

Thinking and Planning for the Future

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byo
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The fog of the future

In 1945, did people predict the economic rebuild after World War Two? After all, large parts of the world were left devastated. And yet 19 years later, Japan was able to successfully stage the 1964 Olympic Games.

Terry Waite was the Archbishop of Canterbury's envoy, taken hostage in Lebanon in 1986, and released in 1991. During most of that time he was held in solitary confinement. Towards the end of his captivity, his hostage takers moved him to a cell with other hostages. They had a radio and he heard the news from the outside world for the first time in five years. He was shocked at the changes:

- The end of apartheid.
- The fall of the Berlin Wall and the collapse of Soviet rule.
- German reunification.
- Ceausecu was ousted as leader of Romania and executed a few days later.
- Pro-democracy demonstrations were held in Tiananmen Square.
- Boris Yeltsin became President of Russia, having taken over from Gorbachev.
- Pinochet lost the Chilean election and stood down.

He couldn't have predicted any of them.

Our future is not predetermined, inevitable or fixed.

VUCA and now TUNA

We've got used to VUCA (Volatile, Uncertain, Complex and Ambiguous). Now let's add TUNA (Turbulent, Uncertain, Novel, Ambiguous).

Peter Drucker said in 1980: *The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic.*

US scenario planner, Ian Wilson, 2015: *However good our futures research may be, we shall never be able to escape from the ultimate dilemma that all our knowledge is about the past, and all our decisions are about the future.*

If we think we can predict the future that means we've assumed:

1. We can predict accurately.
2. That means we must know all relevant factors that affect complex systems.
3. Then we can control all of those factors.
4. And we can envisage all of the consequences of our actions and they'll be no unintended consequences.

Two examples of unintended consequences are bicycle sales and so-called zombie towns. One consequence of the COVID 19 pandemic has been about a 50% increase in bicycle sales in New Zealand. Another is how comparatively well so-called zombie towns are doing. Even economist, Shamubeel Eaqub, who coined the term in 2014, has noted Covid-19 is proving how resilient regional towns are.

Bizarrely, I think it's going to be very positive for provincial centres, so a lot of the impact on businesses, jobs, income is really around those urban centres, and those very tourist dependent places.

For most provincial centres life is going on almost as normal, so in many ways I think our regional economies are better placed through this current pandemic than other recessions.

The government's shovel-ready project money has also helped.

How we've traditionally thought and planned for the future:

Conventionally, we've:

- made assumptions, particularly that tomorrow is going to be more of today
- envisaged one single default future
- relied on quantitative data, which suggests a single outcome and dismissed the validity of qualitative data
- involved senior people with strategy in their job titles.

The unexpected is then often hard to cope with and plans are made and left. They're not continually revised.

So how should we think and plan for the future?

1. Involve people who don't know your business, particularly young people who have a different perspective.

This is uncomfortable and challenges our craving for certainty. Diverse views are vital.

2. Scan the environment continuously

"In essence, the job of strategic scanning is to interrupt our daily thinking, break us out of routine views of the world and how it may be changing, and, frankly, to smack up against some of the blind spots which we all possess." Joseph Voro, Foresight Analyst at Swinburne University, Australia.

Where to look? Trends and uncertainties.

Society: societal trust, impacts of COVID on different generations and income levels

Technology: digitisation, speed and focus of technological innovation, attitudes towards data-sharing

Economy: growing inequality, new business models, future of global economy,

Environment: climate change, renewable energy

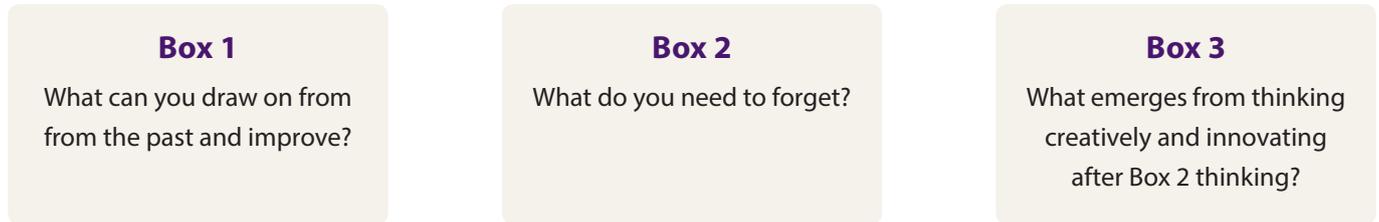
Politics: underlying racial tensions: Black Lives Matter, rise of the far right in Europe, Brexit

That's the conventional stuff. But what about the fringe – the edge? What about the scientists, artists and radicals? What are they thinking and saying?

3. Use a wide variety of tools

Challenge assumptions

Our brains like the patterns we're comfortable with. We need new thinking patterns and fresh and diverse thinking to bring this about. Vijay Govindarajan developed his effective three-box thinking model in 2006.

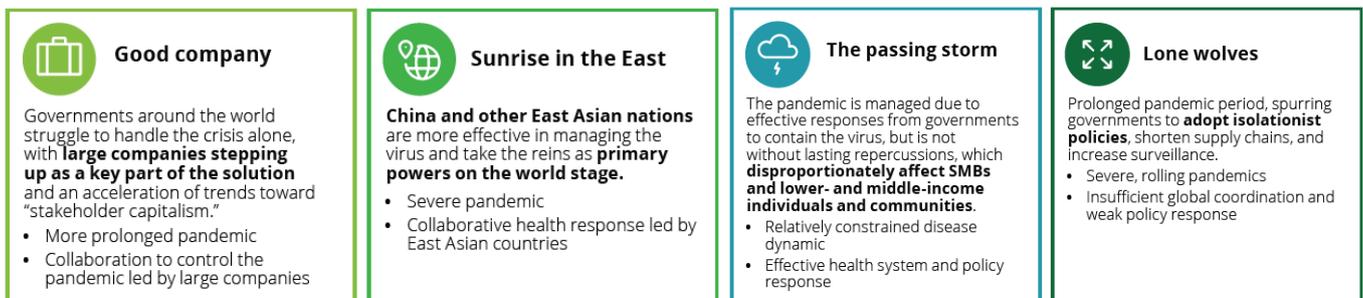


Seven questions (based on various approaches, including Shell)

- If you could speak to someone from the future who could tell you anything about venture/business what would you ask?
- If things went well, being optimistic but realistic, what would you see as a desirable outcome?
- If things went wrong, what factors would you worry about?
- What needs to change if your outcome is to be realised?
- Looking back,, what would you identify as the significant events that created the present situation?
- What needs to be done now to bring about your outcome?
- If all constraints were removed and you could direct what happens, what more would you do?

Develop scenarios

These are essentially stories about the future. Backcasting is a useful technique. You pick several different outcomes and work backwards to work out as best you can the story of what might happen. Here's a recent example from the Harvard Law School. We're not saying any of them will happen:



Stress test your scenarios

Ask different people from those who developed your scenarios to look at them again. An approach is as follows:

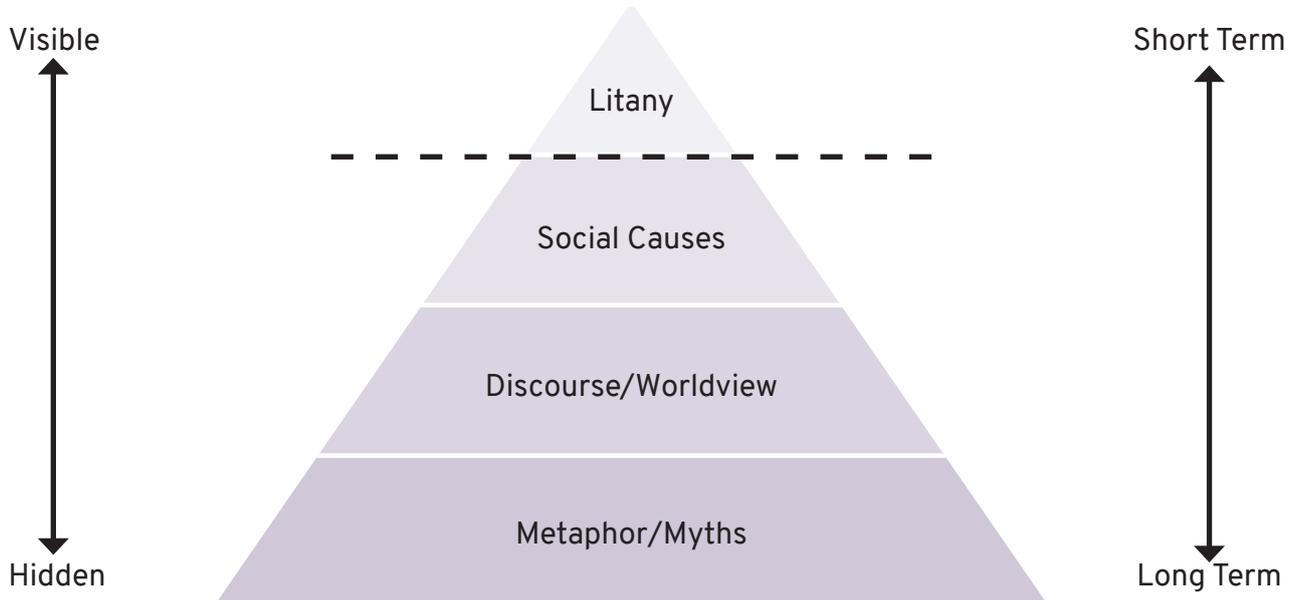
1. Imagine the world as described in the scenario.
2. Imagine a DILo (Day in the Life Of) a customer, user or stakeholder.
3. Consider if the scenario story is robust, redundant, or needs to be modified.

Delphi method

This is essentially a polling of experts to reach some sort of consensus. This is what the Government is doing with our team of epidemiologists.

Causal Layered Analysis

Developed by Sohail Inayatullah in 2004, this approach looks at possible futures from four perspectives:



The litany is visible – the tip of the iceberg. This is how we see the world and how it is.

The next level are the social causes. This is looking far deeper at what's happening and questioning assumptions.

Beyond that is the discourse/worldview level. This is where people can challenge their belief systems and mental models that underpin their thinking. A wide variety of different perspectives and alternatives emerge at this stage.

Lastly, metaphor and myth is the deepest level where images, stories and gut reactions take over. What myths exist that stop people looking deep and broad? What metaphor create ideas and pictures you haven't seen before.

What about the unexpected?

All of these methods are useful. But you won't get away from three other phenomenon:

Black swans	Serendipity	Antifragile
Black swans are totally unexpected events nobody could foresee. We often like to rationalise them in hindsight.	This is when things happen by chance and turn out well. The discovery of penicillin, vulcanized rubber and Xrays are all examples.	You don't have to buy all of Taleb's thinking here. But he has a point. Some things are better for enduring a shock and a major disruption. They grow back differently and stronger. The shock makes us more creative and we innovate. But we can't foresee when this might happen and what new futures exist as a result.

A final word on thinking about the future

These pointers are a good start:

- I'm open to new ideas, including what others may call weird and whacky.
- I am curious – ask why and observe.
- I think outside my sector and look at global and other changes as well
- I challenge assumptions – mine and others.
- I value diversity.

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Thanks for coming!

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