maps. Exploring the future alongside a diverse set of peers ensures that we challenge our information filters.

* **Think outrageously.** The ability to think provocatively is paramount to being a good futurist. In order to expand our thinking (and that of our leadership and stakeholders), we must stretch our minds beyond our comfort zone.

* **Connect the dots.** It is not enough to collect the dots (or trends). A good futurist must also connect them to uncover patterns. Nothing in our current landscape exists in isolation and trends are no exception. To understand what’s next, we must analyze the intersection of trends and make sense of the patterns they form.

* **Think in multiples.** A core principle of strategic foresight is that there is not one but unlimited futures before us. As good futurists, we must be able to think in simultaneous, multiple futures rather than the traditional, single, linear forecast. Being able to consider paths beyond the official future allows us to create robust and resilient strategies that will be successful no matter which future emerges.

The following analogy can be helpful in understanding the pull of the future. There is a small anchor on sailing vessels that has a critical role. When there is no wind, this small anchor, known as the kedge, is tied to a long rope and sent out in a row boat with a few of the ship’s sailors. They travel in the direction the ship wants to sail and drop the kedge. Those remaining on the ship then pull themselves toward that location. Similarly, understanding the pull of the future (the trends and emerging issues) allows us to successfully navigate or “pull” ourselves to our
desired future, avoiding obstacles and positioning ourselves for opportunity development.

Underlying the concept of the push and pull of the future is the notion that the future is not something that just happens to us but is instead something we create every day through the decisions we make. This revelation is not just significant within an organizational context. The ability to chart a course to our aspirations regardless of obstacles has strong applicability in career development as well. Strategic foresight allows us to leverage both ends of the futures spectrum in order to discover the future and create it—today.

STRATEGIC FORESIGHT IN PRACTICE

Strategic foresight provides us the ability to navigate an uncertain future and drives business value in a number of ways: strategy development, disruptive innovation, and culture transformation. By leveraging both qualitative and quantitative data and continually scanning the horizon, where social, technological, environmental, economic, and political trends emerge and converge, strategic foresight provides the tools to transform our existing processes and mindsets to become adaptive and resilient in these uncertain times. Strategic foresight allows us to make sense of the emerging landscape, develop aspirational futures, and create detailed road maps to achieve them.

The Importance of Foresight in Strategy

While commonly used in business planning and development efforts, strategic foresight differs from strategic planning, which relies largely on spreadsheet-based models to extrapolate historical performance into a linear future plan. Beyond their inability to accurately forecast the future, these traditional models are dangerous when they proclaim an “official future,” and effectively blind leaders to all threats and opportunities outside their narrow view. In our current environment, we must hold tight to our vision and mission, but we cannot stubbornly cling to the strategies in our official future.

As landscapes and ideas change, so must our plans and approaches. And with change taking place at the speed of light, the never-ending process of updating or creating new strategies is disheartening at best, and devastating at worst. Strategy must also move far beyond formal analysis and hard data. Foresight helps us to look outside of our industry, broaden our view of external issues, and develop robust, flexible, and creative visions of organizational direction.

Strategic foresight and, more specifically, scenario planning, act as an immune system within our organization, allowing us to create multifaceted strategies that are effective no matter which future emerges.

The Importance of Foresight in Innovation

In this era of rapid and accelerating change, it is impossible to achieve true innovation without developing long-term thinking and uncovering alternative future possibilities. Most of the popular innovation tools and concepts used today were created when things were simpler and companies could operate with linear thinking. Today, the world is much more complex and moving at a rapid pace, causing those once relevant innovation tools—to become outdated. Gone are the days of practicing incremental innovation in order to simply strengthen core competencies or gain strategic advantage in an already crowded market. Savvy thought leaders are setting the new tone of what is now being recognized as a fundamental paradigm shift in the way we approach innovation, embracing a move toward exponential and transformational change.

When companies instill foresight and futures thinking into their innovation culture, they are better equipped to see the possibilities and opportunities that are on the horizon, and seize them today.

The Importance of Foresight in Culture and Change

Change management efforts often fail because they focus on the issues as they bubble up to the surface. The result is Band-Aid solutions that fail
CASE STUDY: DEVELOPING A FORESIGHT COMPETENCY

**Situation**

Facing aggressive growth targets coupled with a need to significantly increase its workforce, an international division of a media and entertainment organization decided to launch an effort to prepare for the workforce of the future.

Three vision statements were created for the Workforce of the Future initiative:

- Ensure we have a technologically fluent and adaptive employee population that is comfortable, knowledgeable, and savvy enough (regardless of tenure) to support and grow our evolving business models.
- Deliver a globally and locally integrated strategic workforce plan (including changes to organizational design) to ensure we have the appropriate people, positions, and skillsets as we move into a digital evolution of the business.
- Infuse new, fresh thinking through the creation of a global innovation intern program and network.

**Solution**

The organization was introduced to strategic foresight and quickly realized that it should be creating the Workforce of the Future rather than just planning for it. The Workforce of the Future vision was expanded and the company launched an effort to redefine the human resources function for the 21st century by developing and cultivating a futures thinking competency across the organization:

- Ensure we have an adaptive, resilient, and transformative human capital ecosystem (talent, processes, and infrastructure) to successfully position the organization for continued growth in an uncertain world.
- Develop a customizable foresight toolkit that will ensure a common language and result in integrated, future-fit workforce strategies that can quickly adapt to changing market conditions.
- Infuse and sustain a new way of thinking through the creation of a global team of future thinkers, championing ongoing environmental scanning efforts and change management strategies, and providing a critical element in the innovation framework.

**Results**

The following tangible outcomes have resulted from the Workforce of the Future:

- More than 200 leaders around the globe were trained in the Natural Foresight™ approach and immediately began applying the standard toolkit.
- Traditional strategic planning processes have been revamped to include futures intelligence and scenario planning, and the organization has pursued specific business strategies as a direct result of its foresight efforts.
- To support change management efforts, advanced practitioners were selected to receive additional training and became foresight trainers.
- Broader company leadership has taken notice, declaring strategic foresight one of the top enterprise-wide leadership competencies.

In our VUCA world, change is an ever-present factor, and organizational cultures that are not open, resilient, and future-empowered will struggle to survive, let alone thrive. Creating an adaptive, resilient, and transformative organization does not mean simply staying informed about
the latest trends or implementing the newest organizational fads. Our uncertain and complex environment is relegating the practice of reacting and adjusting to the latest trends to the history books, and only those organizations that proactively invest in developing a transformational environment will succeed.

Creating a culture of future thinkers will help every member of your organization to think holistically and be proactive.

**NATURAL FORESIGHT™ FRAMEWORK: UNLOCK THE FUTURIST MINDSET**

During the last several decades, the strategic foresight field has struggled to gain traction due largely to overly academic and theoretical approaches that fail to produce results in the real world. Further, businesses today deal with a very complex environment, and steps or linear processes have much less impact than ever before. The Natural Foresight™ framework, developed by Kedge, counteracts both of those issues by providing a continual process consisting of practical tools. The phases in the Natural Foresight™ approach (discover, explore, map, and create) can be used together or leveraged independently in any order, depending on the business need.

**OUR UNCERTAIN AND COMPLEX ENVIRONMENT IS RELEGATING THE PRACTICE OF REACTING AND ADJUSTING TO THE LATEST TRENDS TO THE HISTORY BOOKS, AND ONLY THOSE ORGANIZATIONS THAT PROACTIVELY INVEST IN DEVELOPING A TRANSFORMATIONAL ENVIRONMENT WILL SUCCEED.**

Discover: Challenge Old Ways of Thinking

We all have a natural filter for information. It is what keeps us sane in a world that is constantly bombarding our senses with data. Unfortunately, in an environment of volatile change this filtration system can lead us to unconsciously discount new opportunities if they do not line up with our established perspectives. Foresight helps us to overcome the tendency to interpret new information in terms of old beliefs and allows us to challenge our mental models. When we get past our biases, we are open to different ways of perceiving the world around us.

It is tempting to skip the discover phase and move immediately to scanning for trends and opportunities. The information is all around us, begging to be analyzed and evaluated. However, history is littered with examples of organizations and individuals that failed to see and take action on the data that were obvious to others. Kodak invented digital photography, yet it failed to capitalize on the innovation because it was so invested in traditional photography. The company suffered from what is known as educated incapacity—knowing so much about what you know that you are the last to recognize that things are changing. The truth is that we all have educated incapacity. The more success, experience, and subject matter expertise we have in a field, the worse our affliction.

Foresight allows both individuals and organizations to break free from the limitations of educated incapacity:

- When we approach innovation and change only from the landscape of today, we tend to filter any new ideas through the lens of old perspectives.

- When we are given the tools to think about the future in an immersive, transformative, and provocative fashion, we are able to break through the barriers that our present-day perceptions and assumptions have built.

- A new way of thinking first requires a fresh way of seeing or measuring. Attempting to create a different perspective while operating from the confines of old landscapes and definitions is akin to attempting to travel around the world using nothing but a horse and carriage.

- By giving us the personal and collective tools to transport our thinking beyond the boundaries of today, strategic foresight
helps organizations open up new vistas of diversity and opportunity, maximize creativity, discover disruptions, and see the world through new eyes.

There are several ways you can challenge your assumptions in the discover phase:

• **Ask “Why?”** According to a 2014 Fast Company article, we receive 11 million bits of information every moment, but we can only consciously process 40 bits. That means that 99 percent of the information we process is unconscious. If you think a new idea seems ridiculous, ask yourself why. It is likely that the “ridiculous” trend or emerging idea is at odds with what you already know to be true. Challenge yourself to consider other worldviews that may lead to a different conclusion. You do not have to change your belief system. The simple act of pausing to consider your knee-jerk reaction is enough to begin to move past your educated incapacity.

• **Learn, unlearn, and relearn.** In order to overcome our educated incapacity, we must strategically let go of those truths we have established through our years of education and work experience. Nothing in your mental repertoire should be sacred. Seek opportunities to gain exposure to other fields and disciplines, exploring trends and challenging yourself to connect them back to your area of expertise. Will advances in neurotechnology affect collaboration in organizations? Will the popularity of digital currencies affect organizational structures? Uncovering how distant but analogous fields will change your domain is a great way to unlearn.

• **Think like an extraterrestrial.** Everyone knows that diversity breeds creativity, but it also helps challenge our worldviews. When analyzing an established belief or process, contemplate how a being from another planet might assess it. What would an extraterrestrial think of our educational system that dates back to the Agricultural Era (arguably three economic shifts ago)? Would an inhabitant from another planet be able to make sense of it given the technological and social advancements in every other sector? Probably not. You can also consult an outsider for a fresh perspective, including interns, teenagers, and peers from other fields.

WHERE CAN I FIND THE FUTURE?

Environmental scanning is the lifeblood of strategic foresight. If we do not scan, we will discover, explore, create, and map futures that look much like today. With a vast amount of information available to us, we can consciously scan our environment around the clock.

**Twitter.** Instead of having to hunt down different publications and articles, we can simply follow thought leaders, champions, and rebels. If you are new to Twitter, begin by creating an account and following large news outlets.

**Flipboard.** This platform organizes and aggregates sources from a wide range of topics into one place, allowing us the feeling of “flipping” through magazine pages using a tablet or smartphone. Search Flipboard for content regarding the future or trends.

**Teenagers.** Interacting with youth allows us to gain a refreshing and untainted perspective—one that is not tied to our current organizational practices and issues. We often think of hiring young people to mow our lawn or babysit, but consider paying teenagers to teach or inform you about whatever they want.

**Traditional Media.** While new technology platforms can make scanning more efficient, we should not discount more traditional modes of research like television and newsprint. Frequent your local bookstore and sift through magazines that you have never read, for example.

**Ethnography.** When we immerse ourselves in an environment to explore human behavior and how it influences systems, processes, models, and relationships, it is called ethnography. The next time you are at a mall or an airport, spend some time observing your surroundings to see what trends you discover.

**Social Bookmarking Sites.** There are various online repositories that store and organize our scanning. You can also use these sites to find articles others have scanned. Diigo or Evernote are examples of tools that allow you to store and share your research.
Explore: Scan the External Environment

Once we have addressed our ability to accept new information, we can begin to scan the external environment for trends and emerging issues that will shape our future strategy and developmental efforts.

Environmental, or horizon, scanning is the lifeblood of strategic foresight:

• Scanning allows us to explore and interpret both our internal and external environments in order to better understand how emerging issues will affect us in the future.

• If we do not scan, we will envision, map, and create futures that look much like today. In this way, scanning helps broaden our thinking, tearing down the barriers that prevent us from imagining new opportunities and challenging the status quo.

• Scanning helps us to rewire our brains, forming patterns and connections where others only see noise. We begin to connect dots that on the surface seem to be unrelated, make sense of disparate information despite the enormous amount of distracting data, and challenge our existing mental models.

• When your brain has been rewired to think differently you also become more open-minded, exploring new opportunities and hidden disruptors. Without scanning broadly and continuously, you will only look for information that is interesting to you or matches your current belief system.

Horizon scanning is conducted across all three environments of foresight—macro, meta, and micro.

The Macro, or External, Environment

Foresight efforts begin in this broad environment, where drivers of change first emerge. Exploring trends and weak signals in the macro environment ensures that we do not become insulated in our subject-matter expertise. This also prevents us from being blindsided by changes originating from outside our industry and organization.

Futurists leverage the STEEP framework. STEEP is an acronym that stands for social, technological, economic, environmental, and political, representing the large-scale drivers from which trends are born. These guidelines will help you to identify trends from each STEEP category:

• Social trends include factors like demographics, lifestyles, communication, consumer behavior, and advertising.

• Technological trends are often the easiest to find, as they are the most tangible representation of the future. But remember to look beyond the technological advancements in your current industry or field. Also, think beyond products to anything that is affecting learning, development, transformation, and innovation.

• The economic driver includes trends related to value generation and exchange. Think about factors like interest rates, taxes, international trade, entrepreneurship, job availability, local economies, and alternative currencies.

• Trends in environmental development include ecosystem elements like water, wind, soil, food, cities, and energy, as well as built spaces such as the workplace and virtual or digital environments.

• Political trends include individual and group rights, financial markets, trade, ideologies, and governmental regulations.

The Meta, or Industry, Environment

The meta environment includes competitors, customers, employees, and other key stakeholders. Horizon scanning in strategic foresight does not initially focus on the competitive intelligence space, but it also does not ignore it. However, most organizations already have processes and teams in place to capture consumer insight and conduct competitive analyses. In fact, many organizations begin their futures journeys by layering strategic foresight onto their existing insight efforts.
The Micro, or Organizational, Environment
The micro environment can represent your organization or a specific focal issue you are exploring. Scanning across the broad macro environment can feel overwhelming, and the identification of a focal issue can help curtail this potential data overload. A focal issue is a decision or question that is critical to the future of your organization right now.

Focal issues that are most relevant for strategic foresight display the following characteristics:
- Long-term in nature. Using strategic foresight for an issue with a short-term horizon does not make sense. However, please note that strategic foresight and scenarios support a “long now” planning horizon. This means that while futurists work to paint a picture of future worlds, they do so with the ultimate goal of informing decisions today.

- Affected by the external environment. It is hard to find an organizational issue today that does not have some external influence, but this parameter is provided as a reminder that foresight works from the outside in, by first identifying and leveraging the macro, external driving forces on the horizon.

- Imperative to the organization. The focal issue is one that keeps your leadership up at night. It may also represent a concern that is shared across your industry.

Using Horizon Scanning
Here are some suggested ways to begin implementing horizon scanning to uncover

EXPLORING THE EXTERNAL ENVIRONMENT
There are three distinct ways to explore the external environment. Scanning can be conducted from the point of manifestation, the point of origin, or the point of impact.

Point of Manifestation
The most common way to begin the exploration phase is to scan broadly across the STEEP framework and view change from an external perspective. Do not conduct your environmental scanning by typing “future of [insert focal issue here]” into Google! This will only produce the current thinking on the topic, which is likely to be biased.

Point of Origin
Trends are not created in a petri dish or test tube in a laboratory. They emerge as a result of a shift in societal values. Once you have discovered trends across the STEEP categories, you can begin to ask, “Why do these trends exist in the first place?” Understanding the origin of a trend or a group of trends is a critical step in the explore phase. Once we understand the value shifts under the surface of a trend, we can imagine how the changes in societal perspectives may bleed into our industry or field.

Point of Impact
While it is important to understand where a trend manifests, that important insight is not a substitute for foresight. To begin to understand what will happen next and move past today, we need to assess the trend’s point of impact. To do this, we can ask ourselves several questions about an emerging issue to capture its potential effects and implications.

As an example on how to use the three ways of scanning, let’s look at the trend of collaborative consumption, in which people share everything from cars to wedding dresses. If we were to read an article about Zipcar (a company that allows urbanites to borrow vehicles for short periods), we would be scanning from the point of manifestation, perhaps noting that both the economic and environmental drivers gave birth to this trend. Evaluating the trend further, we could assess that value shifts around collaboration, empathy, and connectivity are the points of origin for the sharing economy movement. We can then evaluate how those value shifts, along with the trend itself, could influence other realms (like talent). Is it possible that this trend of sharing assets might affect the talent sphere? As we move into an era in which access to assets trumps ownership, is it likely that we will see more talent being shared across firms? Given the fundamental shift in the way that people collaborate in these new consumption models, the answer is likely to be yes.
hidden opportunities. Remember to keep in mind these points:

- Trends become visible at the point of manifestation.
- Value shifts create the point of origin for trends.
- Identify what’s next through the point of impact.

**Scan from the point of manifestation.** Each week, read several articles from across all domains outside your industry. Use the STEEP framework to ensure your scanning is broad and includes trends in society, technology, the environment, economics, and politics.

**Scan from the point of origin.** For each article you scan, identify the shifting values that support the trends. Evaluate whether the underlying changes in societal values will affect your organization’s focal issue now or in the future.

**Scan from the point of impact.** Consider the short- and long-range implications of your scanning by answering these questions: As a result of this trend,

- What cultural ideas will emerge to help us make sense of the world?
- What tools and processes will be developed to produce goods and services?
- What technologies, mediums, and arts will be used to connect people, places, and things?
- What goods and services will we make, and how will we consume them?
- What social structures will be created or reframed?

**Map: Develop Future Scenarios and Innovations**

Strategic foresight can assist us in mapping the future so that we can be prepared regardless of what transpires. Scenarios provide these maps. Scenarios allow us to explore emerging and possible patterns that have yet to be recognized, even through our robust horizon scanning efforts.

- **Scenarios are stories.** When ideas are weaved into a compelling narrative, individuals can see themselves in that world. This helps ignite discussion and create the opportunity for long-lasting change and transformation.

- **Scenarios are creativity + research + data + intuition.** Scenario building can be expressed as equal parts creativity, research, intuition, and data. Of course our scenarios of the future are based on the research and data from our environmental scanning; however, merely extrapolating that information forward would lead to overly simplistic and inaccurate maps of the future.

- **Scenarios create a visual dialogue of possible worlds.** This world-building allows us to be immersed in that landscape and experience its technology, conflicts, values, and people. Effective scenarios help us to understand and imagine the implications and possibilities of such a world.

- **Scenarios link emerging trends to our aspirational vision.** When used in conjunction with our traditional planning methods, these stories equip us to be successful in our VUCA environment. By creating these multiple alternative narratives, we can test our existing strategies to ensure they are successful in a variety of operating environments, develop new strategies based on the divergent worlds painted in the scenarios, and even inspire new innovations that we can use in our current environment.

- **Scenarios help us suspend disbelief.** People naturally believe that the future will unfold in a linear and incremental fashion. Scenarios help us overcome our tendency to interpret new information in terms of what we already know to be true. These narratives challenge our mental models, presenting us with different perspectives and outcomes that we might not have considered on our own.

- **Scenarios are purposefully “inaccurate.”** In this age of data and metrics, it is easy to fall
CASE STUDY: SCENARIOS FOR STRATEGY DEVELOPMENT

Situation
A North American Fortune 500 retail chain was launching its first effort to integrate talent management strategies across the enterprise. A team of more than 50 executives was tasked to create a holistic approach to development, recruitment, retention, and compensation. In the process, they quickly realized that they also needed a way to ensure that their solutions would be adaptive, resilient, and future-fit.

Solution
The team began by learning about the trends shaping the future of talent. Partnering with a foresight firm that conducted the horizon scanning, the executives were exposed to the social, technological, economic, environmental, and political trends affecting how people will live and work in the future.

Armed with these new insights, the team took part in an immersive and experiential scenario planning session, leveraging three diverse, possible narratives that transported the project team 15 years into the future. Incorporating video, social media, and physical artifacts from the scenarios, the organization envisioned how its present talent solutions would work in these three different scenarios.

Results
Prior to the scenario planning session, the project team had struggled to develop strategies and a system to successfully integrate talent management across the enterprise. Not only were its final strategic solutions and recommendations largely driven by the strategic foresight tools, but a similar session with the learning and development (L&D) team led to the organization’s first ever enterprise-wide L&D strategy.

Some of the outcomes from the integrated talent management project included the following:

• New strategies and opportunities were derived from trends, implications, and maps of the future that the team had previously not explored due to its narrow area of focus.
• A more holistic system was created that allowed the organization to be resilient and transformational in the face of accelerating volatility and exponential change.
• The establishment of a common language across the organization created increased synergy among workers, a more dynamic culture of innovation, and a stronger toolkit for organizational development.

Which World Will Emerge?
There are numerous ways to conduct scenario development, and the method chosen is largely dependent on the goal of the scenario development project—that is, strategy development, innovation, risk management, and so on. The Which World? method is a flexible approach that uses three divergent macro environments to shape a set of scenarios.

The three scenarios in the Which World? framework include the abundant world, the market world, and the fortress world.

The Abundant World. This scenario describes positive change across society, production, technology, and consumption. It implies a deep change in values like human solidarity, quality of life, and respect for nature, and a shift in lifestyle and consumption patterns. Ideas that may be present in an abundant world scenario include:

victim to the notion that we cannot move forward with any initiative if we do not have a 100 percent accurate business plan. The truth is that when we are dealing with the future, it is impossible for our forecasts and plans to be 100 percent right. Just as the ancient explorers could not have discovered the New World without their maps that are now known to be inaccurate, we must also combine data and insight with creativity and inspiration to chart a course toward our uncertain future.
• holistic approaches to business, policy, and education models becoming mainstream
• collaborative innovation occurring across international boundaries
• open source education raising the global talent pool.

The Market World. This scenario is in essence an extrapolation of the present world, including the forces of globalization and the convergence of the developing and developed world in economic terms. Elements of a market world could include:
• growth of megacities as hubs of innovation
• the “cloud” empowering individuals
• the rise of local ecosystems due to increased systematic risk
• increased separation between the “haves” and the “have nots”
• social unrest expanding in developed nations.

The Fortress World. This scenario describes a world in which market forces, governmental policies, and technological innovation have not been able to contain social tensions and environmental degradation. The tensions created by population growth, economic development, and the unlimited exploitation of resources create a series of crises that cannot be mastered by policies or institutions. Elements of a fortress world could include:
• a landscape of scarcity and collapse that affects all elements of society
• an end of the open Internet
• fear around personal and organizational security
• increased influence of corporations
• the end of the digital revolution.

Creating a Set of Scenarios
A robust suite of scenarios can take weeks or months to develop after a significant amount of horizon scanning and trend analysis has been completed. Most scenarios are set at least 10 years into the future; however, it is not uncommon for organizations to use a 20- or 30-year window in order to foster greater creativity and explore unseen opportunities. You will want to choose a year that is far enough into the future to allow readers to suspend disbelief, but not so far that it becomes impossible to craft the stories with some connection to today’s trends.

Just like any story, a scenario should have a beginning (the setting), a middle (the plot), and an end (the resolution). The three environments of foresight used to guide our scanning also parallel the parts of a story and can be leveraged to provide the scaffolding for our scenarios:

The Setting: Macro Environment. The beginning of the scenario will be largely determined by the Which World? narrative (abundant, market, or fortress) you are creating. A helpful exercise is to imagine that you are the publisher of a newspaper in the future. For each section of the paper (politics, world, business, opinion, science and technology, health, education, and so forth) create several article headlines. Begin with your trend analysis and reflect upon how today’s issues might manifest in your future world. For example, if one of your trends is “big data” and you are writing the abundant world scenario, think about how this issue would have expanded, contracted, or reacted with other trends within a more positive operating environment.

The Plot: Meta Environment. Once the setting of the scenario has been established, you can move into the middle of the story, where characters are developed and conflicts arise. This portion of the scenario includes the manifestation of the trends and value shifts in your industry. However, do not limit your narrative to a discussion of your marketplace and your current competitors. You can use the “day in the life” approach, a popular choice for those new to the scenario development process. Telling
A SCENARIO DEVELOPMENT CHECKLIST

There are many proven ways to develop scenarios, but regardless of the method you choose, here are several key criteria that always apply.

My scenario:
- is part of a set of divergent, plausible, and provocative future worlds
- showcases the far-reaching implications of a multitude of today’s trends
- includes trends from every STEEP category
- has a beginning, a middle, and an end
- is an immersive narrative that transports the reader into a new environment
- encapsulates the values that undergird the trends.

Create: Design and Execute Specific Action Plans

Thinking about the future without taking action is a fruitless effort, so the Natural Foresight™ framework includes tools to design, test, and execute our strategies.

Once we have created a complete suite of scenarios (Fortress, Market, and Abundant), scenario planning tools can be used to funnel

your future story from the point of view of a character will also help your audience connect with your narrative, allowing them to further suspend disbelief.

The Resolution: Micro Environment. The conclusion of your scenario should consider the future effects and implications of the trends on your organization and your focal issue. This is the “so what?” of your narrative. Scenarios should provide a comprehensive map of future landscapes. The power of these scenarios lies in the open-ended way in which they speak to the organization. We must be very careful not to create scenarios that only suggest prosperity and success. If our scenarios are unbiased in their view of our organization, then these tools will be of maximum benefit in revealing the strengths and weaknesses of our strategy and processes.

After we have developed our newly acquired futures intelligence into our present-day decision-making processes. The power of these tools is directly linked to creating scenarios that are not prescriptive, but open-ended in the way that they speak to the organization.

The following bullet points describe the purpose of each tool, but there are several ways to actually design and implement them. Templates are widely available, so feel free to pick the one best suited to your team or organization.

- The scenario and strategy matrix tool allows us to evaluate our present and future strategies against the suite of scenarios that we have created. In this way, we can test the strength and viability of our strategies and plans, and make adjustments that allow us to be adaptive, competitive, and successful in any future landscape. Evaluate each strategy against each of the three scenarios, deciding if the strategy works in that world, works after some adjustment, or does not work in that future landscape. This tool can be completed with leadership and key stakeholders in order to create a platform for discussion.

- The scenario signposts tool allows us to identify signposts, or indicators, that suggest this particular scenario will come to

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pass. In this way, we know how to focus our strategy building and process development for that world. This tool demonstrates the iterative and ongoing nature of strategic foresight. Just as our environmental scanning informs our scenario development efforts, the resulting scenarios trigger a feedback loop to advise our research. Once we have identified signposts using this tool, we can include them in our environmental scanning, creating what is in essence an early warning system that can alert us when we are getting closer to one of our scenario worlds.

- **Scenario commonalities** is the most intuitive of all the tools but serves a powerful purpose. Once all of the scenarios have been completed, have a discussion with leadership and stakeholders to identify the common ideas, issues, and themes. For instance, even though the scenarios represent very divergent futures, each of them may contain the idea of education being central to how the future would unfold. Maybe each scenario mentioned a drastically different way to view talent or consumption. Perhaps a central motif in each of the scenarios was digital lifestyles or the value of sharing. These commonalities should become important to the organization’s strategy and processes going forward.

- The **backcasting** tool allows us to focus on a specific strategy, process, experience, or product that has been identified from the scenarios and the other scenario planning tools already covered. We then work backwards from a future date to identify the steps that took place, as well as specific requirements that were implemented, to achieve that outcome. Unlike forecasting, backcasting begins with identified aspirations and works backward, detailing the physical and strategic milestones that must be met to reach our preferred future outcomes. In this way, disbelief about the future is suspended, and strategic vision and design around those goals can be explored as if the goal has already been achieved.

**CONCLUSION**

Today’s super-accelerated, volatile environment demands that we approach everything with a new lens, and leadership development is no exception. Rather than relying on our antiquated, quantitative-based approaches, what if we consciously developed a futures thinking competency within our organizations? Equipped with this 21st-century mindset, our leaders—and, as a result, our organizations—would be more flexible and resilient, and able to embrace change and adapt to new conditions seamlessly.

We need to use strategic foresight to stop planning for the future and start creating it. In order to form a culture of future thinkers, we must:

- Discover the personal and organizational biases that become blinders to new ideas and potential disruptors.
- Explore the environment for emerging issues in society, technology, the environment, economics, and politics.
- Map the probable, provocative, and preferred futures of our most pressing focal issues so that we can be prepared no matter what future emerges.
- Create detailed action plans that translate our futures intelligence into profitable outcomes, today.
REFERENCES & RESOURCES

Report

Articles


WEBSITES AND ONLINE RESOURCES


REFERENCES & RESOURCES

A FUTURES THINKING EXERCISE

Before beginning your foresight journey, it is helpful to first uncover how you personally think about the future. Complete this exercise from an individual or a professional perspective; if your foresight efforts are team-based, use this questionnaire to initiate a discussion about the future.

1. If you could pose three questions to a clairvoyant, what would you ask?

2. In the best possible world, what would you hope for?

3. In the worst possible world, what are your greatest fears?

4. What pivotal events from the past few years have provided you with the best lessons for the future?

5. What major decisions with long-term implications do you face at the moment?

6. What major constraints are you experiencing inside and outside of your organization, system, or life?

7. If all constraints were removed and you could direct what is done, what would you do?
FORESIGHT GAP IDENTIFICATION QUESTIONNAIRE

This questionnaire has been created to diagnose your organization's "future-fitness." Analyzing these questions with leadership will further reveal the strength of your organization's foresight efforts and can act as the business case for using strategic foresight in your organization.

1. How aware are we of the threats and opportunities outside of our organization and industry? Do we regularly identify and analyze the impact of a wide range of trends?

2. Do we regularly ask, “What’s next for our business and industry?”

3. Are we early adopters of new trends that could transform our company, or do we like to wait until an idea has gone mainstream before we try it out?

4. Are we threatened by ideas that challenge our company's position on issues or actions?

5. When we hear the words change or disruption at work, does it make our leadership feel excited or nervous?

6. Do we promote an innovative and entrepreneurial culture across our organization?
7. How much of our organizational language or communication is future-focused? Can we identify five future-focused words that we use on a regular basis in meetings or company memos?

8. How quickly are we able to adapt to new situations and changing environments?

9. Do we immediately attempt to simplify complex situations, or do we consider how they might reframe or redefine our organization’s strategy?

10. Do we seek out opportunities to broaden our strategic and organizational horizons through diverse training, conferences, and networks?

11. Is our five-year plan purely based on financial projections, or does it integrate qualitative metrics such as social, technological, and policy trends?
This is one way to try to navigate the future.

Here’s a Better One. The Futures School.

During our interactive, project-based program, you will learn to empower yourself with the critical skills of foresight and futures intelligence to skillfully navigate a new era of complexity and change.

The Futures School is held several times each year in various locations around the world. For the most up-to-date information concerning our currently scheduled programs, please visit our website.

www.TheFuturesSchool.com