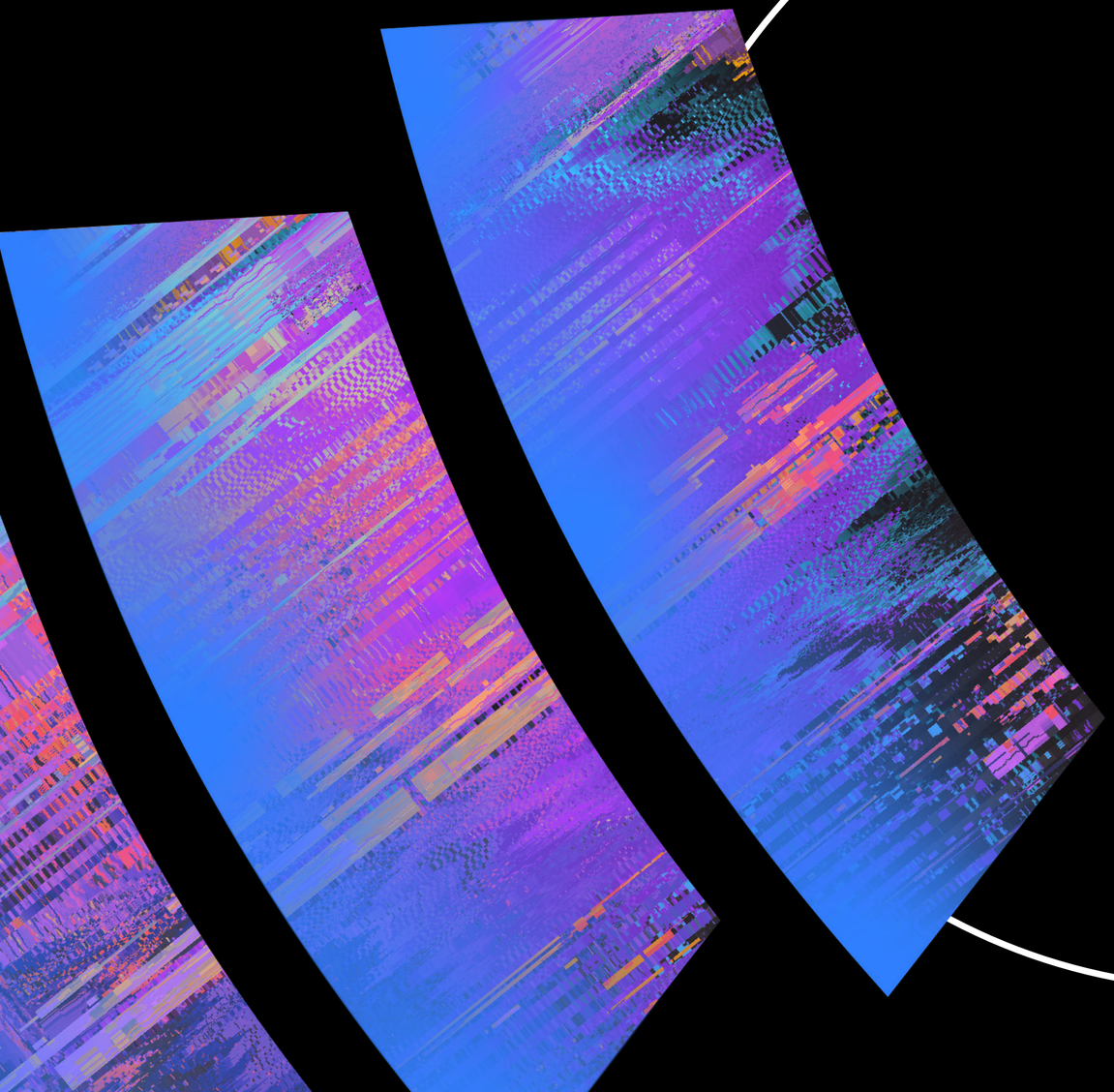

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Embracing Tomorrow: Insights for Anticipating and Thriving in an Uncertain Future

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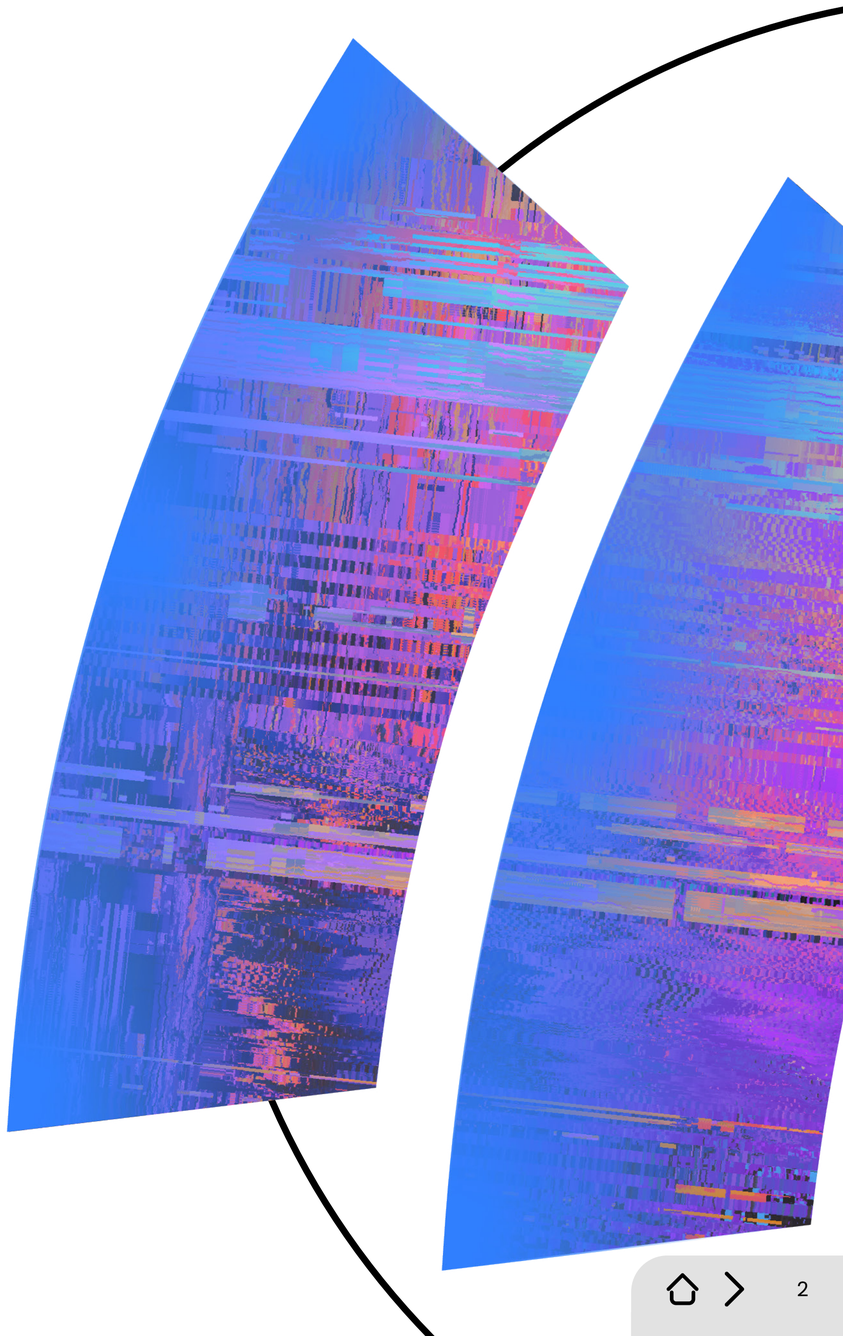


FOREWORD

The data in this report reveals a concerning reality as it exposes a notable lack of future-proofing in UK business. Based on a survey of 101 C-suite executives: 50% of businesses are uncertain about their existence in the next decade, 75% lack concrete risk mitigation plans for climate-related events, and 83% operate without strategies focused on the future.

These numbers are not just warnings but actionable insights. They highlight the urgent need to move beyond short-term thinking and adopt a futures-oriented approach. Rather than advocating for the abandonment of established methods, the emphasis lies in enhancing them with emerging tools in the field of futures thinking.

Imagine identifying emerging changes before they impact financial outcomes; making strategic decisions based on a comprehensive understanding of potential futures, not limited to a singular perspective; or developing organisational resilience to navigate unforeseen challenges and capitalise on emerging opportunities.

Futures thinking is not a solo performance but an orchestra of experienced minds in many different fields that work together to unfold the intricacies of signals and the implications of emerging patterns.

This report serves as a practical futures thinking toolkit. It explores the core principles of the field, analyses research on organisational readiness, and equips you with actionable frameworks, tools, and an understanding of new capabilities to develop within your organisation.

Miguel Jiménez

Executive Director, FFWD, Global Futures Think Tank

Vice-Chair, Association of Professional Futurists

CAN WE PREDICT THE FUTURE IN AN INTERCONNECTED WORLD?

The world is an increasingly tangled web of complex, global, interdependent systems. Change in this hyperconnected world is systemic, emerging from the rise of physical and information networks, and the convergence and interaction of various drivers that produce compounding or cascading effects, further amplifying complexity.

Technological change originating in one part of the world can drive societal upheaval thousands of miles away. Geopolitical factors in another continent can affect the economy at home. And, of course, environmental change is causing wide-ranging, non-uniform disruption globally. This intricate web of systemic interactions and non-linear, exponential impacts makes it **challenging, if not impossible, to pinpoint distinct cause-and-effect relationships**. Change can be so rapid and systemic that by the time we try to adapt to it, the dynamics may have already changed.

In this context, the traditional methods of preparing organisations for what might happen in the future are of decreasing utility. Relying on past experiences and previous best practices may not be applicable or relevant in such a rapidly changing landscape.

To understand the nature of this challenge, this report investigates how **101 business leaders** explore possible future scenarios and prepare for potential challenges to their organisation.

The research suggests that while business leaders spend a lot of time preparing for known threats and trends, that level of preparedness hasn't translated into confidence about their organisation's long-term survival prospects. **A shocking number don't believe their organisation will still exist in ten years' time.**

We discovered that organisations often rely on typical methods of forecasting and scenario planning. While these methods have their merits, they often lock businesses into a pattern of preparing for events rooted in past experiences or anticipated based on historical knowledge and assumptions – **the familiar 'known knowns'.** Despite being a powerful futures methodology, organisations employing scenario planning may inadvertently limit themselves to 'predictive' scenarios derived from historical data, quantitative models, and extrapolation.

We'll dive into the findings of the research, exploring the tools and methods business leaders use to consider potential challenges and opportunities, and how they impact their confidence about their survival. We'll also discuss how **futures thinking** can provide a model for organisations to explore a range of possible futures and prepare for them.

The future is unknown. We do not know for certain what is going to happen, but **we can improve how we imagine what kinds of futures might happen**, and the kind of action needed now, to create our desired futures.

"Radical uncertainty cannot be described in the probabilistic terms applicable to a game of chance. It is not just that we do not know what will happen. We often do not even know the kinds of things that might happen."

Lord Mervyn King, British economist, and former Governor of the Bank of England

Source: [johnkay.com]

"No amount of sophistication is going to allay the fact that all of your knowledge is about the past and all of your decisions are about the future."

Ian Wilson, Technical and Engineering Risk Manager, GE Vernova

Source: [Linkedin.com]

UNDERSTANDING UNCERTAINTY

Uncertainty is not just a theoretical concept; it's a practical reality critical to effective decision-making and strategy formulation. The 21st century has been marked by significant turbulence, with global challenges like climate change, pandemics, and geopolitical tensions amplifying the need to adeptly navigate uncertainty through futures thinking.

By examining uncertainty, we gain a clearer understanding of the complex variables that influence potential futures, enabling the development of more resilient and adaptive strategies. **But uncertainty is not a monolith; it manifests in various forms.**

Epistemic uncertainty

Epistemic uncertainty, often termed "reducible" uncertainty, stems from the gaps in our knowledge. It is the type of uncertainty that can be potentially resolved or reduced through further investigation, research or the acquisition of more data.

There are various forms in which epistemic uncertainty manifests, such as insufficient data, imprecise measurements, or a lack of understanding. For instance, in scientific research, the absence of precise measurements or comprehensive models can engender epistemic uncertainty.

Aleatory uncertainty

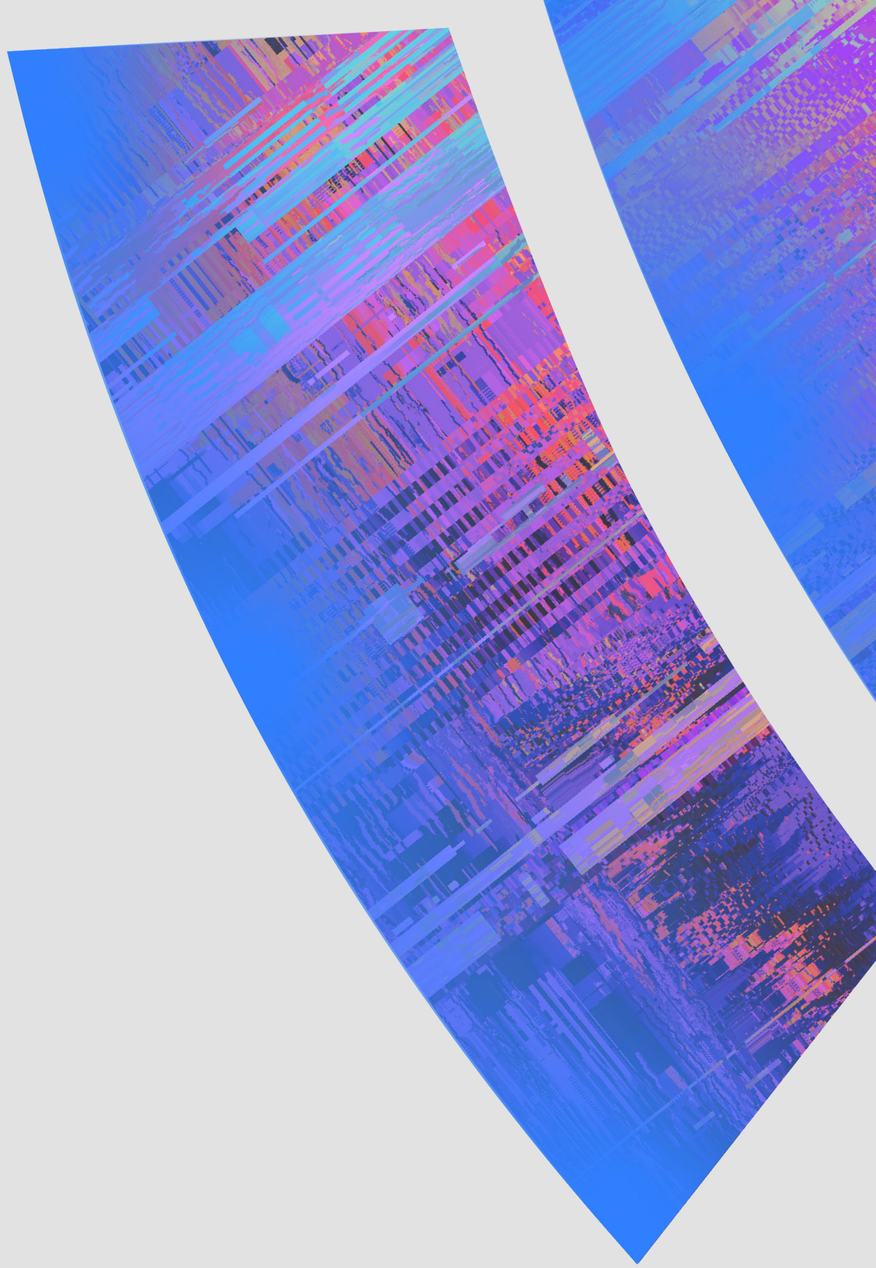
Aleatory uncertainty, also known as "irreducible" or "inherent" uncertainty, arises from the inherent randomness and unpredictability in natural or human systems.

Typically associated with the inherent variability or stochastic nature of processes, examples of aleatory uncertainty include the unpredictability of weather events, fluctuations in stock market prices, or the random failure of machine components.

Ontological uncertainty

Ontological uncertainty pertains to the uncertainty arising from the complexity of the structures, relationships, and boundaries within a system or a problem domain. It is often linked to fundamental questions about the nature and existence of entities and their interrelations which may change over time or may be understood differently from varied perspectives.

When there is ambiguity or disagreement about the categorisation of entities, the structure of a system, or the nature of relationships between entities, ontological uncertainty emerges. For example, in the realm of public policy, a new form of technology might introduce ontological uncertainty if it challenges existing regulatory categories or frameworks.



Ambiguity

Ambiguity refers to the uncertainty arising from the ability to interpret information, concepts, or events in multiple, often conflicting, ways. It stems from lack of clarity, or the existence of multiple meanings or interpretations in communication and representation. In futures thinking, ambiguity can be a significant source of uncertainty which can lead to varied interpretations of potential futures and the pathways to reach them.

Ambiguity can manifest in various scenarios such as conflicting interpretations of data, unclear definitions, or vague goals and objectives. For instance, a policy proposal might be ambiguous if it lacks clear guidelines, leading to diverse interpretations among stakeholders.

Normative uncertainty

Normative uncertainty arises from conflicting values, ethics, or norms in a situation, making it unclear which should be prioritised. This type of uncertainty is particularly prevalent in complex societal or organisational contexts where diverse stakeholders have different values, interests, and perspectives.

In any situation where there is a lack of consensus on the values or principles that should guide decision-making, normative uncertainty can manifest. For instance, discussions around the ethical implications of emerging technologies often entail normative uncertainty due to differing ethical frameworks and societal values.

SURVEY RESULTS AND FINDINGS

Methodology

BJSS commissioned Censuswide, an international market research consultancy headquartered in London, to carry out a survey among 101 C-suite executives about their approaches and methods for future planning. All respondents were from UK-based organisations across a multitude of sectors, including energy, financial, health and social care, and retail.

Key Findings

50% of respondents believe their organisation won't exist in 10 years' time.

83% of organisations lack a future-focused strategy.

75% of businesses don't have risk mitigation plans for climate-related events.

18% of companies are prioritising AI within the next 12 months.

Censuswide survey insights

Figure 1: C-Level priorities over the next 12 months

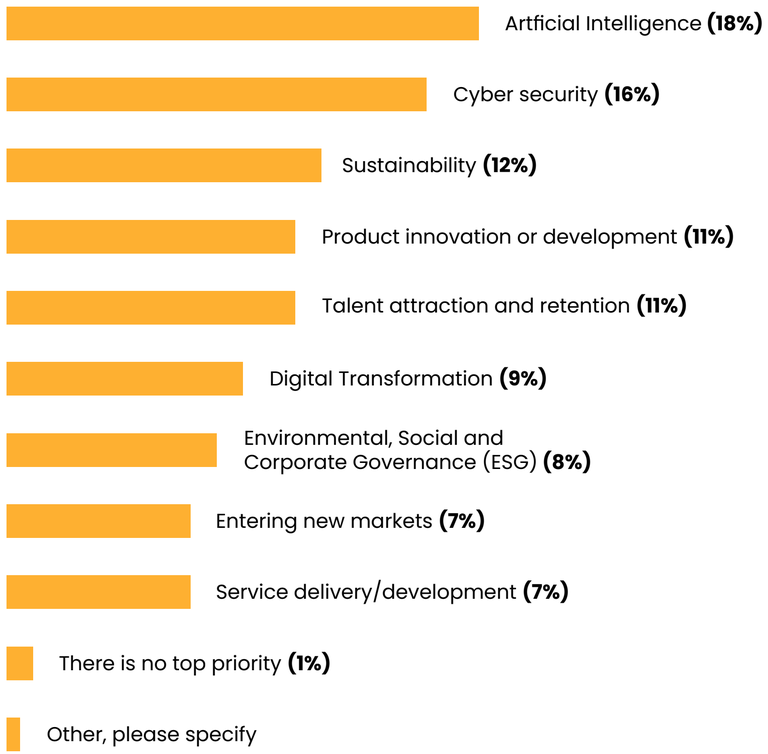


Figure 2: The biggest threat to the organisation in the next 5-10 years

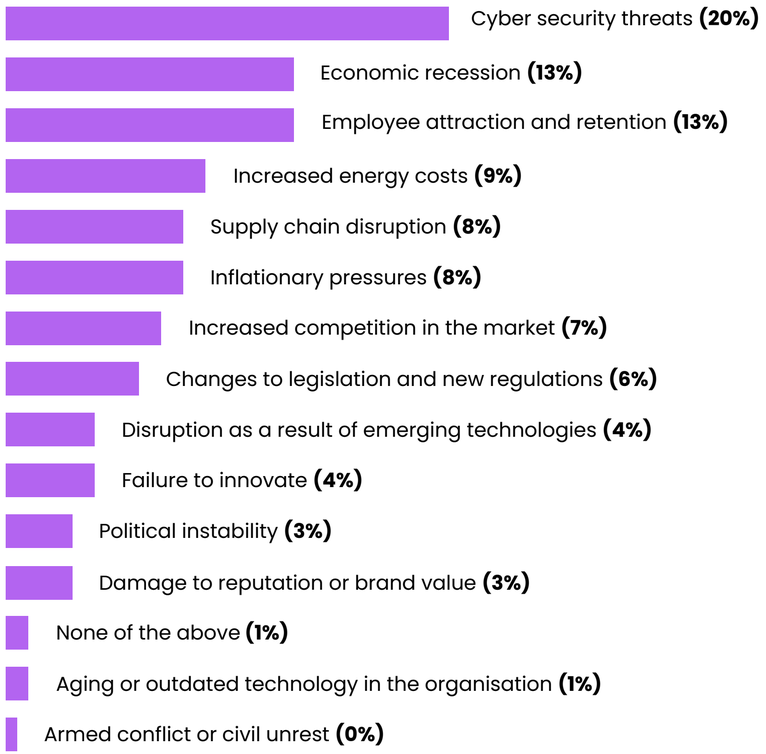
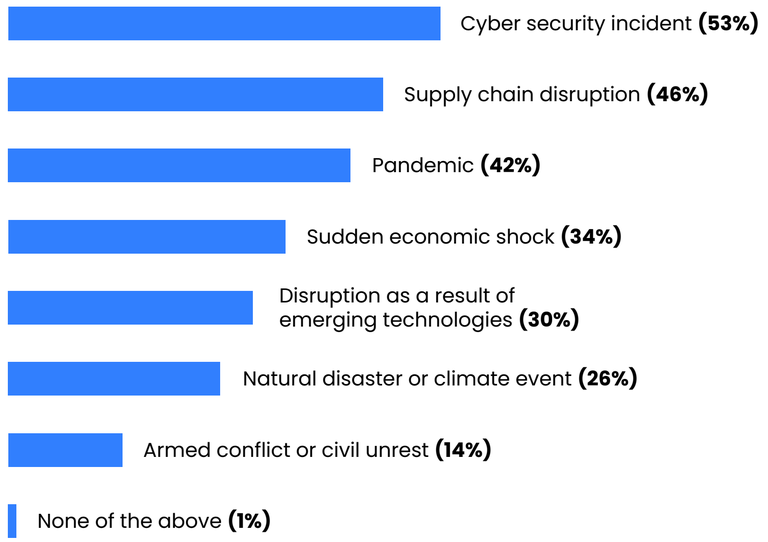


Figure 3: Scenarios for which risk mitigation plans or policies exist



Censuswide survey insights

Figure 4: Length of business strategy

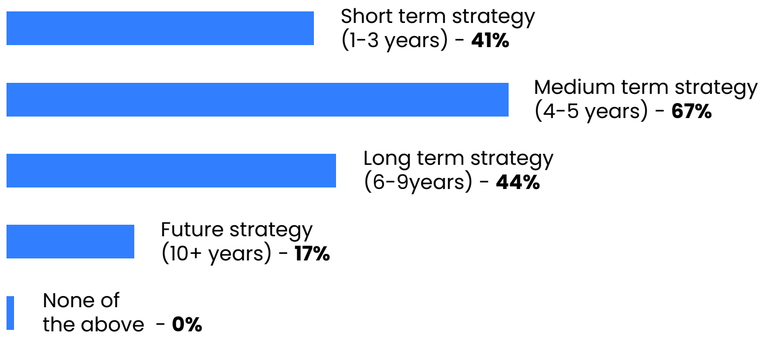


Figure 5: Frequency of resiliency planning sessions

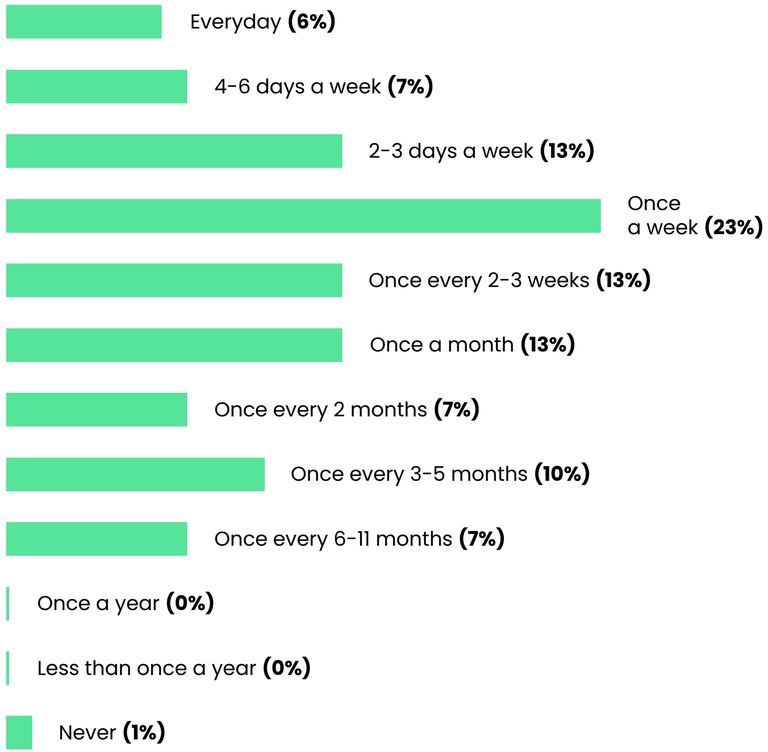
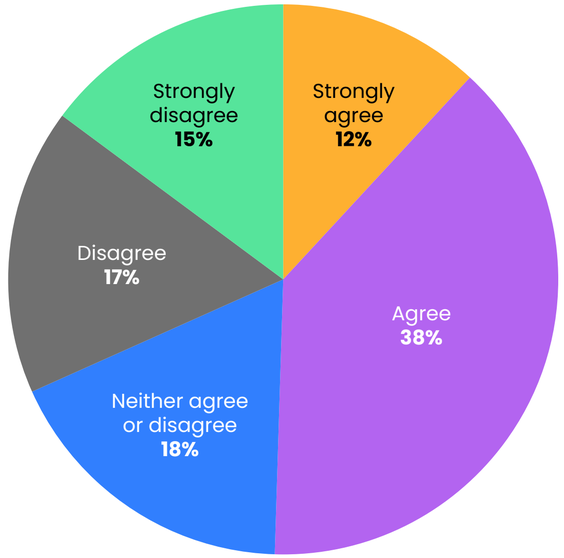
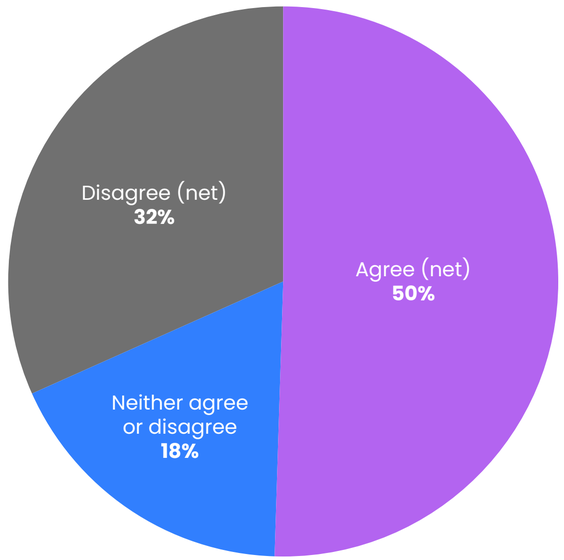


Figure 6: Belief that organisation will exist in 10 years' time





Censuswide survey insights

Figure 7: Organisational ability to foresee and anticipate future events that could impact business

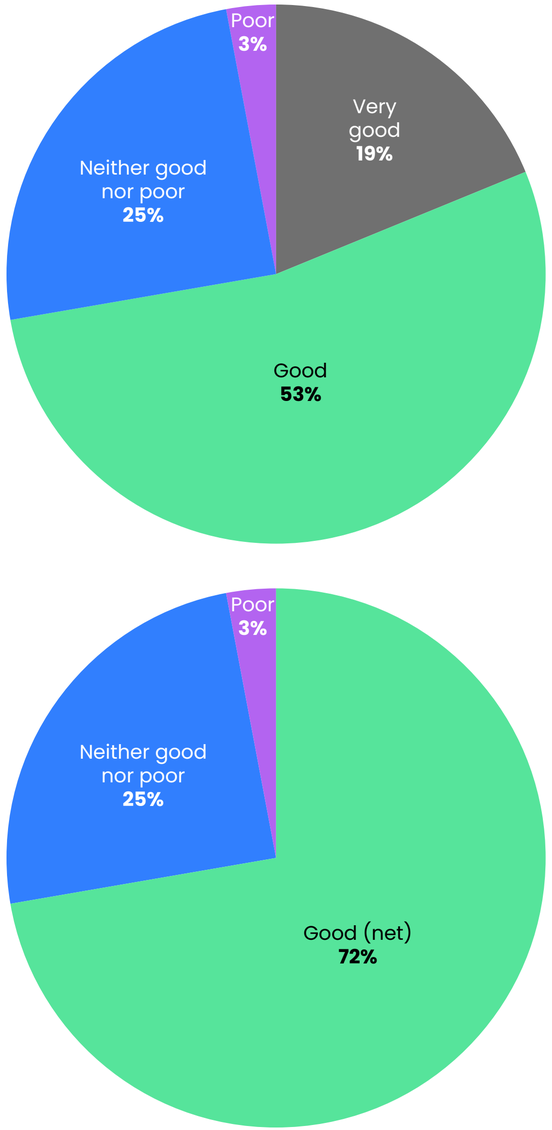


Figure 8: Future planning tools or methods utilised in our organisation

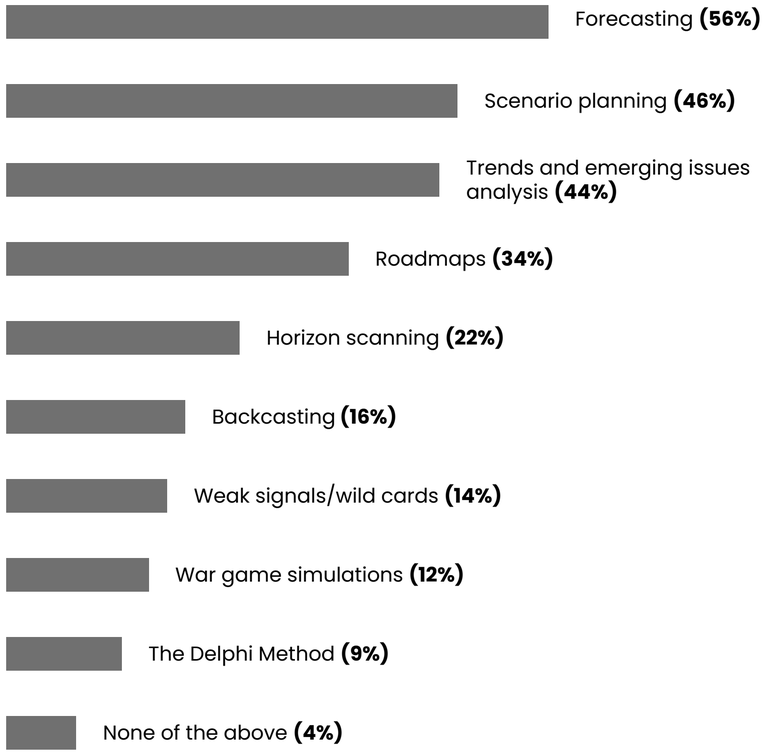
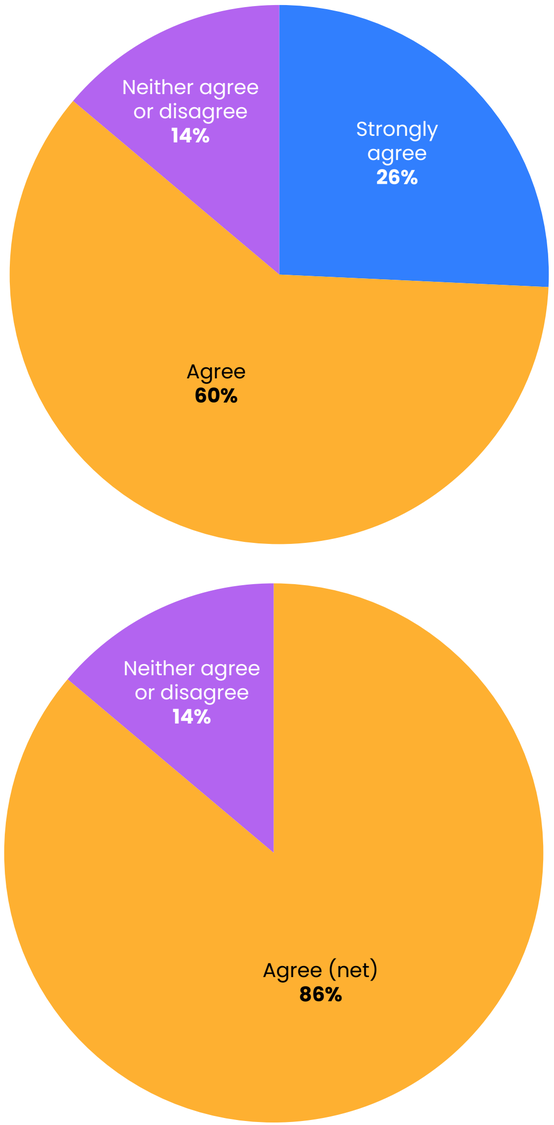


Figure 9: Belief in organisational ability to implement foresight, corporate strategy, or future-proofing recommendations



In the next 12 months, artificial intelligence (AI) has been identified as a primary focus for

18%

of companies.

AI and cybersecurity are top priorities

Organisations are displaying a keen interest in artificial intelligence, cybersecurity, and sustainability. While organisations prioritise AI, there is a paradoxical disconnect in understanding its potential implications, which include economic, ethical and security considerations.

While cybersecurity continues to remain a concern for 20% of businesses, the understanding of AI's potential impact seems to lag, with only 4% expressing unease about disruption from emerging technologies. This observation suggests a potential gap in the awareness and understanding of AI's implications within organisations.

The disparity in concern levels between cybersecurity and AI's perceived impact may indicate a lack of comprehensive understanding or awareness regarding the potential disruptions posed by emerging technologies like AI.

This could imply that organisations may be proceeding based on existing assumptions or might lack the capacity to thoroughly explore and make informed positions on the broader implications of AI. It highlights the need for organisations to enhance their understanding of AI's potential impacts to make more informed decisions and strategies.

Remarkably, the potential dangers posed by armed conflict and civil unrest seem to have a relatively low impact on the overall perception.

Almost

60%

of organisations are ill-prepared for potential future pandemics.

Organisations are planning for the short-to-medium term for scenarios they're aware of

Around two out of every five businesses (42%) have a policy in place for the occurrence of a pandemic. In a post-Covid world, this seems self-explanatory; in fact, it may even come as a surprise that this percentage isn't higher. However, 10 years ago, would the global spread of a virus that forced society into lockdown have been conceivable? Would an organisation in 2014 have considered it a worthwhile use of resources to plan for such a scenario?

Most likely not. The impacts of the Covid-19 pandemic may have been considered a too far-fetched series of events. And yet, the whole world was caught off guard when the coronavirus spread. This was despite an abundance of foresight regarding the possibility of a pandemic. The foresight existed; however, most governments and businesses were so focussed on short term goals and the most likely risks that they ignored the foresight. Hindsight now underscores the critical importance of heeding early warnings and incorporating foresight into long-term planning strategies.

83%

of organisations lack a future strategy beyond the next 10 years.

Businesses are not considering 10+ years in the future or using longer-term planning tools

The findings reveal a dominance of short-term strategies, with 17% of respondents contemplating future-ready strategies that explore beyond the next decade. A significant majority (41%) are engrossed in strategies limited to the next three years, a trend hindering long-term foresight and anticipation. Regular resiliency planning sessions vary from daily (6%) to weekly (23%), with the frequency suggesting a focus on immediate, known and foreseeable issues, feeding a cycle of short-termism and a false sense of certainty.

50%

of respondents believe their organisation won't exist in 10 years' time.

Frequent resiliency planning hasn’t translated into confidence about long-term survival

Interestingly, despite half of all respondents expressing concerns about the longevity of their organisations, a substantial number (72%) believe in their ability to foresee and anticipate future impactful events. This vast contrast raises questions about the barriers to translating anticipation into long-term success, with many business leaders consumed with the day-to-day running of the organisation and lacking the means to fund and prioritise the capacity to consider longer-term threats and opportunities.

Balancing long-term strategies with immediate plans

Striking a balance between current plans and long-term goals is a common challenge in organisational strategy. While many companies have a short (1-3 years), mid (4-6 years) and long (7-9 years) term strategy in place, it's clear that many struggle to look beyond this and put resources into anticipation and future ready strategies that explore 10+ year timeframes.

This intense focus on short-term objectives can lead to organisations falling behind existing or emerging competitors. Prioritising short-term objectives often leads to a narrowed vision, obscuring both the potential threats and emerging opportunities that a longer-term perspective might reveal.

How can business leaders be freed from the myriad of immediate pressures to contemplate the long-term existential threats to the business?

Risk vs. Uncertainty

Risk is typically associated with situations where outcomes can be described in probabilistic terms. It involves known probabilities and the ability to assess the likelihood of different outcomes based on historical data or models. Risk is often associated with events rooted in past experiences or anticipated based on historical knowledge.

Uncertainty, on the other hand, goes beyond the probabilistic terms applicable to risk. Uncertainty refers to a condition characterised by a lack of predictability or certainty about future events, outcomes, or states, often due to incomplete information, variability, or complexity.

Risk is associated with known probabilities and events rooted in historical data, while uncertainty involves a lack of clarity about potential future events, often stemming from the complex, interconnected nature of the world. Traditional risk management methods are not effective in dealing with uncertainty, which requires a more forward-looking and adaptable approach.

"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction."

Bill Gates, Microsoft Co-Founder

Source: Google.com

THE CHALLENGES OF SHORT-TERM THINKING

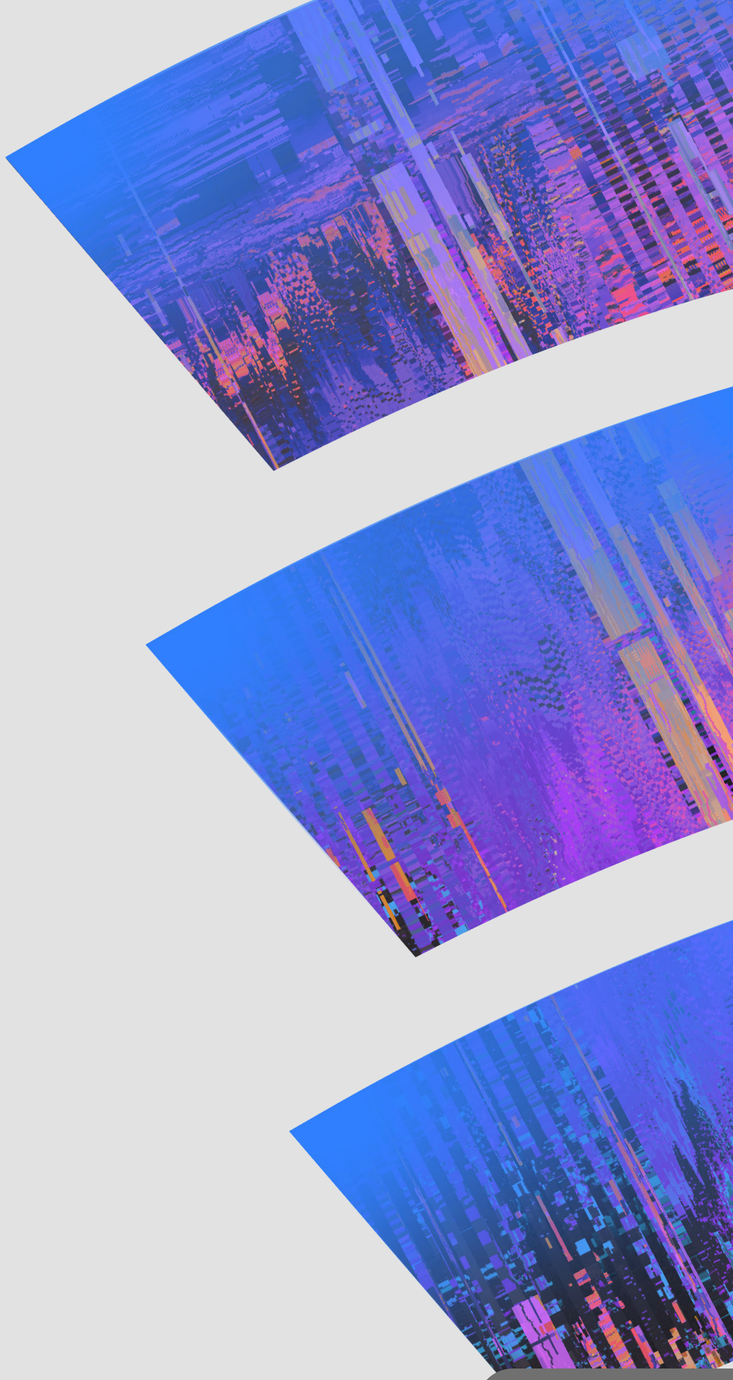
Short-termism gives priority to immediate operations and short-term results, often creating an environment of pressure within organisations. With teams often focused on producing results on a quarterly basis, resources are often not afforded to explore and implement forward-looking strategies and anticipation.

A lack of investment in anticipation can affect the ability of organisations to adapt to new market conditions and compete on a global scale. To survive disruption and to be poised for long-term growth, companies need to have future ready strategies in place.

Many organisations share a similar struggle with short-termism, with a focus on immediate 'normative' strategies potentially jeopardising long-term adaptability and competitiveness. Only 17% of organisations have a future-oriented strategy informed by foresight and anticipation that extends beyond 10 years.

The prevalence of short-termism is apparent, with 41% of businesses heavily entrenched in normative strategies which are limited to the next three years and lack longer term perspective. *(Figure 4, page 10)* This raises concerns about whether organisations, while addressing immediate challenges, are sacrificing vital future awareness, and factoring this into short-term planning.

Balancing immediate needs with future resilience is crucial for organisations navigating the evolving landscape of risks and opportunities.



Avoiding the *tyranny of now* and embracing *the power of yet*

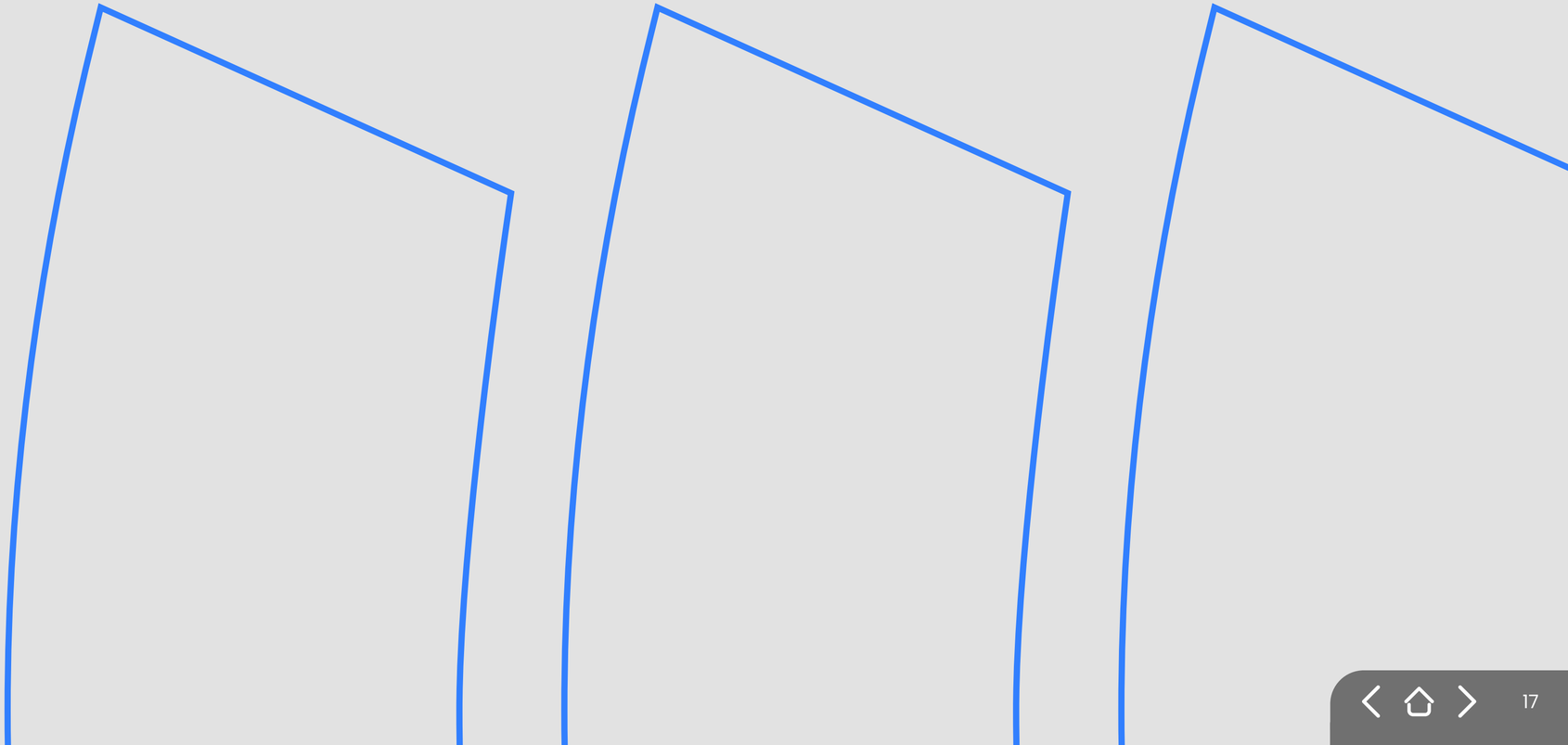
While **86% of business leaders express confidence in their organisations' ability to implement foresight and strategies** (Figure 9, page 11), 50% still believe their company may not survive the next decade. This contradiction highlights the struggle leaders face in balancing the urgent demands of the present with the uncertainties of the future. This finding could also indicate that they are comfortable basing their strategies on knowns but acknowledge an inability to grapple with the inherent uncertainty that exists in the business environment.

With the quarterly structure, market demands, and uncertainty heightening organisational focus on the short-term, many working cultures focus on immediate results, raising the pressure to centre on the present, often leading to the neglect of anticipation and forward-looking planning. Uncertainty further complicates matters, forcing businesses into a reactive posture where strategies must be constantly adjusted to navigate unforeseen disruptions. This reactive approach can hinder the development of a comprehensive long-term vision.

What psychologist **Carol Dweck** refers to as the **'tyranny of now'** is a fixed mindset focused on the current. Whereas the concept of **'the power of yet'** encourages viewing challenges as opportunities for growth, fostering resilience, and promoting a belief in the potential for improvement.

The tyranny of now has business leaders immersed in immediate concerns, leaving limited time and bandwidth for contemplating the distant horizon. For organisations to seize opportunities for future growth, it is vital to implement a growth mindset that is willing to embrace future change and what lies in the 'yet'.

In a complex and fast-changing world, business leaders must shift their gaze beyond the immediate to discern emerging trends, competitor activities and change in the business environment, recognising that what we cannot currently imagine might shape the future landscape.



The importance of forward-looking strategies

Futures thinking helps companies avoid falling into a cycle of short-termism and reactivity. Utilising strategic resources only in the short-term can hinder the opportunity afforded by exploring the future and anticipating the business implications.

This report explores ways in which organisations can avoid the constricted view of the now and raise anticipatory awareness of the longer term, setting them up for future success.

Yet, as perceived uncertainty and volatility intensify, the pace of change is accelerating, heightening the sense of urgency and the inclination towards short-termism. Paradoxically, it is the consideration of these changes over longer timescales that presents a viable method for navigating this uncertainty. By extending focus beyond the immediate, organisations can better anticipate and adapt to the evolving landscape, turning short-term challenges into long-term opportunities.

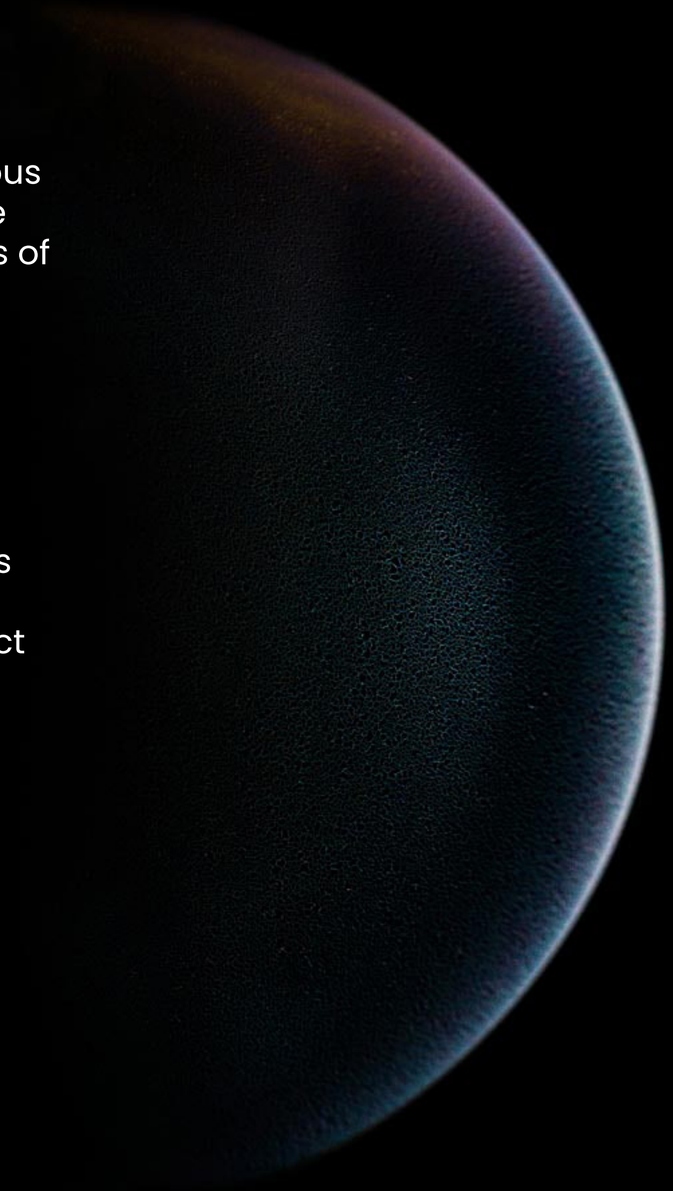
INTRODUCING FUTURES THINKING

What is Futures Thinking?

Futures thinking is a systematic approach for exploring, anticipating and preparing for various future scenarios, trends and uncertainties. This discipline takes a comprehensive view of the future, utilising a range of tools and methods to navigate the complexities and uncertainties of the future.

At its core, futures thinking involves a set of practices that detect, evaluate and interpret current signals of change, enabling the envisioning of potential future scenarios. These practices facilitate an understanding of potential implications, expanding narratives and aiding in more informed decision making and actions.

Incorporating futures thinking into organisational strategies and decision-making enhances resilience to change and fosters the attainment of long-term benefits. This approach is distinct from traditional forecasting or trend analysis, which often rely on past data to predict future outcomes. Instead, futures thinking focuses on challenging existing narratives and perceptions, and on interpreting and understanding emerging signs of change, therefore offering a more dynamic and adaptable framework for anticipating the future.

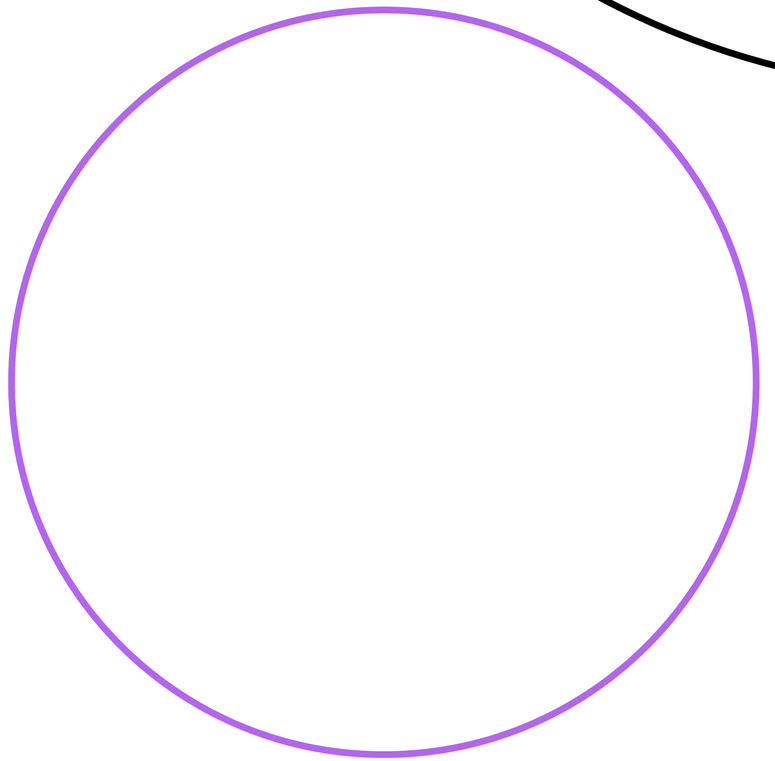


A HISTORY OF FUTURES THINKING

Futures thinking, often intertwined with strategic foresight and scenario planning, has a diverse history rooted in cultural traditions and philosophical contributions. Military strategies influenced early thinking, and systematic approaches emerged during and after the Second World War.

With the RAND Corporation formalising the concept of futures thinking, the 1960s saw the emergence of futures studies as an academic discipline, with figures like Kahn and Toffler popularising systematic futures thinking.

Corporate adoption, global expansion, and contemporary developments, driven by technology and inclusivity, continue to shape futures thinking. In the 21st century, the focus is on emerging technologies, societal ethics, and addressing global challenges like climate change and inequality.



Key benefits of futures thinking

Futures thinking cultivates a mindset of anticipatory awareness, equipping organisations with the adaptability, resilience, and innovative capacity essential for navigating uncertainty. This forward-looking approach enables organisations to rehearse many futures, enhancing future readiness and paving the way for longer-term success. Distinct from conventional planning methodologies, futures thinking strengthens decision-making processes by actively engaging with uncertainty, rather than avoiding it.

Futures thinking encourages curiosity and imagination, and invites alternative thinking, empowering organisations to proactively shape their futures and ask the crucial 'What if?' questions - *What if a new competitor emerges? What if the market changes? What if a pandemic occurs?*

Yet despite this, **83% of organisations lack a forward-looking anticipatory based strategy**, (Figure 4, page 10) highlighting the need to integrate futures thinking into routine conversations to ensure resilience and preparedness for future challenges.

Key futures thinking approaches

The power of futures thinking lies not in the tools and methods themselves, but in the hands of those adept at interpreting and applying them in any given project. **The Foresight Diamond framework**, conceived by Rafael Popper, offers a structured way to understand the key methodological domains within the practice of futures thinking:

Creativity

Emphasises methods that harness imaginative, innovative, and unconventional thinking, crucial for envisioning unforeseen possibilities and alternatives.

Expertise

Methods in this domain rely on specialised knowledge, leveraging expert insights to inform decision-making and shape recommendations.

Interaction

Prioritises the importance of collaborative, inclusive, and interactive methods, and harnesses broader societal perspectives in enriching foresight.

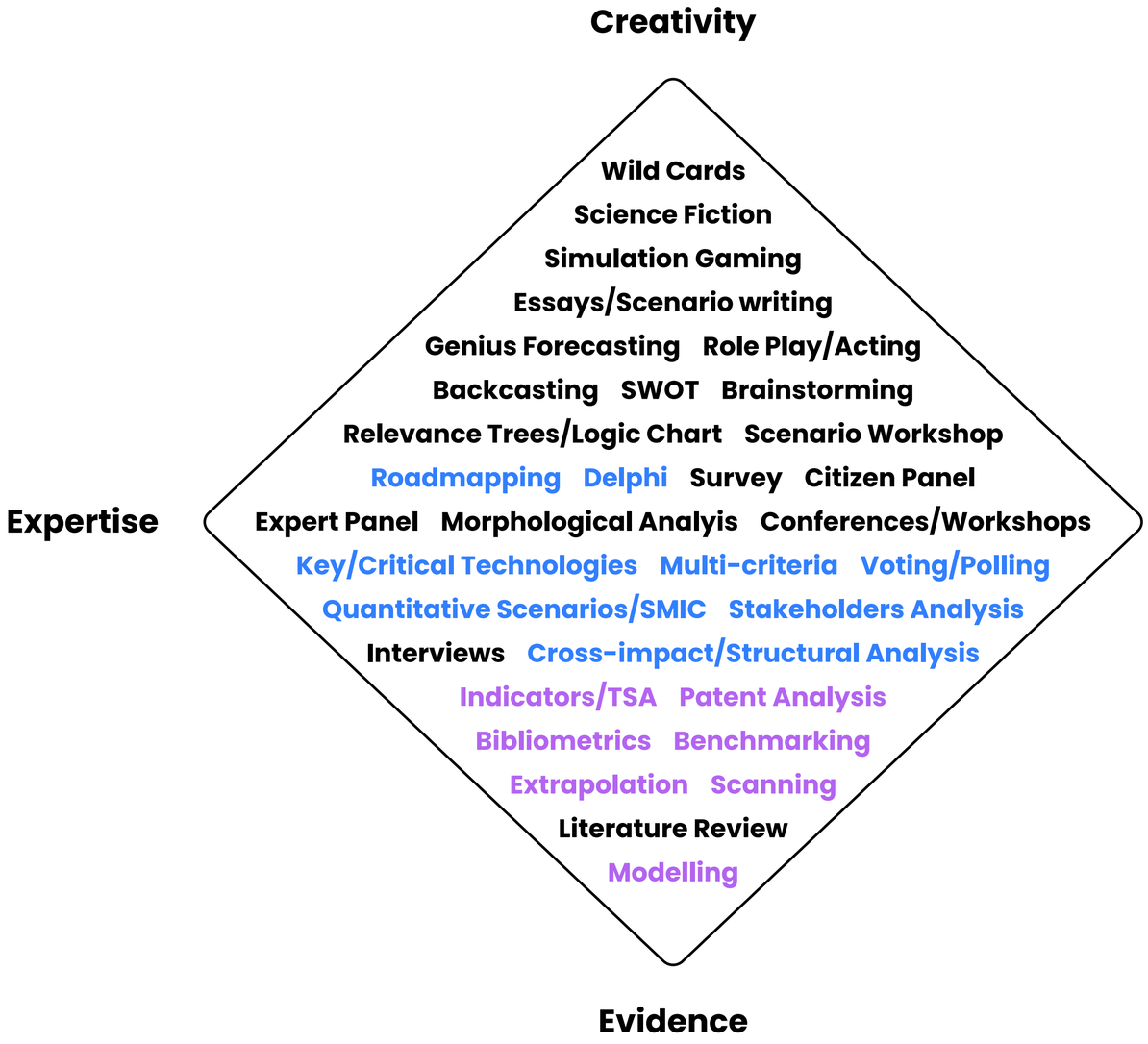
Evidence

Evidence-oriented methods are grounded in rigorous data analysis, providing a factual basis for projections, yet also stimulating creative and participatory discourse.

The multidimensional nature of the Foresight Diamond framework highlights the importance of integrating different streams of knowledge in futures thinking activities. For projects, employing a combined approach that draws from all four domains fosters robust and comprehensive foresight.

Such an integrated approach is instrumental in facilitating strategic discourse, identifying narratives and knowledge gaps, building consensus among stakeholders, and discerning necessary trade-offs. Moreover, it energises teams and spurs action, ensuring a thorough consideration of all essential aspects and viewpoints, thereby enhancing the strategic thinking and outcomes.

The Foresight Diamond



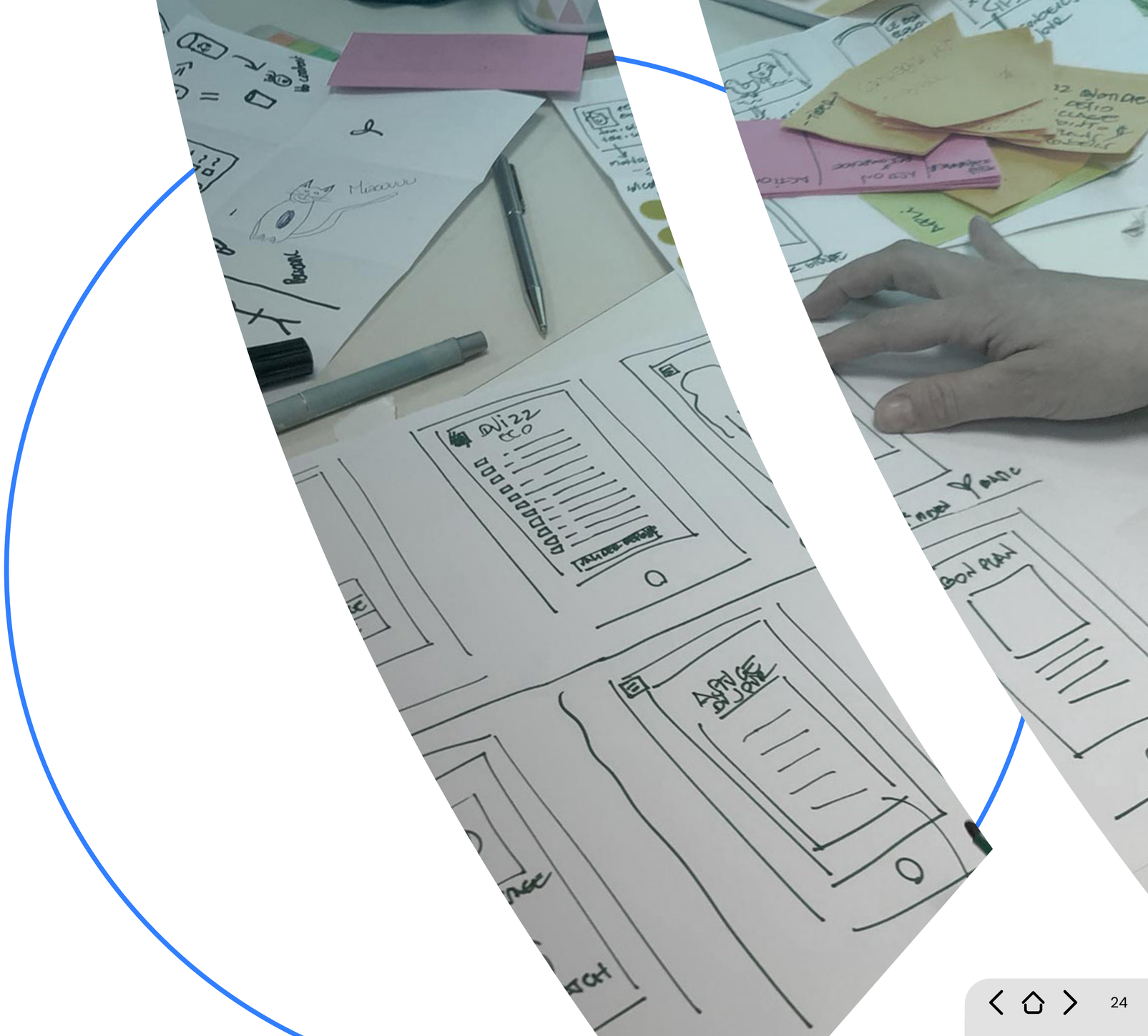
Futures Thinking Methods:

- **Qualitative (19)**
- **Semi-quantitative (8)**
- **Quantitative (6)**

Source: *The Handbook of Technology Foresight: Concepts and Practice*

Design-led methods

The recent growth of design thinking has significantly enhanced futures thinking, introducing a suite of methodologies largely inspired by design principles. These approaches, distinct in their nature, are progressively enriching the dialogue and toolkit of futures thinking. They bring fresh, innovative perspectives that augment the conventional analytical and strategy-oriented methods, placing a marked emphasis on creativity and participatory engagement. Notable among these methods are design fiction, speculative/prospective design, and critical and discursive design, each contributing unique insights and perspectives to the practice of futures thinking.



FUTURES ORIENTATION

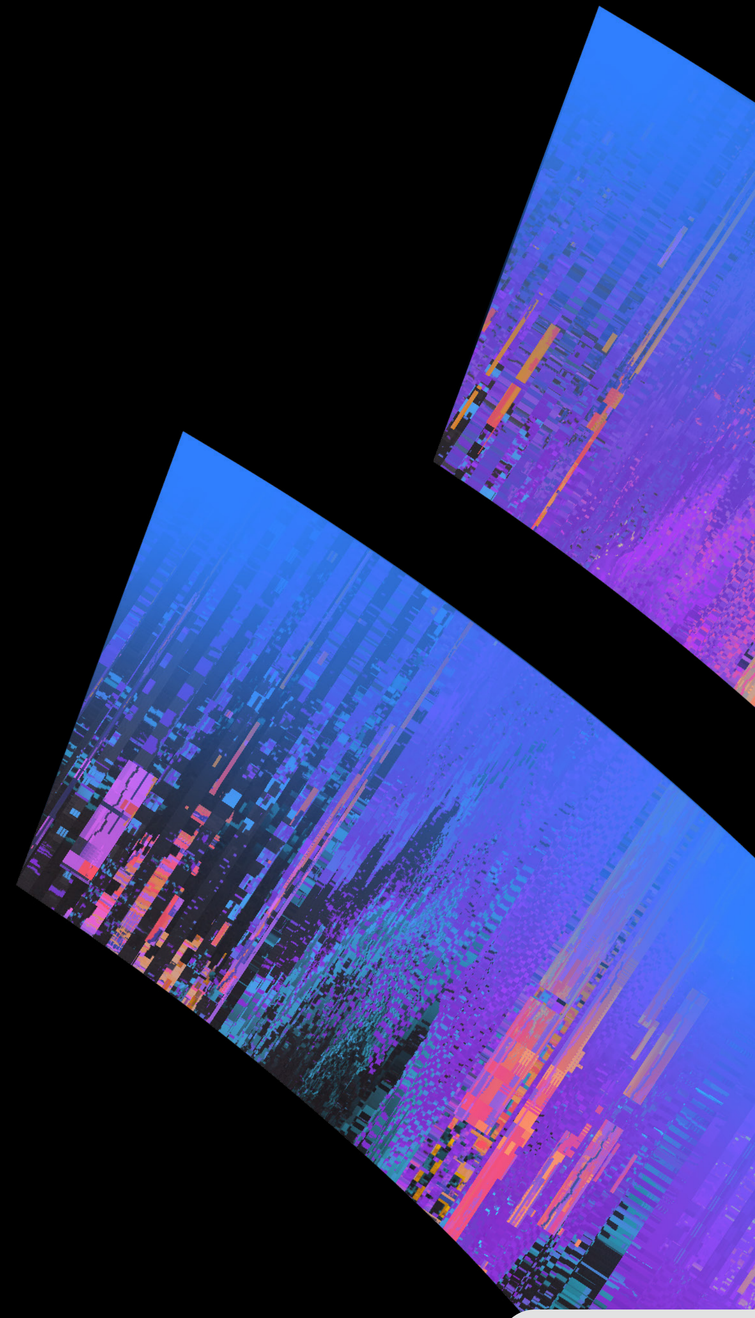
The ability to anticipate and navigate the future in contextually appropriate ways becomes increasingly critical as the pace of change accelerates. The table below segments key orientations of futures thinking for indicative purposes, each characterised by external drivers such as global economic trends or societal transformations, and internal imperatives like organisational resilience or ethical alignment. These orientations lend themselves to distinct tools and methodologies, chosen to effectively address the challenges and opportunities presented by both the external environment and the internal strategic landscape.

The table highlights the fluidity of futures thinking, where tools may transcend singular orientations, reflecting the dynamic and interconnected nature of foresight work. This table also provides an overview of various futures thinking orientations.

Futures Orientation	External drivers	Internal needs	Indicative tools & methods
Explorative Futures	Technological innovation, market volatility, uncertainty, disruption	Adaptability, flexibility, resilience	Futures intelligence, scenario planning, trend and emerging issues analysis
Normative Futures	Sustainability goals, ethical goals, policy, and regulation	Shape a preferred future based on current values, ethics, and desired outcomes; and visionary leadership	Deductive scenarios, visioning workshops, back casting, and road mapping
Predictive Futures	Data deluge, emerging risks, policy, and regulation	Data-driven decision-making, risk management	Econometric modelling, time series analysis, big data, and analytics
Strategic Futures	Competitive landscape, geopolitical events, uncertainty, disruption, inflection	Strategic alignment, resilience, avoid strategic surprise and shock	Futures intelligence, scenario planning, futures wheel, SWOT analysis
Critical Futures	Shifting social norms, cultural, societal, and political narratives	Understand and question prevailing narratives, assumptions, world views and beliefs, understand broad perspectives	Futures intelligence, causal layered analysis (CLA), futures wheel
Participatory Futures	Inclusivity and diversity in governance, social and ethical responsibility, collective intelligence, and stakeholder empowerment	Collective intelligence, stakeholder engagement, inclusivity and diversity, social and ethical responsibility	Participatory workshops, Delphi method, citizen panels
Creative/Design Futures	Competitive innovation, demand for novelty, human/humanity focus	Breakthrough thinking, inspiration, human centred perspectives	Speculative design, inductive scenarios, design fiction
Systems-oriented Futures	Global system complexity, interconnectedness, and interdependencies (e.g., climate, finance)	Understand interdependencies, policy and decision-making, emergent behaviour anticipation, learning and adaptation	Futures intelligence, systems and complexity thinking, dynamic modelling, scenario planning

At a more general level, a combination of these approaches can be used in workshops, projects, and continual monitoring to:

- **Create space for deeper strategic conversation**
- **Identify gaps in knowledge (epistemic uncertainties)**
- **Build consensus among stakeholders (minimise normative uncertainty)**
- **Identify trade-offs**
- **Engage staff and stakeholders**
- **Inspire action**



Governance and The AAA (Anticipatory, Adaptive and Agile) Framework

The Covid-19 pandemic forced the recognition that governments are poorly equipped to deal with complex and disruptive emerging issues such as climate change, artificial intelligence, and infectious disease. The overwhelm of traditional planning approaches by these challenges necessitates new forms of governance, which the United Nations Development Program (UNDP) has termed as **"Triple A" governance**:

Anticipatory futures thinking and planning involves the strategic approach of envisioning scenarios that may seem unimaginable.

Adaptive futures thinking recognises the unpredictable nature of the future and involves continuously reassessing and adjusting strategies to navigate evolving circumstances.

Agile futures thinking is an iterative approach to anticipating and responding to future developments, enabling quick responses to evolving situations.

The Economic and Social Commission for Asia and the Pacific (ESCAP) has detailed how traditional governance systems and policymaking lack the agility needed to deal with the social, economic, and environmental challenges resulting from the Covid-19 pandemic.

"The Anticipatory, Agile and Adaptive ("Triple A") Governance approach refers to the ability of institutions to adapt to changing circumstances through responsive and iterative policymaking."

Source: 2023 Asia-Pacific SDG Partnership Report

KEY CONCEPTS - THE FOUNDATION OF FUTURES THINKING

The following section provides an overview of key concepts within futures thinking. While this is not an exhaustive exploration, it offers a glimpse into some foundational elements that underpin this field.

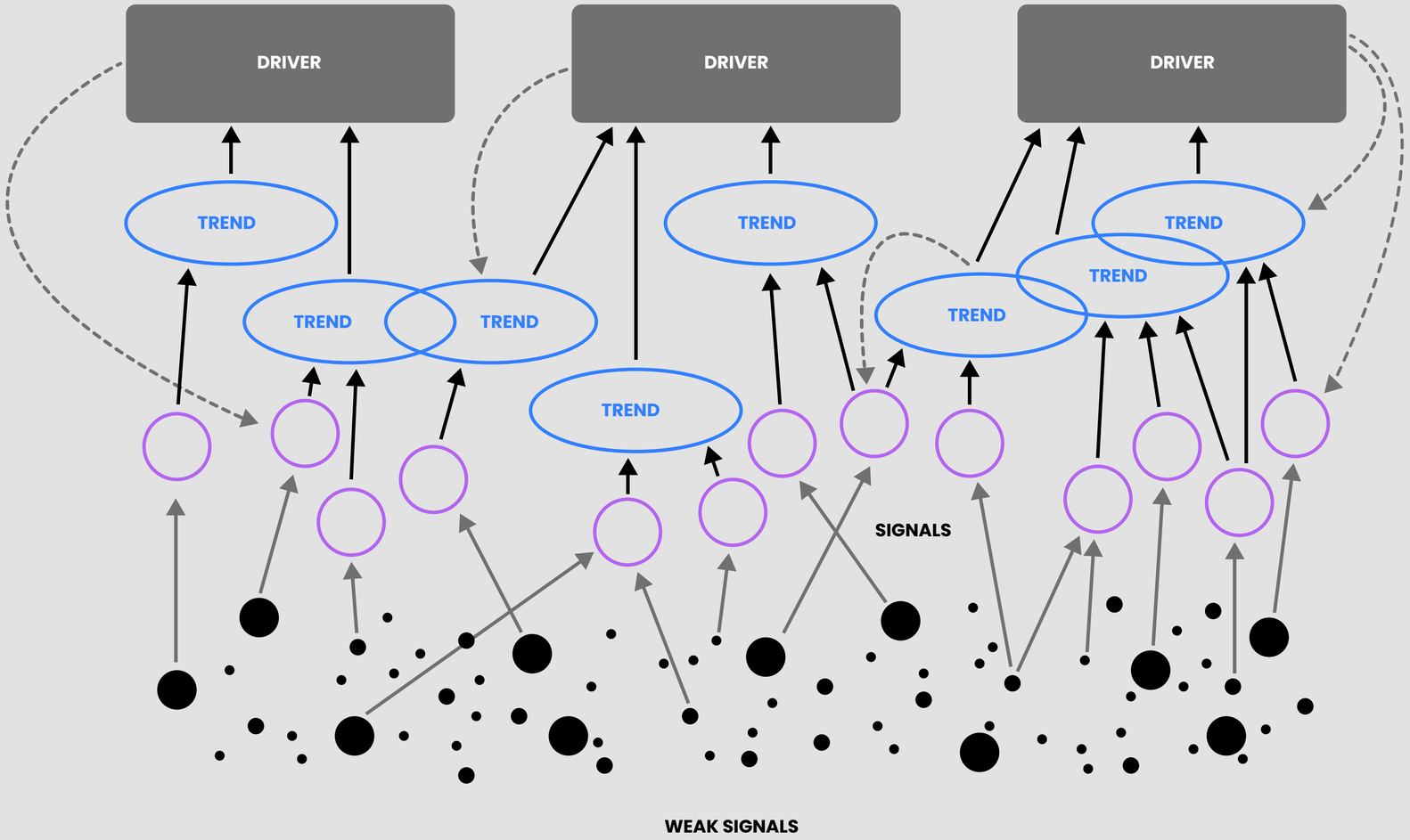
Futures intelligence

Drivers are broad, long-term trends that are likely to have a significant impact on the future.

Trends are large-scale, long-term changes that are likely to have a significant impact on society and the world.

A **signal** is typically a small or local innovation or disruption that has the potential to grow in scale and geographic distribution.

We go on to explore this concept in further detail on the following pages.



Source: ***How to Future: Leading and Sense-making in an Age of Hyperchange***

The concept of futures intelligence

Futures intelligence is a systematic method of collecting and analysing data about the changing world, helping organisations to anticipate and adapt to emerging trends and potential disruptions.

The concept of emergence is important. Emergence describes the unexpected and novel properties and complexities that arise from the collective dynamics of a system. These emergent properties cannot be predicted from knowledge of the individual components or historical data.

Futures intelligence involves looking for the clues that indicate what might emerge from the interconnection of many factors in a complex and dynamic environment. Futures intelligence provides the raw information, and when coupled with imagination and creativity, enables organisations to anticipate what might emerge through futures thinking.

Most of the strategic challenges faced by organisations today are emergent phenomena arising from the highly networked and interconnected environment (climate change, globalisation, urbanisation, extremism, misinformation, disinformation, cyber effects, pandemics, etc.). Anticipation is crucial in a highly interconnected, networked world where the time from emergence to impact can be faster than traditional organisations can react to once emergence occurs.

Futures intelligence centres around four critical elements that can be thought of as indicators of change: weak signals, signals, trends, and drivers.

Weak signals

Weak signals are the subtle hints of impending change, often overlooked due to their insignificant appearance. Weak signals are typically characterised as the earliest, smallest signals of change, particularly where the overall pattern they point to isn't immediately apparent and hard evidence for their change potential does not exist.

These inklings, be it anomalous data points or unexpected occurrences are the first whispers of change, suggesting shifts in patterns or directions that are not yet obvious.

Weak signals signify a meaningful change in direction, a divergence of possible developments or a significant evolution of a pattern already observed. They're often easy to rationalise or define retrospectively because the examples seem obvious after the fact.

Signals

Signals serve as early indicators of emerging patterns of change that may have significant future implications. Signals may represent a building pattern of weak signals or the patterns of many weak signals combining.

Searching for signals

Signals are identified through solid scanning practices that enable the search and collection within a defined area of interest. A search for signals is supported by robust scanning practices, facilitating a methodical exploration, and gathering of information within a specified area of interest. We can frame a search for signals using methods like the SWIPES framework from **FFWD**, created to encourage scanning beyond the obvious news source:

S **Statistics:** Analysing relevant statistical data such as market trends, consumer behaviour, and economic indicators.

W **Writings:** Examining industry publications, research papers, and thought leadership articles for insights and emerging themes.

I **Innovations:** Exploring technological advancements, product innovations, and disruptive ideas within the field.

P **Pitches:** Evaluating business proposals, startup pitches, and investment opportunities for potential indicators of future trends.

E **Entrants & Exits:** Tracking new players entering the market and established entities exiting or changing strategies.

S **Superhits:** Studying success stories, breakthroughs, and exceptional achievements within the industry to identify patterns and potential signals.

Identifying signals

Identifying and monitoring signals can help organisations stay ahead of the curve and capitalise on new opportunities or mitigate emerging risks. We can identify signals using the **CIPHER framework**:

C **Contradictions:** Uncovering inconsistencies or conflicts within market trends, consumer behaviours, or industry narratives.

I **Inflections:** Analysing subtle shifts, turning points, or tipping moments that indicate a change in direction or momentum.

P **Practice:** Examining emerging patterns or novel approaches in business practices, technology adoption, or consumer behaviours.

H **Hacks:** Identifying innovative shortcuts, unconventional methods, or creative solutions that disrupt traditional processes.

E **Extremes:** Examining outliers, whether in performance, consumer preferences, or market behaviour, to understand potential signals.

R **Rarities:** Investigating rare occurrences, unique events, or uncommon phenomena that might signal a broader trend or change.

Trends

Trends are observable patterns or shifts over time that are already impacting the now, often influenced by underlying drivers. They may emerge from weak signals, or a combination of weak signals and drivers. Understanding and tracking trends allows organisations to adjust to changes in their industries and markets, ensuring they remain competitive and relevant.

Drivers

Drivers are the deep-seated forces or influences that shape trends and drive change across various domains, such as technology, economics, society, and the environment. For example, environmental concerns about climate change act as powerful drivers that are accelerating renewable energy adoption.

Recognising and assessing drivers, and their interrelationship with trends and signals helps organisations better understand the complex interdependencies and systemic nature of change, enabling them to make more informed strategic decisions.

The importance of futures intelligence

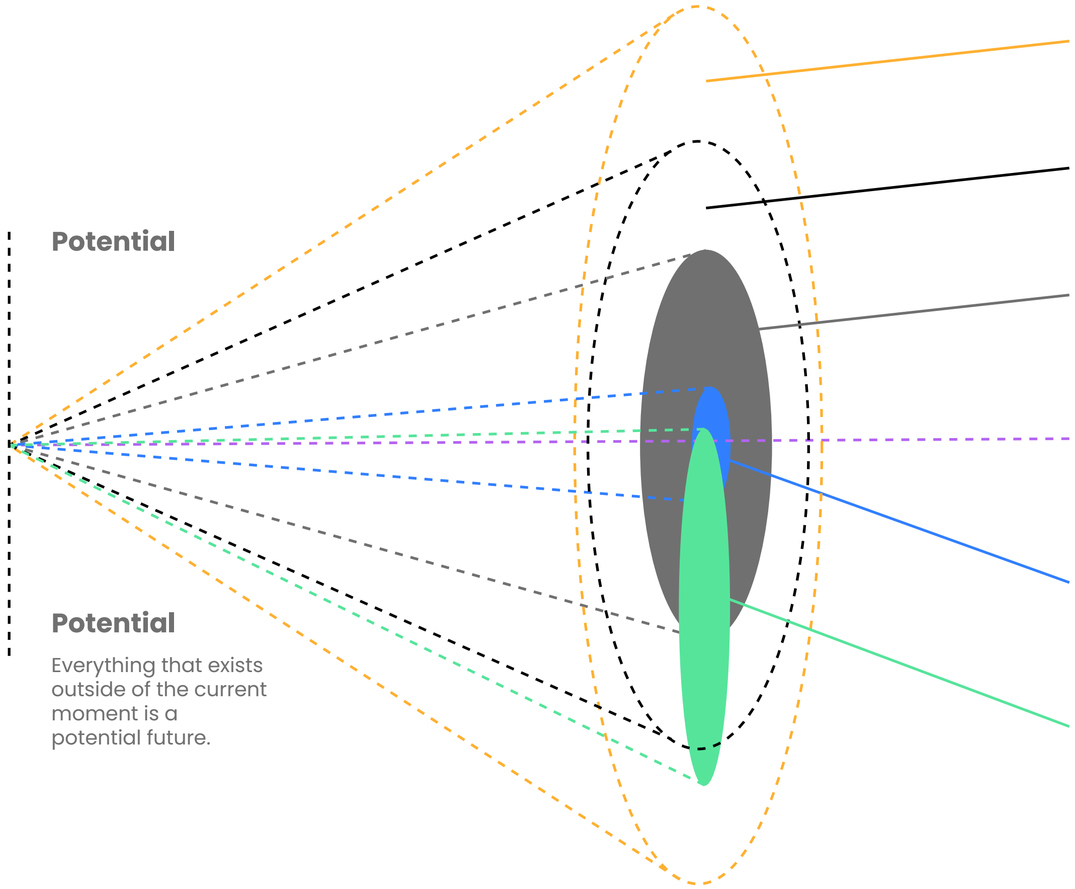
Integrating insights from weak signals, signals, trends, and drivers; futures intelligence offers a full and nuanced perspective of pre-existing narratives and the shifting global landscape. A comprehensive understanding of this means organisations can develop the foresight required to make sense and anticipate potential futures and leverage this to influence new narratives and enact change.

When we look retrospectively at issues like climate change and inequality, it becomes evident that a historical absence of foresight and anticipation has played a role in shaping the decisions that led to the systemic challenges we currently encounter. The role of hindsight in developing insight and foresight is also important.

The Futures Cone

The futures cone was developed by **Joseph Voros** and based on **Charles Taylor's** 'Cone of Plausibility', and the 'Futures Cone' model of futurists Trevor Hancock and Clement Bezold.

The futures cone is a visual tool representing the different types of alternative futures: potential, possible, plausible, projected, probable, preferable, and preposterous.



Preposterous!
"impossible!"
"won't ever happen"

These are the futures that are seen as impossible, unimaginable, laughable or before their time. **According to futurist James Dator**, "any useful idea about the future should appear ridiculous," hence this is a key space for stretching thinking beyond the conventional.

Possible
Future Knowledge
"might happen"

These are all conceivable futures, including those that require yet-to-be-discovered knowledge and epistemological uncertainty.

Plausible
Current Knowledge
"could happen"

Based on our current understanding of the world, these are the futures that we think could happen.

The Projected Future
The default extrapolated 'baseline' 'business as usual' future

The extrapolated 'continuation of the past through the present' future. This is what will happen if nothing changes.

Probable
Current Trends "likely to happen"

Based on what current trends are indicating, these futures are the likely to happen.

Preferable
Value Judgements "want to happen" "should happen"

These are the 'normative' futures we desire, which are subjective and driven by our values, preferences, and desires.

*Source: **The Voroscope***

The Importance of Addressing Bias in Futures Thinking

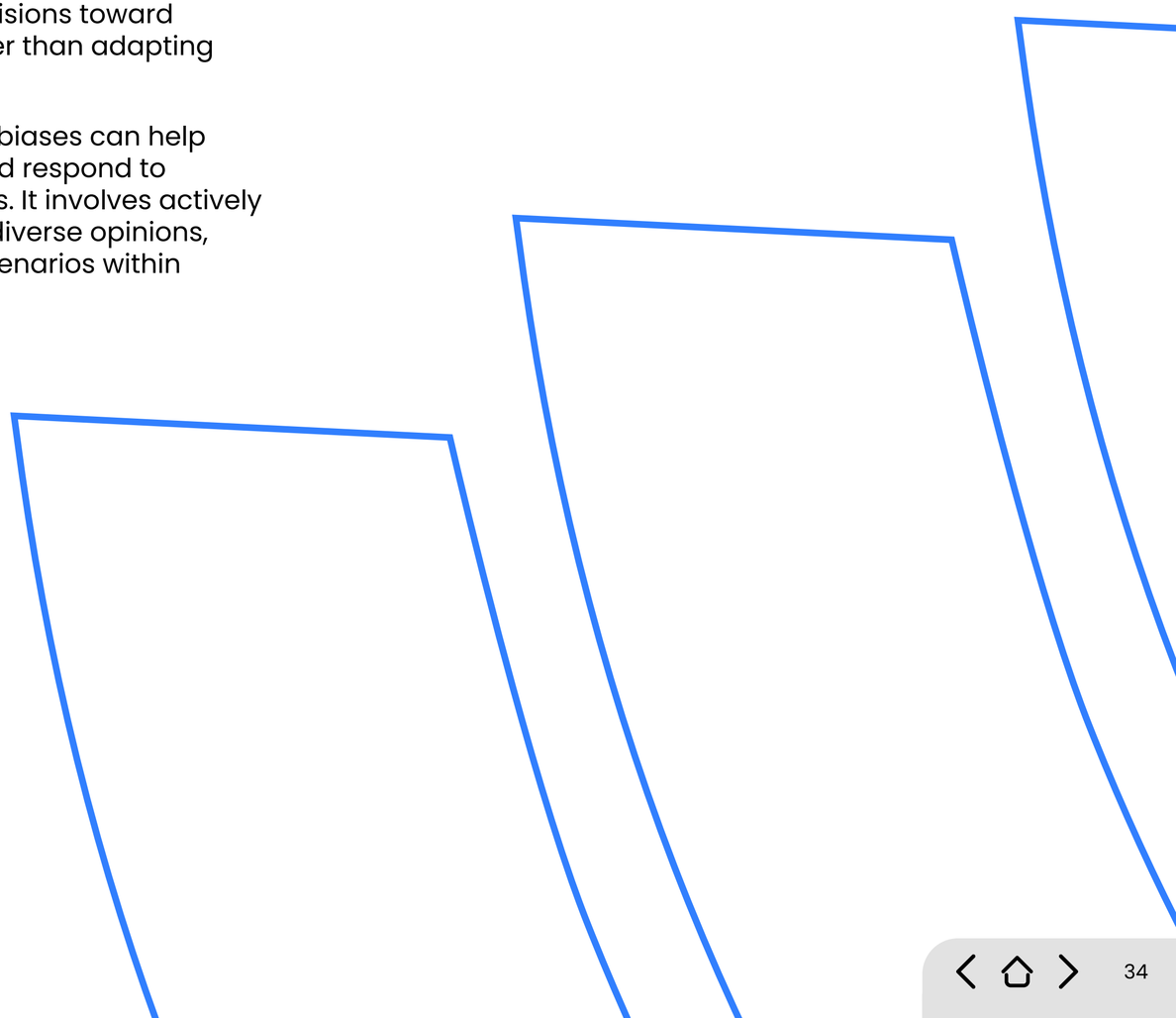
While normative scenario planning is popular among businesses — with 46% employing the strategy (*Figure 8, page 11*) — there is an inherent risk of falling prey to confirmation bias. Such bias can lead organisations to overestimate their knowledge and predictive capabilities, leaving them vulnerable to strategic surprise and shock.

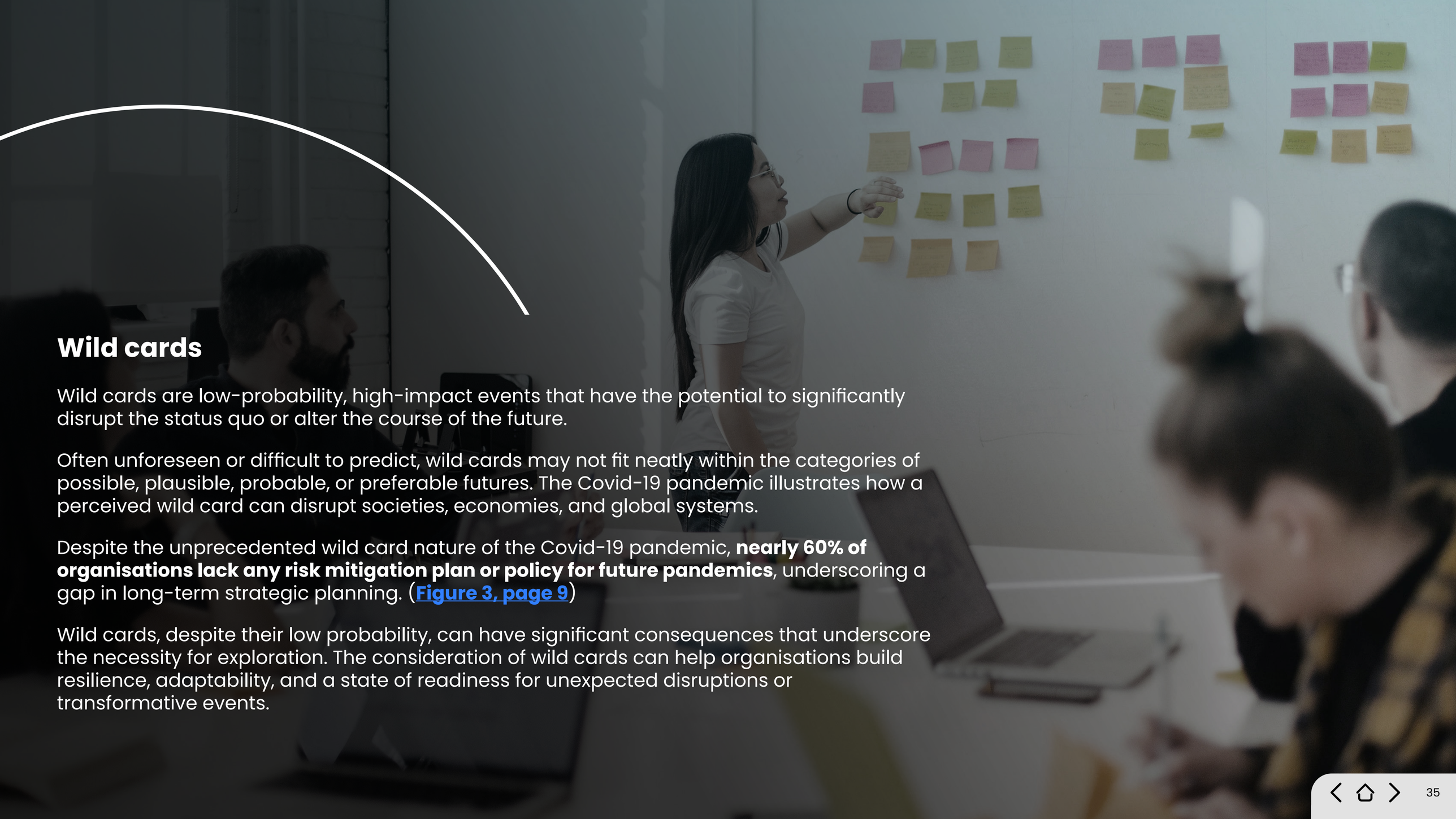
A classic example of this is the case of **Kodak**. Excelling in the production of processing chemicals and film stock, Kodak was unable to see beyond its success in the present, focusing on refining its existing products while overlooking critical signals of technological change.

By fixating on the normative scenario, Kodak dismissed the significance of the Charge Coupled Device (CCD) and the emerging concept of digital photography — ironically, innovations that originated within its own labs. This oversight led to a failure to foresee the widespread adoption of digital photography, which, when combined with the rise of the internet and social media, revolutionised the photographic value chain. Ultimately, this shift relegated film photography to an uncommon niche, a strategic miscalculation with profound consequences for Kodak.

Biases like the normalcy bias, which leads to the underestimation of unprecedented disasters, and the optimism bias, where organisations assume “it won’t happen to us”, contribute to the failure to prepare for unlikely but impactful events. The availability heuristic reinforces this by causing decision-makers to overlook risks that are not readily recalled. Anchoring bias, planning fallacy, and status quo bias further skew risk assessments and strategic decisions toward maintaining the existing order rather than adapting to change.

Recognising and addressing these biases can help organisations better prepare for and respond to low-probability, high-impact events. It involves actively questioning assumptions, seeking diverse opinions, and considering a wide range of scenarios within futures thinking.





Wild cards

Wild cards are low-probability, high-impact events that have the potential to significantly disrupt the status quo or alter the course of the future.

Often unforeseen or difficult to predict, wild cards may not fit neatly within the categories of possible, plausible, probable, or preferable futures. The Covid-19 pandemic illustrates how a perceived wild card can disrupt societies, economies, and global systems.

Despite the unprecedented wild card nature of the Covid-19 pandemic, **nearly 60% of organisations lack any risk mitigation plan or policy for future pandemics**, underscoring a gap in long-term strategic planning. (**Figure 3, page 9**)

Wild cards, despite their low probability, can have significant consequences that underscore the necessity for exploration. The consideration of wild cards can help organisations build resilience, adaptability, and a state of readiness for unexpected disruptions or transformative events.

FUTURES THINKING FRAMEWORKS

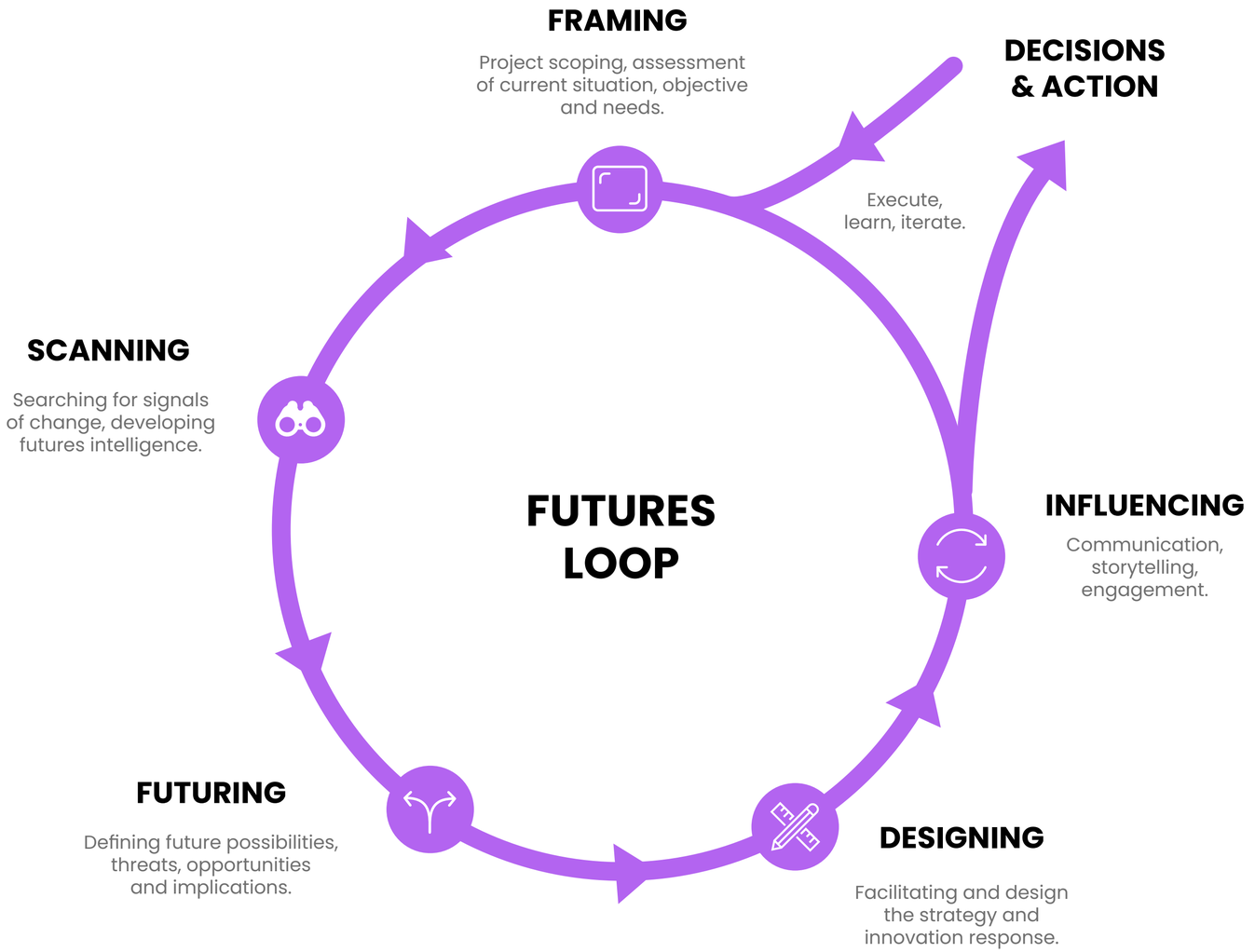
The ‘futures loop’

The ‘futures loop’, BJSS’s adaptation of the **University of Houston’s Foresight Framework**, embraces the non-linear and iterative aspects inherent in futures thinking, with an emphasis on pragmatic application in business contexts. This adaptable framework is tailored to accommodate a variety of project contexts, recognising that each endeavour in foresight demands a unique approach. It provides flexibility, especially under constraints like budget and time, allowing for either a rapid, surface-level exploration of all stages or a concentrated focus on specific, critical aspects such as scanning and futuring for deeper insight.

Central to all projects within this framework is the framing stage, crucial for setting the focus and understanding constraints and trade-offs. Significantly, the futures loop is pragmatic in its application, avoiding strict prescriptions about the tools and methods used, thereby giving practitioners the latitude to select the most suitable techniques for their specific project context. This quality ensures that the futures loop remains a dynamic and effective tool for futures thinking across diverse organisational scenarios.

SPARCK: Future Thinking, Human-Centred Design, Design Thinking, Creative Thinking, Systems Thinking

BJSS: Subject Matter Expertise, Agile, Delivery, Digital, Data, Engineering, Technology



Decisions

The futures loop is triggered by an organisation deciding that the future needs to be explored. Understanding what is driving this need for exploration will shape the entirety of the process. It is important that organisations understand the need to explore the future and the outcomes they intend to achieve, and the framing stage can help create further clarity around this.

Framing

The futures loop framework begins with framing. This is a critical stage in all projects and emphasises the importance of understanding the project bounds, organisational context, and drivers for futures thinking, in addition to establishing project management practices. This initial stage is about recognising the need for exploration and defining the project's scope and management.

Considerations at this stage:

Project goal definition

Determine the 'why' behind the futures project. This involves understanding a range of potential goals, whether it's gaining insights into new trends, creating future visions, increasing strategic capability, or building anticipatory awareness.

Client understanding and motivation

Assess the client's motivation. It's crucial to know their position, influence, and what drives them to seek futures thinking – whether it's to stress test existing visions or explore new possibilities.

Research question and scope determination:

Set the research question and scope. This step involves deciding whether the focus is strategic or scenario-based and setting an appropriate time horizon that balances change with creativity.

Target group identification

Identify who will be impacted by the results. This could range from internal stakeholders to broader societal groups, influencing the choice of methods and communication approach.

Determining project constraints

Identifying constraints early in the project allows for better risk management and contingency planning. It ensures that potential challenges are considered and addressed in the project plan and aids in bounding the level of exploration depth and methods to be used.

Method, product, and technique selection

Choose suitable methods and outcomes based on the client's reality and participants' nature. Decisions include the type of research and scanning methods, outcomes (e.g., strategic recommendations, provocations), and communication format (e.g., reports, presentations, and prototypes).

Project management

Define ways of working, risk management, key stakeholder dependencies, workshop scheduling and data management.

Scanning

Building a futures intelligence picture starts with a comprehensive scanning process. This involves establishing a systematic scanning practice that enables the search, detection and collection of drivers, emerging trends, weak signals that may indicate future change within the focus of a project. The scanning stage is integral to futures thinking, as it lays the groundwork for understanding and anticipating the evolving dynamics that could shape what lies ahead.

Depending on the constraint of a particular project, scanning can extend beyond desk research and incorporate ethnographic techniques, expert interviews, field trips and other methods to collect data. The future emphasis is an important distinction and differentiates a horizon scan from environmental scanning.

Considerations at this stage:

How can practitioners effectively discern credible and impactful signals amidst the vast information typically encountered in horizon scanning?

In the practice of horizon scanning, practitioners face the challenge of sifting through extensive information to identify signals indicative of future trends. The key is not to seek absolute validation of each piece of information but to skilfully differentiate meaningful signals from noise.

This process involves a critical analysis of diverse data sources, recognising patterns, and assessing their potential impact and relevance. While the uncertainty inherent in scanning hinders absolute validation, cross-referencing and triangulation can enhance the credibility of the signals identified.

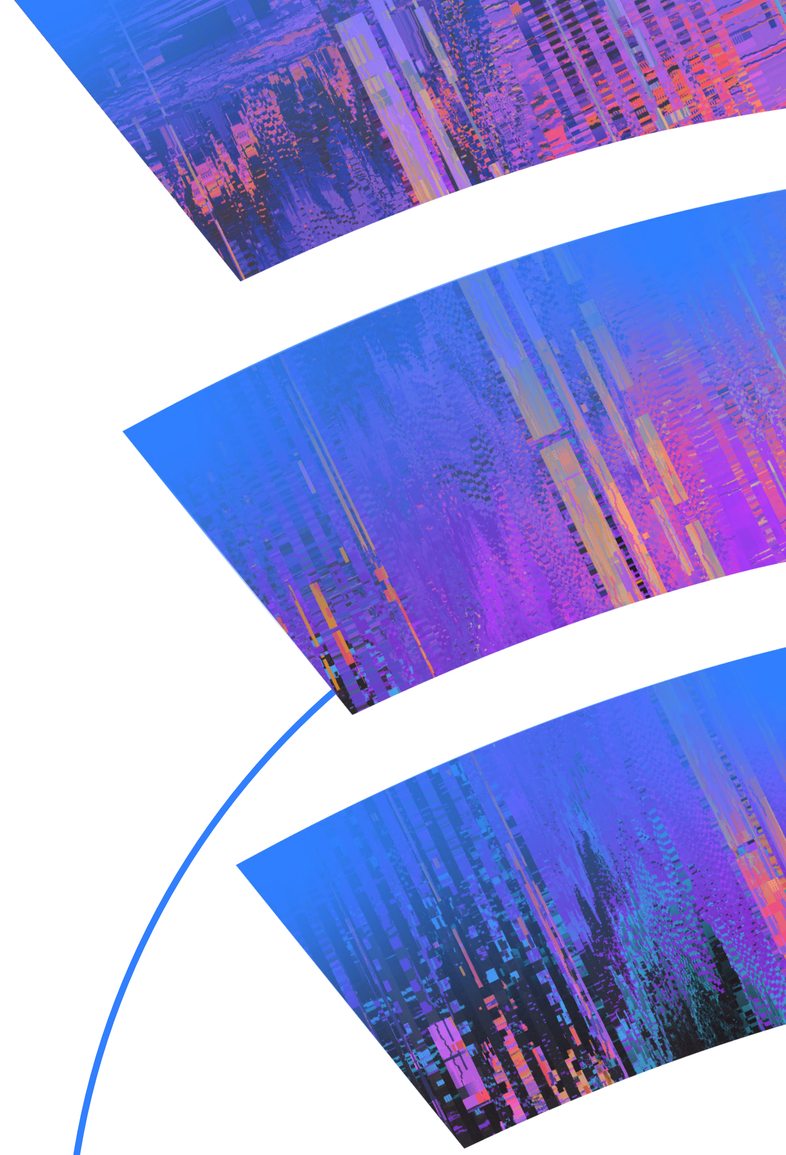
It's important to remain open to the possibility that even a singular, unique data point could be significant. The goal is to cultivate a keen understanding of emerging trends, effectively separating them from transient or irrelevant information.

How do we counter bias in scanning practice?

It's crucial to counteract research bias in scanning. This can be achieved by diversifying the scanning team, involving varied stakeholders in the process, and utilising specialised futures intelligence platforms that can expand the scope and depth of the scanning activity, ensuring a more comprehensive and balanced exploration.

What real-life engagement techniques can be employed to gather qualitative insights from stakeholders or communities?

Beyond observation and horizon scanning, active engagement strategies should be considered. Involving stakeholders or communities directly can help to gain qualitative insights into their perspectives and experiences through interviews, conversations, observations, or highly specialised techniques such as distributed ethnography and micronarrative analysis.



Futuring

The futuring stage is critical in transforming scanning data into actionable insights, focusing on identifying emerging narratives, critical uncertainties, and key drivers that shape alternative future perspectives. This stage may utilise specialist techniques such as **Dators four Archetypes**, or Causal Layered Analysis (CLA) to delve beyond surface-level issues, exploring deeper systemic, cultural, and worldview factors, as well as underlying myths and metaphors. This approach, combined with both inductive and deductive scenario methodologies, effectively distils scanning data into coherent narratives that represent future possibilities.

These narratives are further enriched through participative workshops, where stakeholders collaboratively explore and challenge these alternative futures, uncovering hidden assumptions and assessing their implications. This interactive process is integral in aligning these future scenarios with organisational thinking, strategy, and decision-making, and crucially guiding them in creating a preferred future scenario.

Considerations at this stage:

Insightful analysis

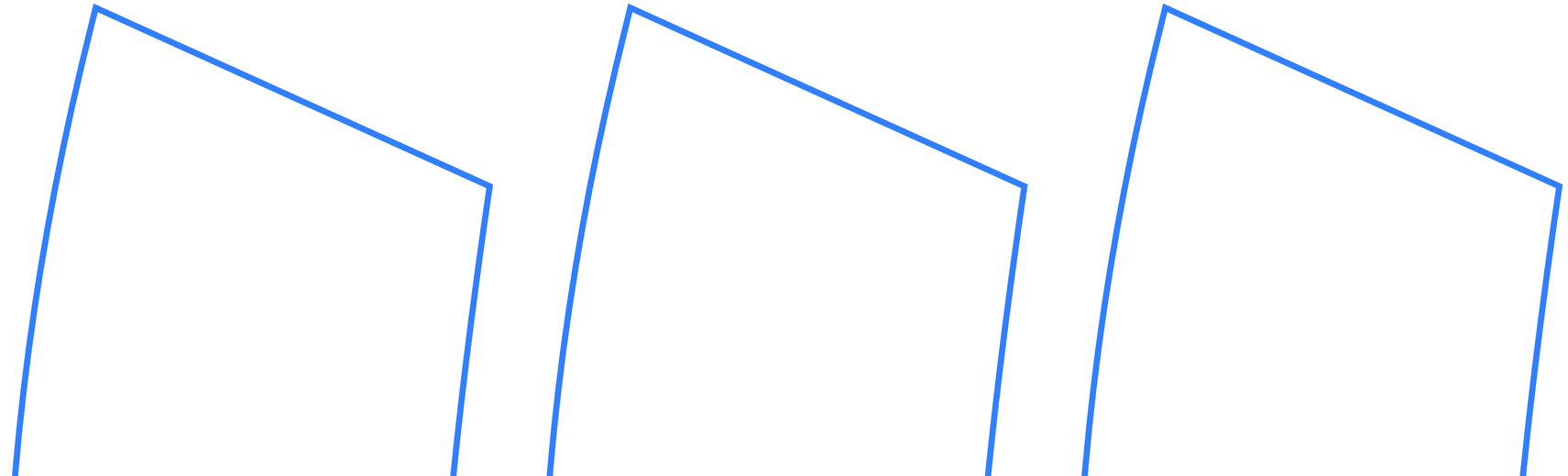
What critical insights have emerged from analysing alternative futures? This may include new realisations, knowledge gaps, or ideas. Capturing these insights is essential for informed decision-making in later stages.

Scenario diversity

Are the scenarios sufficiently diverse? Ensuring a range of possibilities based on scanning data prepares organisations for various potential outcomes, reducing the risk of unanticipated developments.

Emerging trends and impact

What patterns or trends have been identified? Recognising these can significantly enhance an organisation's response capabilities and its ability to seize opportunities or counter threats.



Designing

The design phase primarily focuses on devising strategic responses to the potential and preferred futures and the implications surfaced in the futuring phase. The nature of these responses will vary based on the specifics of the potential futures and the project focus.

Responses may encompass the establishment of new research topics, monitoring activity, roadmap development, policy and strategy formulation or innovation.

This phase balances readiness for potential futures with defining proactive steps towards a preferred future, informing strategic decisions, building resilience, adaptability, and future readiness.

Considerations at this stage:

Stakeholder alignment and engagement

Ensure that all relevant stakeholders are actively engaged in the process of defining response options. This includes fostering a participative approach for input and feedback. Such engagement is vital for securing stakeholder buy-in and ensuring the legitimacy of the process. It also ensures the integration of essential stakeholder and domain knowledge, enriching the outputs with varied perspectives and expertise.

Identifying knowledge gaps

Address knowledge gaps that may require further investigation, especially in areas that present specific needs or opportunities. This is not limited to organisational strategy but could also extend to product development, marketing, research, or other operational areas.

Is there a developing hypothesis related to a specific need or opportunity?

Insights may lead to solution ideas that emerge during the process. These should be framed as testable hypotheses, prioritised, and captured as actionable response options that can be methodically evaluated for their potential and effectiveness.

Influencing

Effectively communicating and engaging with stakeholders are crucial elements in information dissemination within an organisation. Packaging complex information into an understandable format that tells a compelling story is essential. Beyond sharing facts, influencing is about crafting a narrative that resonates with stakeholders, ensuring that the message, objectives and goals of the project are collectively understood.

Considerations at this stage:

How is communication with stakeholders currently carried out, and what channels are most effective?

Understanding the existing communication methods helps identify strengths and areas for improvement in engaging stakeholders.

How can a narrative be formed that not only conveys facts but also resonates with the values and interests of stakeholders?

Understanding stakeholder perspectives allows for the creation of a narrative that establishes a meaningful connection and fosters engagement.

What potential obstacles or misconceptions might arise in the communication process, and how can they be addressed?

Identifying potential challenges allows for the development of strategies to overcome obstacles and prevent misunderstandings.

Action

In the action phase of the futures loop, the focus shifts to applying the insights and learnings from the project to inform and initiate impactful follow-on actions. This may include deeper futures exploration in specific areas of interest or uncertainty, or transitioning to return-oriented projects in innovation, marketing, or strategic development.

This final phase ensures that the futures thinking work translates into concrete, actionable steps, feeding back into the loop for continuous strategic evolution as shown in the futures loop framework.

Considerations at this stage:

What resources are required to enable follow on action?

Exploiting the insights and learning from a futures project requires resources, budget, and approval. Think about how the influencing outputs can be leveraged to secure this.

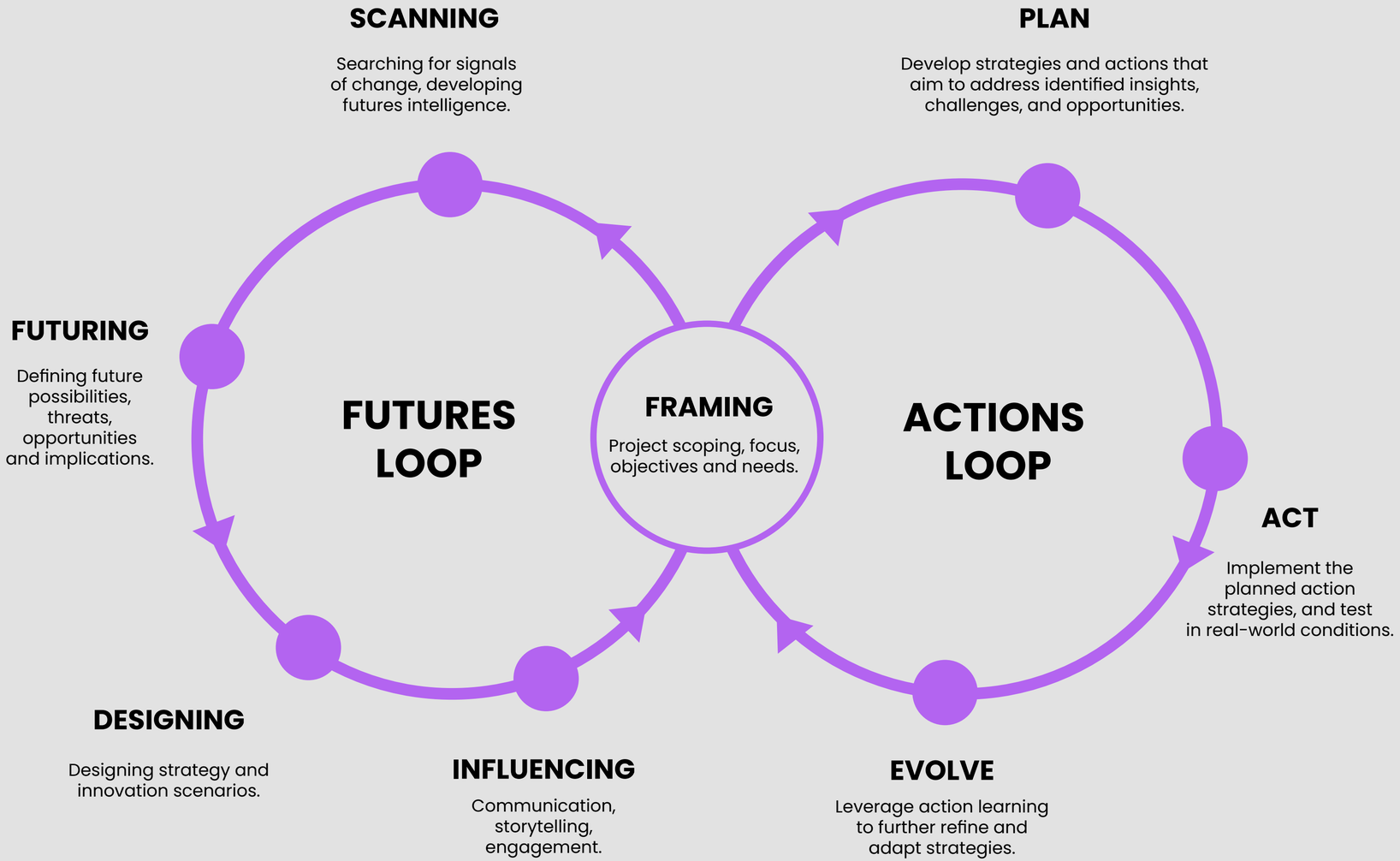
HOW THE FUTURES LOOP APPLIES TO YOUR ORGANISATION

What actions can be implemented based on the insights gained from the futures loop?

Engaging in imaginative and creative explorations of future possibilities raises a pivotal question: *How can these insights be implemented in our organisation?*

The implementation of a futures loop is a dynamic approach to seamlessly integrate forward-looking perspectives into specific organisational functions.

As organisations embark on the futures loop, initial research and planning phases lay the foundation for informed decision-making. Insights garnered during this process equip organisations with the foresight needed to anticipate future challenges and opportunities. Subsequently, the futures loop becomes a valuable tool for hypothesising, testing, and developing subsequent initiatives.



EMBRACING FUTURISM

Futures thinking not only enhances resilience but also fuels innovation by tapping into the power of imagination and fostering creative thinking. Embracing a futures perspective ensures organisations are prepared to navigate uncertainties, thrive amidst change, and build a sustainable future. Implementing futures thinking methods will allow your organisation to:

- **Enhance decision-making:** Proactively exploring multiple future scenarios enables organisations to make better strategic decisions based on potential future contexts.
- **Increase resilience:** Spotting patterns of change, emerging trends, surprises, and disruptors earlier, offers organisations a better chance to respond. Futures thinking helps organisations anticipate, adapt, and thrive amidst change and uncertainty.
- **Fuel innovation:** Futures thinking stimulates creative thinking and the development of new ideas and solutions. Adopting a futures thinking mindset fosters innovation and ensures organisational sustainability by ensuring action is taken.
- **Gain a forward-looking perspective:** Investigating what the future might hold encourages consideration of long-term impacts and consequences, and exploration of multiple versions of the future.

"The challenge of our unknown future is so much more exciting than the stories of our accomplished past."

Simon Sinek

Source: Linkedin.com

IMPLEMENTING FUTURES THINKING IN YOUR ORGANISATION

Discover the untapped potential within your organisation and enhance future preparedness with our innovative approach. We specialise in cultivating a new, long-term mindset, guiding your team toward preparedness for the future.

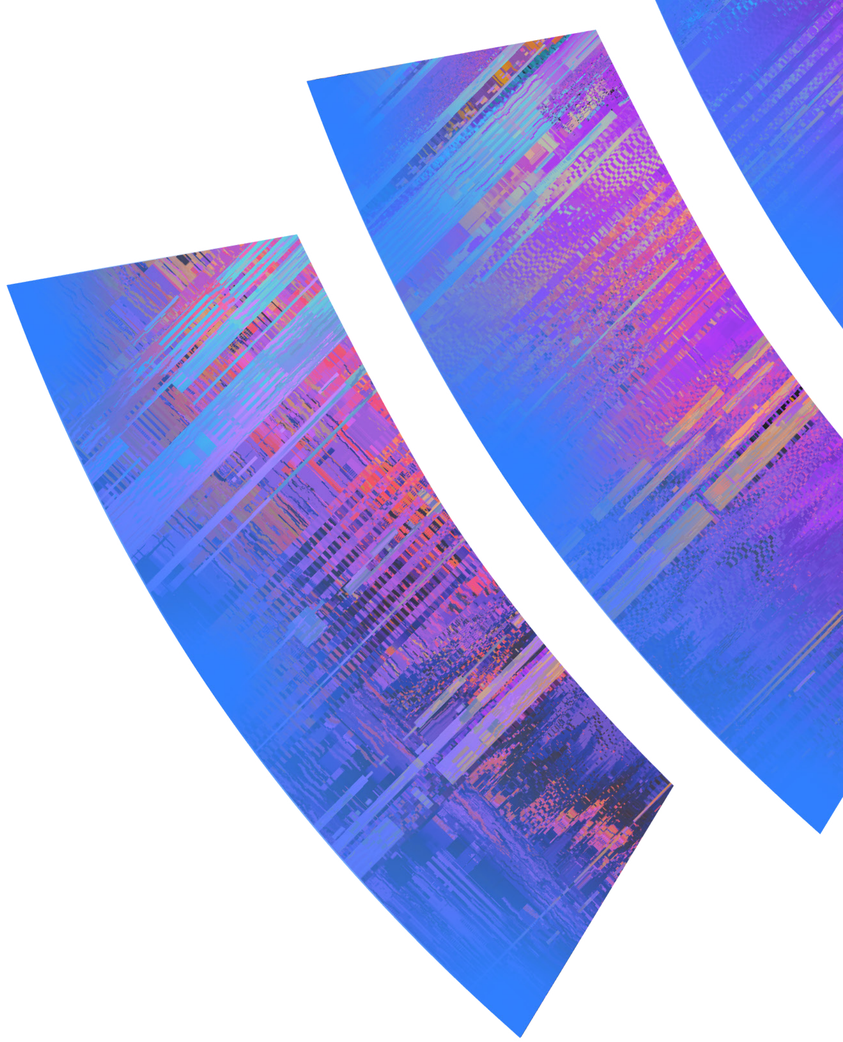
Futures thinking can assist your business in balancing future goals with present needs, enable more thoughtful decisions and ensure actions are taken to positively impact the future.

The effective implementation of futures thinking enables organisations to:

1. **Build adaptive strategies:** Adopt futures thinking methods to align with emerging trends and opportunities, ensuring strategies are resilient and adaptable. This includes regular horizon scanning and agile strategy adjustments.

2. **Balance operational and strategic focus:** Encourage leaders to integrate futures thinking into daily operations, preventing short-termism and fostering a sustainable approach to decision-making.

3. **Encourage a culture of innovation and adaptability:** Create an environment where innovation and experimentation are encouraged and it is safe to fail, and where embracing uncertainty is seen as a pathway to creative solutions, innovations and evolution.



CONNECTING THE GAP BETWEEN THE FUTURE AND TODAY

The importance of acting now

The initial step of futures thinking involves making the decision to take action. Organisations often focus extensively on immediate issues, overlooking the importance of preparing for the future. By anticipating the future now, your organisation can enable proactive risk mitigation and cultivate adaptability.

In-house futures thinking sessions at SPARCK and BJSS

SPARCK and BJSS host regular inhouse futures thinking sessions facilitating the exploration of future business scenarios, envisioning what these might mean for clients and generating ideas for how businesses we work with can be supported in navigating an ever-shifting landscape.

We apply futures thinking approaches to our business and we use this approach to help our team engage with subject matters, such as AI, to anticipate potential implications for our organisation and clients.

CO-CREATE YOUR FUTURE WITH SPARCK AND BJSS

At SPARCK and BJSS we are actively engaged in developing our processes around futures thinking. Leveraging our tech expertise and futures thinking framework, we facilitate seamless integration and application of futures thinking techniques for our clients. Our robust capabilities and skills, rooted in extensive technical and market expertise from both SPARCK and BJSS work to enhance this framework.

We work to empower you to gain insights and collaboratively facilitate the discovery of your own lightbulb moments, allowing you to become your own guru in futures thinking. We guide clients on this transformative journey, aiding them in finding answers, gaining valuable insights, and reaching conclusions.

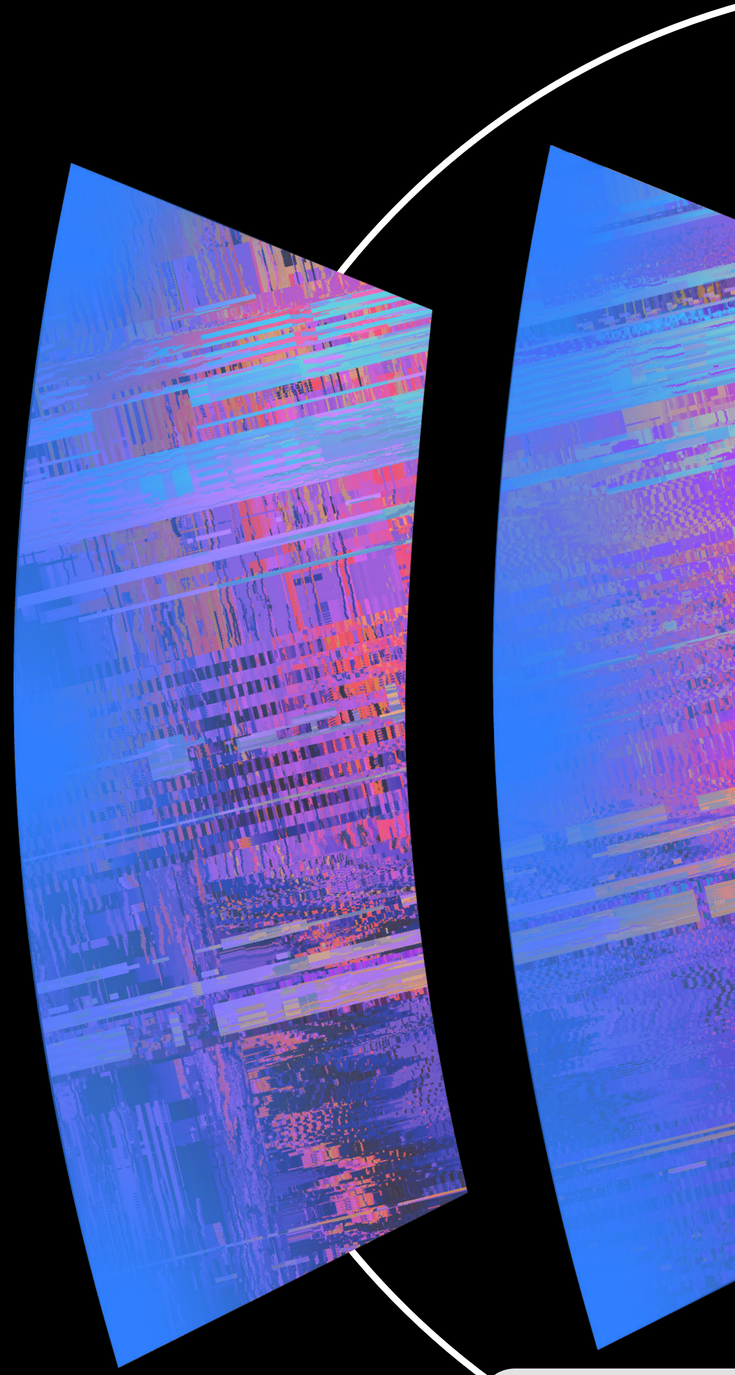
By challenging clients to think beyond their traditional boundaries and anticipate future scenarios that are relevant to their industry, we enable them to create new narratives and strategise for the future.

Our goal is to engage with organisations in futures thinking work that not only stimulates action but also generates impact, creating a positive outcome from the strategic exploration of potential futures.

Through our commitment to futures thinking and design, we are well-positioned to ensure that you are better prepared for what lies ahead. Working across a range of industries, we have facilitated innovative workshops with clients that have resulted in learning, insights, and sense-making.

BJSS and SPARCK workshops empower stakeholders to act, innovate, and develop robust strategies, providing clients with the tools needed to stay on the pulse and implement what is needed to thrive in the future.

Visit bjss.com/futures-thinking to discover we can transform your approach to the future



We leveraged our knowledge and futures thinking methodologies during our collaborations with the clients listed below. Futures thinking techniques were explored in interactive sessions, including scenario-based workshops, implication analysis, and exploration of signals of change.

LLOYDS BANKING GROUP

Specsavers

United Kingdom Hydrographic Office