

The Future Belongs to Those Who...

a guide for thinking about the future



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WHY THINK ABOUT THE FUTURE?

The future is fundamentally uncertain, yet there are discernable directions, even if signs point to conflicting and multiple outcomes. For some, uncertainty justifies not thinking about the future, while for others the uncertainty is a source of opportunity. Without a concerted effort to be future-focused, organizations run grave risks of diminished importance or even oblivion in the fluctuating world of the early 21st century. Thinking about the future increases the likelihood of success in the long run.

All of our experience is with the past, but all of our decisions are about the future. Many people have assumed that their past experience is a fairly reliable guide to the future—the future will simply be a bigger and better version of the world with which they are familiar. However, the pace of change now makes it clear to thoughtful people that continuity can no longer be taken for granted. In area after area today, we are confronted by *true uncertainty*: we really do not know what will happen, but we know it is going to happen more quickly.

The future cannot be predicted. The word “futures” in futures studies is plural because there is no one preordained future that is fated to occur. Rather, there are many different possible alternative futures. Instead of predicting what the future will be, futurists use a wide range of methodologies to engage in structured and thoughtful speculation about future possibilities. This helps people prepare for whatever future comes, and positions them to be more able to create the future they prefer. Some of the methods futurists use to help organizations think about the future follow.

Trend Monitoring

The first step in thinking about the future involves exploring trends that are already underway. A trend is a pattern of change over time in things of importance to the observer. The degree of uncertainty about the future is, of course, much smaller in some areas than in others. For instance, one can predict fairly accurately how many people there will be in most countries in the year 2010 or 2020. Yet the values these people will hold and the state of their health are much less certain. Those trends that are less certain should be monitored more closely.

A trend can be said to have become an issue when it receives increased attention in the mass media and elsewhere and, as a rule, is the subject of action. The earlier a trend is detected, the greater is the flexibility of organizations responding to it. Trends often become issues or even crises before measures are taken. At the crisis stage the range of options is narrowed.

By attempting to look into the future we can be alerted to threats and opportunities when there are more options available for effective action.

By identifying existing trends and emerging developments, we set the stage for thinking about the future possibilities that result from the unfolding of these trends. Below are techniques for monitoring trends.

Scanning

Scanning involves searching through a variety of information sources to identify trends and emerging developments. Trend scanning can be as informal as a group exercise or as formal as a well-funded trend monitoring system with an ongoing network of people, a wide range of information resources, and regular publications. Scanning efforts are best done on a continuing basis to provide a ‘futures radar’ that constantly functions to identify emerging threats and opportunities.

Identifying and Forecasting Key Forces

Key forces are the most important trends and developments shaping the aspects of the future that you want to consider. Prioritizing key forces lays the groundwork for developing multiple forecasts to describe a plausible range of outcomes. When a set of key forces has been identified, the interaction between trends becomes an important means for forecasting different developments, which can be explored systematically in scenarios.

Wildcards

Wildcards are high impact, low probability events that are worth considering. These events include momentous but unlikely developments such as the discovery of a new energy source or a near-term breakthrough to molecular nanotechnology. While wildcard events appear far-fetched, history shows they occasionally occur and have enormous impacts. The 9-11 terrorist attacks serve as the most recent reminder of the importance of considering wildcards.

Scenarios

Scenarios are alternative descriptions or stories of how the future might unfold. They compile information about divergent trends and possibilities into internally consistent images of plausible alternative futures. Scenarios are designed to systematically explore future challenges and opportunities and aid in strategy development. In the process, they often provoke the imagination, raise fundamental questions, make explicit our deeply held values, and stretch our worldviews.

Scenarios are not predictions of the future. Rather, they encourage people to think about how to navigate successfully across the different circumstances that might be encountered. Scenarios can expand our ‘field of view’ and help people to see possible threats and opportunities that would otherwise have remained hidden.

Scenarios are an investment in learning. A set of several significantly different scenarios helps “bound the uncertainty” of the future so that organizations can systematically plan for future contingencies and clarify their vision of the future they prefer. Scenario thinking is real and useful, but it happens only when you actively use the scenarios. The scenarios are not the end product, but merely a powerful tool.

To foster creative thinking, scenarios should examine a truly broad range of possibilities, not just minor variations. A good set of scenarios will typically contain at least one or

more “negative” images as well as a “structurally different” future that challenges current assumptions about what a successful future would be like.

Scenarios need not be elaborate or highly quantitative to be valuable. In fact, they are often used as an antidote to highly quantitative approaches to strategic planning that sometimes lose in imagination and adaptability what they gain in precision. What is more valuable about scenarios is that they change the way people who use them think about the future.

Vision

We think about what might happen so we can better shape what we want to happen—the plausible preferred future. Most organizations lack a fully developed coherent vision of what their preferred future would be. Therefore, the first step toward achieving a preferred future is to clearly articulate a *vision* of the future you want to create.

A vision is guided by the opportunities and threats of the external environment, best summarized in scenarios, and also by the internal strengths and weaknesses of the organization or community concerned and its competitive position. A vision’s importance lies in what it does—its power to **motivate and align efforts**—rather than in what it says. It is perfectly possible for a group or organization to go through a shallow “visioning exercise” which results in eloquent language on a piece of paper that everyone subsequently ignores. It is equally possible for a group to be aligned around a powerful vision without ever writing it down.

Visions motivate high achievement, because when people are really committed to a vision, they will stretch themselves and their organizations to make it happen. Visions raise people’s personal aspirations and provide a focus for collective activity. They create a ‘big picture’ of ‘where we are going’ that makes day-to-day activity more meaningful. Within organizations, shared vision allows management to decentralize. People can be given more freedom to act independently and creatively when they have a clear sense of direction and know the importance of their ‘piece’ in the realization of the vision.

Once a vision has emerged, integrated sets of actions or strategies are needed at a high level so that it can be realized. Strategic planning often includes an analysis of an organization’s strengths and weaknesses and of the opportunities and threats presented by the external environment. However, effective strategies can be developed to go in several directions. The vision identifies the compelling and inspiring destination towards which the organization is heading.

Mission

A mission statement structures efforts to achieve the vision, defining major areas of responsibility in clear, objective language. A clear mission statement defines an organization’s role by listing the general types of activities that the organization will undertake to achieve its vision.

A good mission statement should answer several questions: What is the organization's role in the achievement of its vision? What will be its settings for action? What are the organization's key capabilities and areas of expertise?

Goals

Goals establish specific measures of success when they are effectively aligned with mission and vision. Goals need to be achievable within a designated period of time, and they must be well defined. When achieved, the goals provide positive feedback, affirming the vision, mission and strategies of an organization.

When not achieved, the goals provide negative feedback that signals problems in need of attention.

The most powerful goals are bold and audacious. These goals are placed out farther in time so that they are closer to aspirations than to current reality. These goals force people to stretch, to take the threat of failure seriously and to take their commitment to a vision even more seriously.

Most organizations are familiar with setting goals, but it is extremely important to set goals that align with the mission and vision. This is a difficult task, but if done correctly, the future can be married to the present. And this is the goal—to extend our conception of the present to include the future.

Strategies

Strategies are the most important coordinated sets of actions needed to reach goals, fulfill a mission and realize a vision. Strategies should shape resource allocation and guide priorities in a budgeting process. While current circumstances will demand much of an organization's budget, strategy should determine the amount of change in a budget each year.

Strategies are best designed after a set of scenarios has been generated and an organization has clarified its vision, mission and goals. We recommend a four step process to developing and evaluating strategies:

1. Identify the key strategies that are currently being used by your organization.
2. Discuss how effective these strategies would be in each of the 4 scenarios— are some current strategies highly “robust” in the sense that they would work well in most or all of the future circumstances portrayed by the scenarios?
3. Develop additional potential strategies for achieving the vision or the major goals derived from the vision. An approach for enhancing creativity is to enter into each scenario and generate strategies that make sense in the conditions posed by the scenario. After using the vision and each of the scenarios as a framework for generating strategy ideas, evaluate the resulting ideas for their robustness across a variety of future conditions.

4. Develop priority strategy areas, and develop an action plan for your organization and partners (new and old) that can help you gain broad stakeholder support. Create a timeline for your action plan with clearly defined targets and measurements to assess if you have been successful.

Putting the Futures Techniques Together

Trends, scenarios, visions and strategies are an integral part, at least implicitly, of most decision-making in the field. Their power to make decision-making wise comes when they are made explicit and consciously shared to provoke thought, stimulate imagination, clarify options, relate values to long-term developments, and move people to take action.

The graphic below on IAF Recommended Futures Process displays the interconnections between these futures techniques. The techniques dealing with likely and alternative futures combine with the preferred futures techniques by jointly leading to strategy development and evaluation.

On the left column of the graphic, scanning for trends generates insights that lead to the identification of key forces. These key forces then become the major variables in the different scenarios that are then developed around four archetypal images of the future.

Scenarios aid in the evaluation of strategies by posing several alternative sets of conditions that strategies can be tested against. Each strategy is evaluated to assess whether it is robust enough to work in most or all of the scenarios.

On the right column of the graphic, vision, mission, and goals are linked together. The first and most fundamental step is the creation of an inspiring, ambitious vision. Following from the vision, a well-detailed mission clearly sets out the organization's role in achieving the vision. Lastly, concrete goals that can be completed in a specified time frame are needed to provide the framework for a tangible, practical plan of action.

Techniques for dealing with likely and alternative futures, and with preferred futures, both lead to the generation of new strategies. A set of scenarios that includes "structurally different" images of the future can stretch the range of possibilities that people are willing to consider, and can lead to more creative visioning. At a later stage, scenarios can be used again to test strategies that have been generated to implement the vision.

IAF Recommended Futures Process

Likely and Alternative Futures

Preferred Futures

