

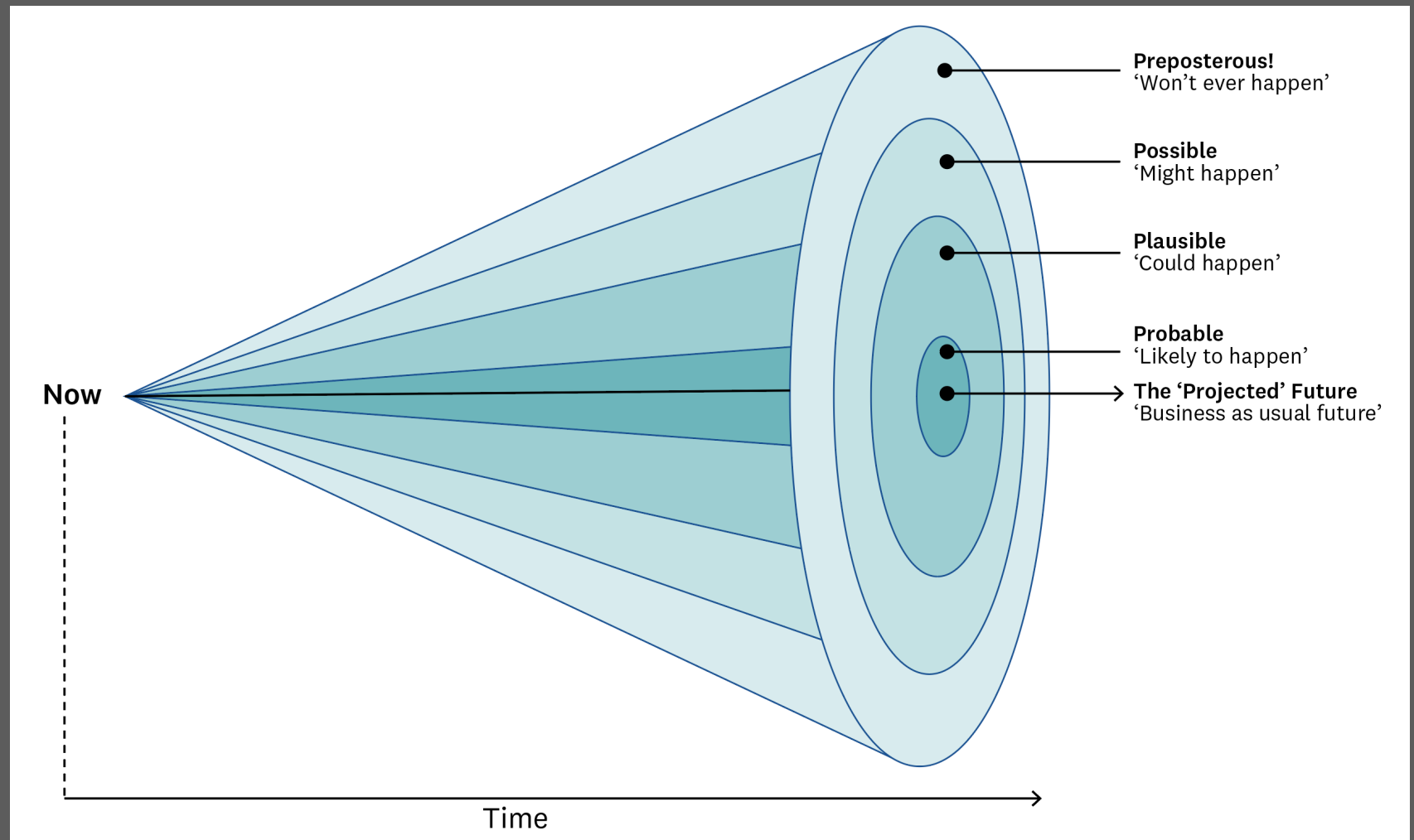
# How to think like a futurist

[#ThinkLikeAFuturist](#)

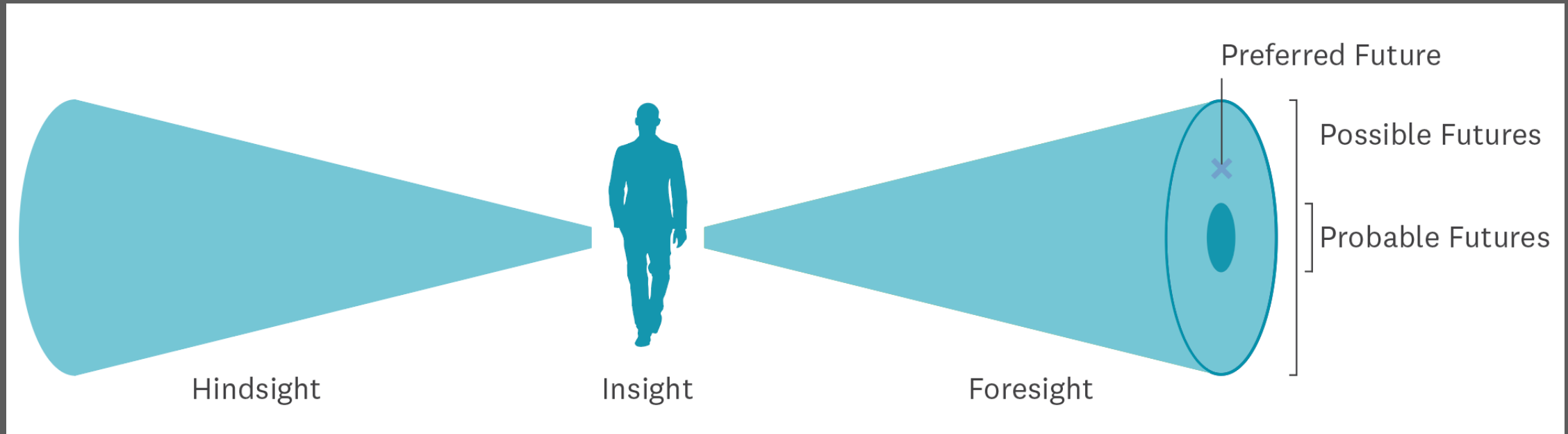
McGuinness Institute September 2022



# Cone of Plausibility



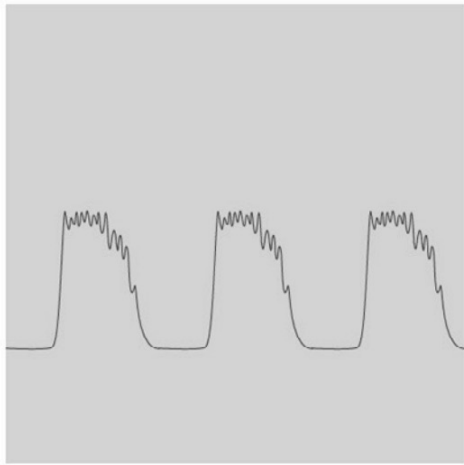
- Futurists focus on the possible futures
- Strategists focus on a preferred future



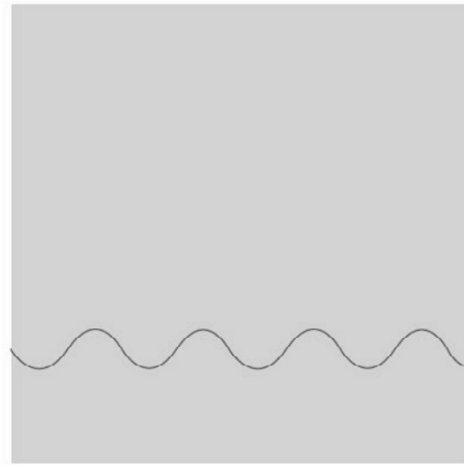
## Three sights Hindsight, Insight and Foresight



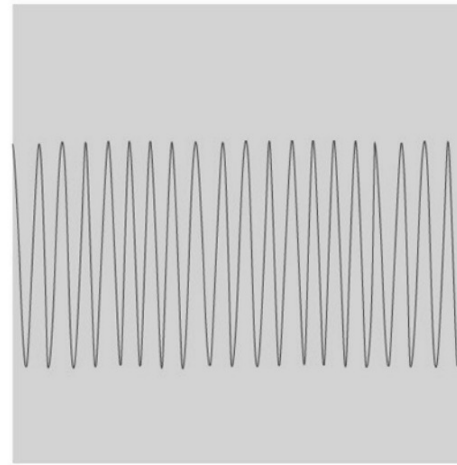
- The Cone of Plausibility does not always include a backward cone, but we have added this to reflect our history
- Futurists use hindsight and insight to develop foresight (history does not repeat, but does rhyme)
- Strategists focus on how to get to a preferred future (e.g. backcasting from a preferred future)



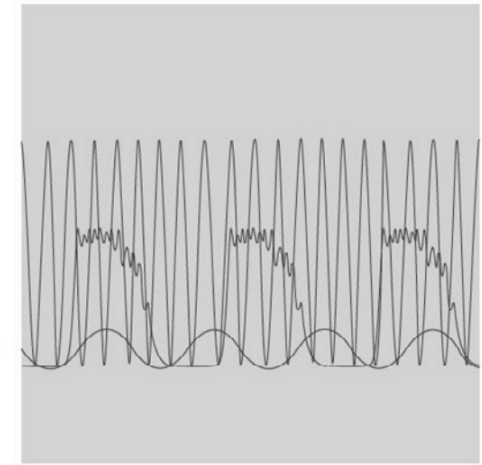
**Pandemic crisis**  
Intermittent noise



**Biodiversity crisis**  
Low-frequency noise



**Climate crisis**  
Continuous noise



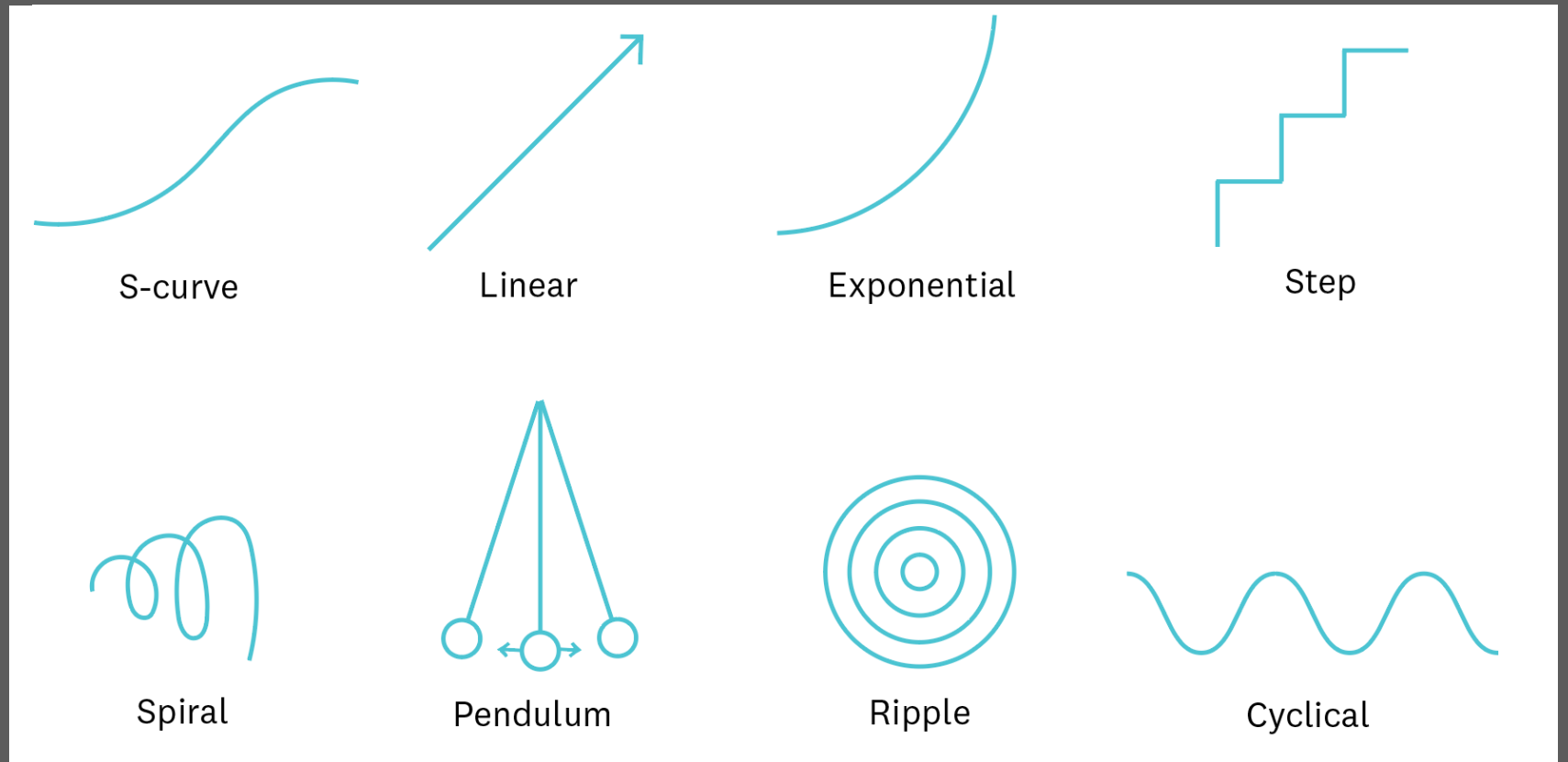
**Three crises**  
A noisy world

# Noise

## Volume and pitch



- We have a very noisy world
- Futurists tend to look for where there is silence (e.g. what is bubbling under the surface)
- Strategists tend to focus on the noise

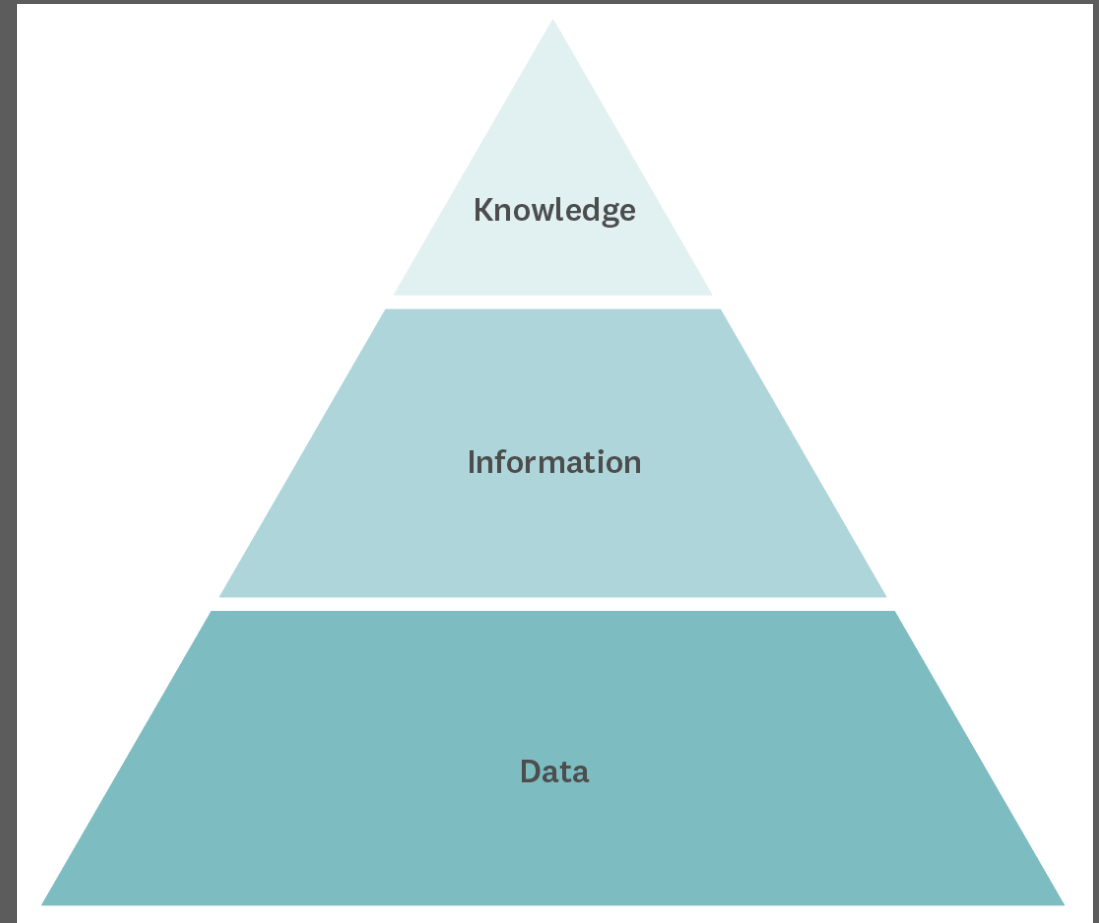


# Patterns

## Look for the new



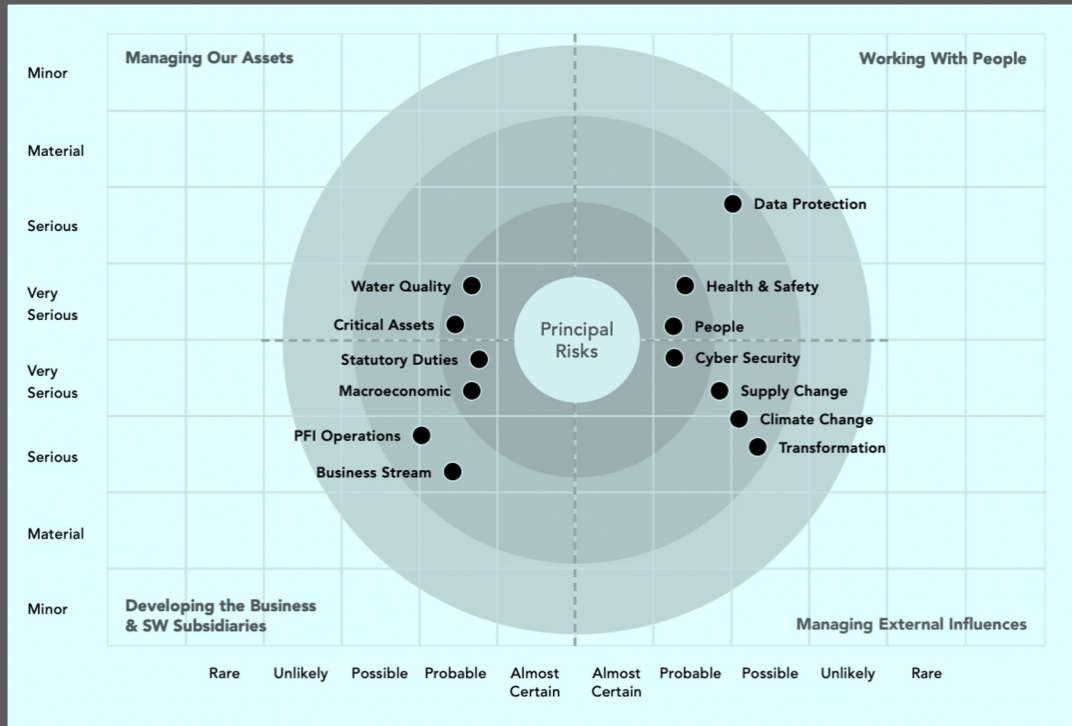
- Patterns exist and often change over time. Look for the new – the emerging trend, the new idea, a change in pace, a wild card
- Futurists tend to ask lots of questions on the long-term future (e.g. what might happen)
- Strategists tend to focus on the present (e.g. how can we move the dial)



## Three inputs Data, information and knowledge



- Data on mass - creates information; information that is considered - creates knowledge
- Not all data is created equal (e.g. what is your level of confidence - very low, low, high, very high)
- Futurists also consider data they have low confidence in (they seek the unknown)
- Strategists focus on what they know (they build on the known) and ignore where data is poor quality



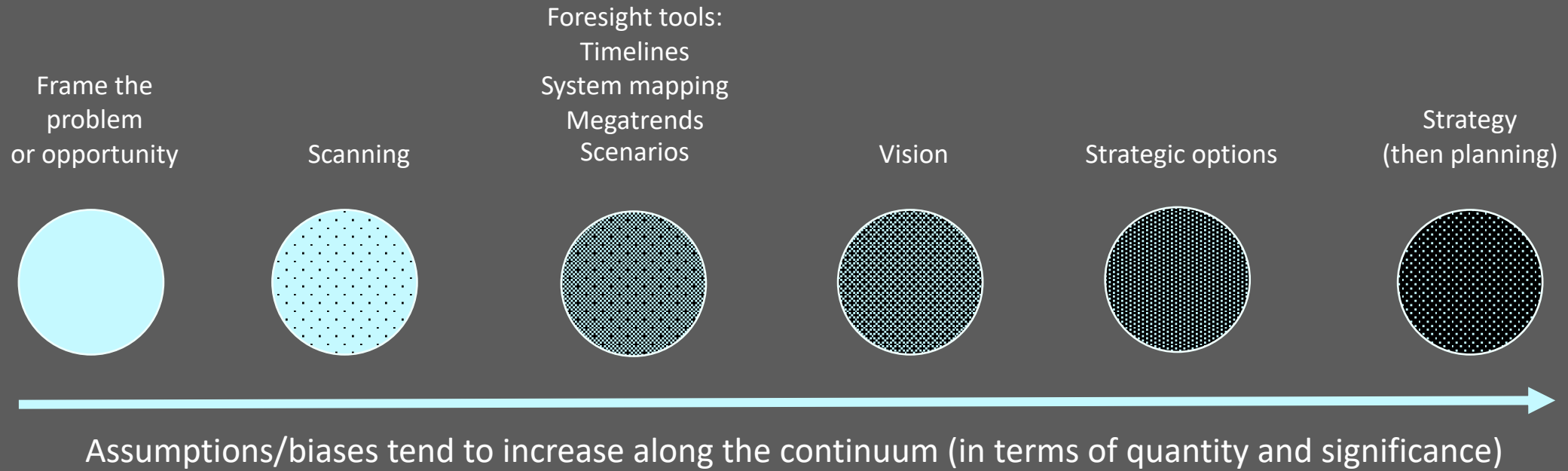
Excerpts from Scottish Water 2021/22, Annual Report (pp. 98-99)

# Risk

## Not all risks are created equal



- Risk should be analysed by probability/likelihood (often as a percentage), magnitude/impact (e.g. very serious, serious, material or minor), by time (e.g. 0-5 years, 5-10 years, 10-20 years, 20 plus years) and sometimes by velocity (the speed at which risks could impact, e.g. very rapid, rapid, low)
- Futurists and strategists seek to understand risk, but one tends to be macro and the other micro



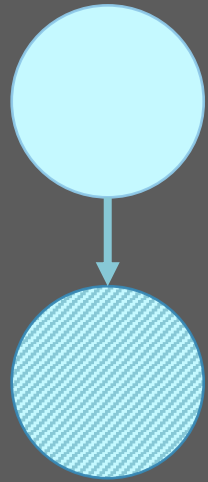
# Assumptions

## From foresight to strategy

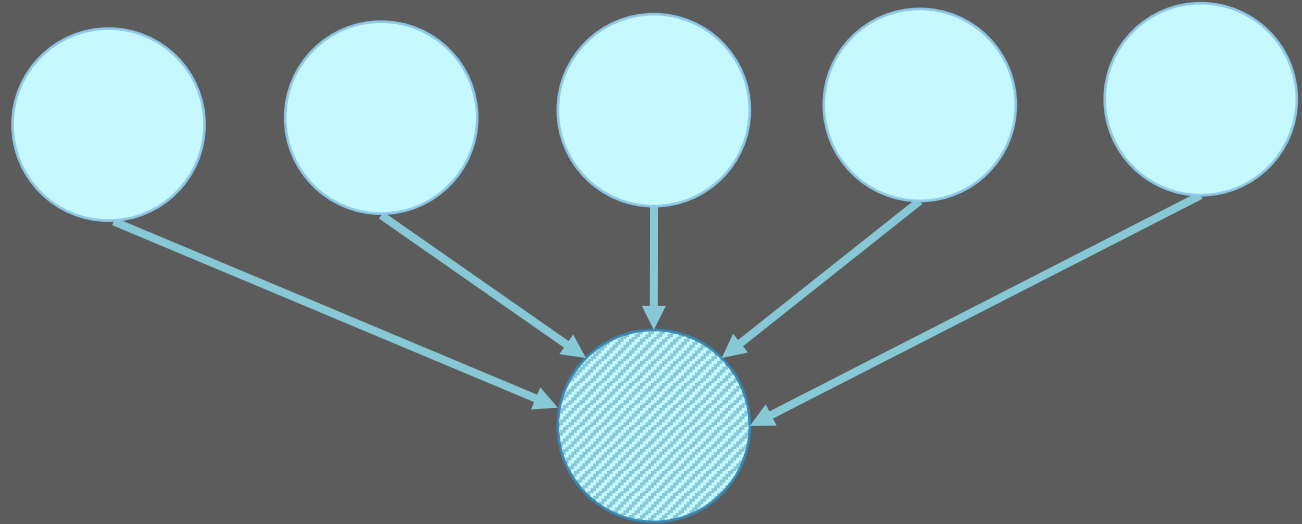


- Some futurists stop at the scanning stage to reduce biases. They focus on finding patterns/weak signals/wild cards to share/sell to those further along the continuum
- Futurists tend to stop at visioning
- Strategists tend to start at visioning





Sensitivity analysis



Scenario analysis

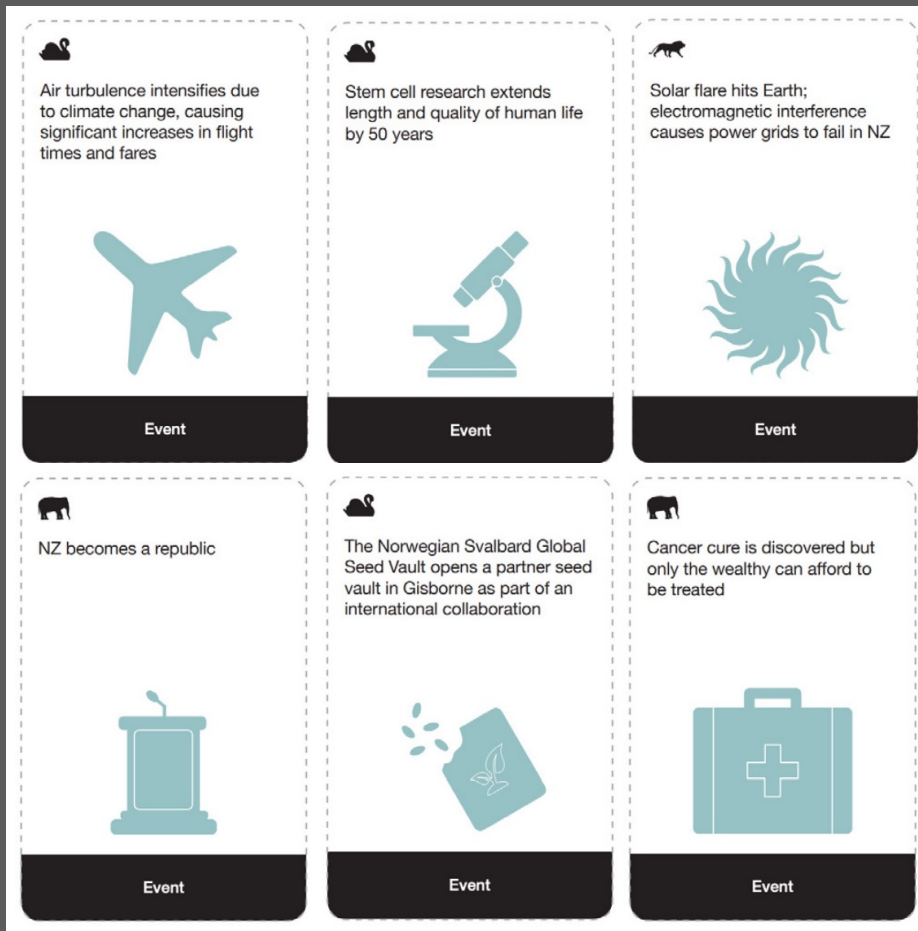
## Analysis

### Dealing with complexity

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- Futurists use scenario analysis to explore situations where there is more than one change happening at the same time. They are interested in how combinations of events might shape the future
- Strategists engage futurists to test their strategy/ies (e.g. against low probability, high magnitude events) not just how events might play out but how the order might result in a different impact



# ForesightNZ playing cards



- The future is like a game of cards. This led to the ForesightNZ playing cards (an output of the 2016 ForesightNZ workshop of 18–25-year-olds)
- Importantly, it is not just the events, but the order the cards are played, that should also be explored and understood

Table 1: The Four Scenarios Matrix

	The world does manage its strengths, weaknesses, opportunities and threats	The world does not manage its strengths, weaknesses opportunities and threats
New Zealand does manage its strengths, weaknesses, opportunities and threats	<p><b>Scenario 1: Power to the People</b></p> <p>New Zealand ✓ World ✓</p>	<p><b>Scenario 2: An Island Paradise</b></p> <p>New Zealand ✓ World ✗</p>
New Zealand does not manage its strengths, weaknesses, opportunities and threats	<p><b>Scenario 3: Missed the Global Bus</b></p> <p>New Zealand ✗ World ✓</p>	<p><b>Scenario 4: All Over Rover</b></p> <p>New Zealand ✗ World ✗</p>

Excerpt from McGuinness Institute, *Report 6: Four Possible Futures for New Zealand in 2058*, 2008 (p. 3)

- Things to watch for (from the 2008 four quadrant scenario analysis on the left) include:
  - a fortress mentality versus a desire to work with others, both between individuals and between countries
  - disparities in wealth, health, education and technology adoption within societies and between countries
  - the type of leadership style, in particular whether it is proactive and forward thinking or complacent and reactive
  - the extent to which privacy and secrets are accepted norms in government, or whether transparency and public accountability are the more common ethic.

# Scenario analysis

## Four quadrant model



- The four quadrant model is the go-to model. However, many other models exist, such as the three scenario analysis model (e.g. worst-case, best-case and probable-case scenarios)
- Make the most of a scenario by trying to write a list of lessons learned or signals to indicate a move towards a particular scenario (see text above right)

Table 2: The Essence of the Four Scenarios

	The world does manage its strengths, weaknesses, opportunities and threats	The world does not manage its strengths, weaknesses, opportunities and threats
New Zealand does manage its strengths, weaknesses, opportunities and threats	<p><b>Scenario 1: Power to the People</b>                      Concepts such as global unity and balance are no longer myths. Intolerance is a thing of the past, as diverse cultures coexist peacefully, all partaking in one global community. Sustainability, once a determined lifestyle choice, is now the norm. The climate change and peak oil crises are under control as the world embraces innovative, sustainable technologies and systems. The New Zealand public is educated, diverse and informed, choosing to stay in New Zealand where infrastructure is of an excellent standard and the lifestyle is unmatched. The burning question for New Zealanders in 2058 is: How do we maintain peace and prosperity?</p>	<p><b>Scenario 2: An Island Paradise — but Back to the Jungle.</b> Everyone wants a piece of what we have got, and despite our desirable lifestyle, there is increasing tension with the outside world that requires constant management. To stand up to this pressure, New Zealand has cultivated a resilient national identity and robust infrastructure, and has been among the first countries to make some tough decisions. There is particular pressure on our resources and immigration policy, and as we fend off those countries once considered to be superpowers, we look for allies in countries that are similarly positioned. The burning question for New Zealanders in 2058 is: How do we protect what we have?</p>
New Zealand does not manage its strengths, weaknesses, opportunities and threats	<p><b>Scenario 3: Missed the Global Bus</b>                      Our isolation is more pronounced than ever, as we lag behind politically, economically and in the management of our resources and environment. To make up for these shortfalls, our government grasps at unsuccessful 'quick fixes', fuelling rather than rectifying the nation's downward spiral. Corruption, diminished cultural identity, an increase in slums and local terrorism have forced many educated New Zealanders elsewhere. The burning questions for New Zealanders in 2058 are: What happened? What can we do?</p>	<p><b>Scenario 4: All Over Rover</b>                      It is the end of the world as we know it. As each country embarks on a policy that is characterised by short-term goals designed to meet the self-interest of a few, the only international interaction is conflict-based and is fuelled by fear, an arms race and nuclear proliferation. As climate change, resource shortages, biodiversity depletion, population growth and inequality escalate, these global problems spiral out of control. The burning question for New Zealanders in 2058 is: Do we have another 50 years?</p>

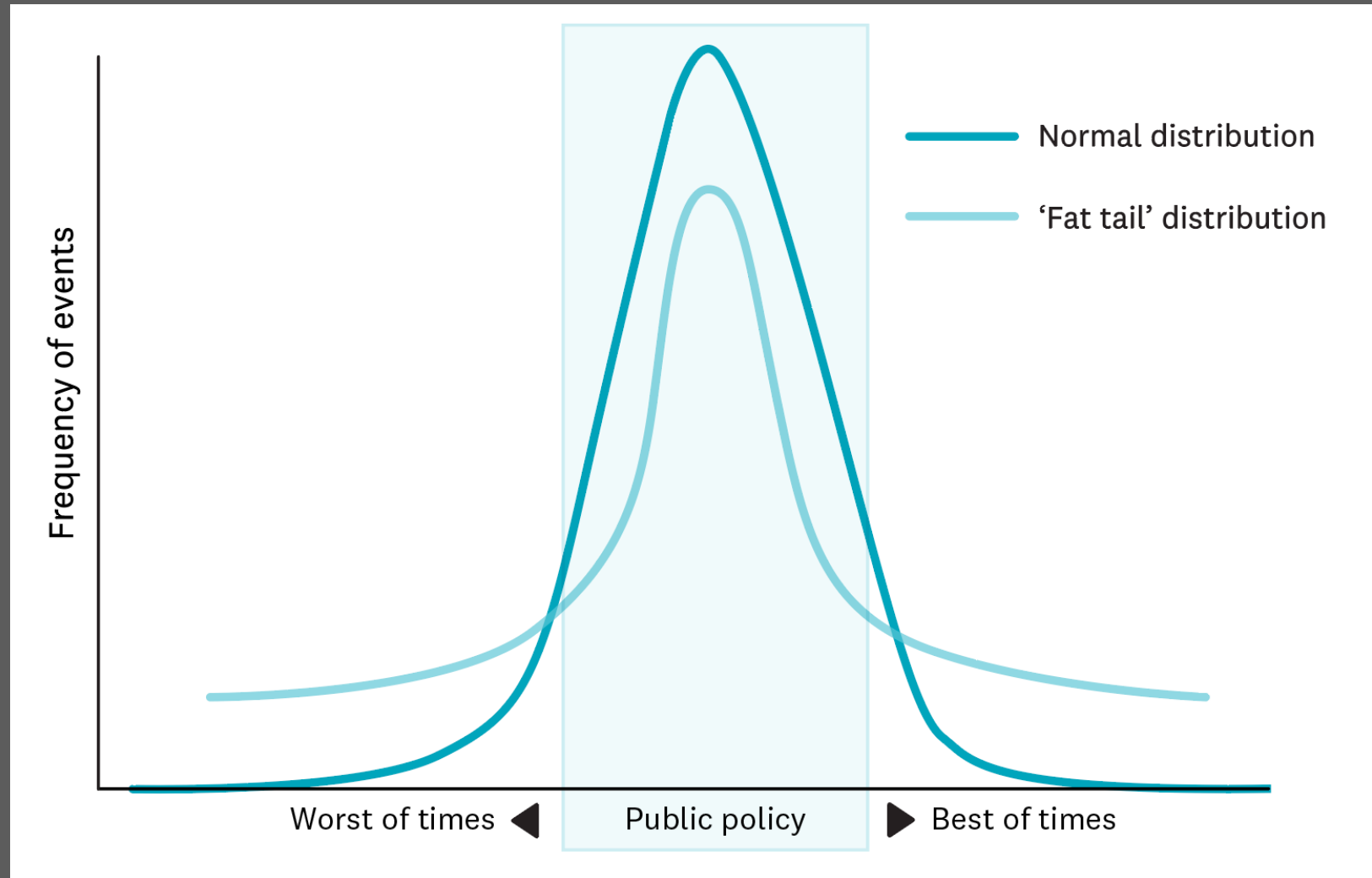
# Previous slide expanded

Excerpt from McGuinness Institute, *Report 6: Four Possible Futures for New Zealand in 2058*, 2008 (p. 4)



- Each scenario can be thought of as a dark room you enter with a torch – then when you leave the scenario/room you close the door, ready to enter another scenario/room
- Scenarios are often given a name to describe/summarise them for ease of discussion
- Be very careful that the scenario is only used for its purpose (i.e. it is not a prediction)

## The fat tail The policy gap



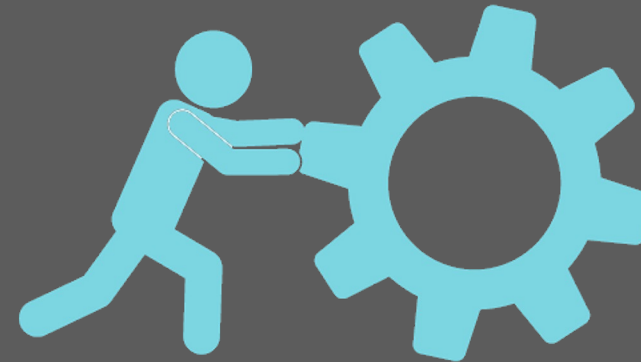
- Public policy tools and skills are built to cater for the normal; however, the fatter the tail gets, the more responsive and creative public policy mechanisms need to be
- Futurists are not easily held accountable – success cannot easily be measured
- Strategists are always held accountable – success can be measured

Thinking like a futurist looks and feels like:



Play

Acting like a strategist looks and feels like:



Hard work

## Look and feel

# The reality is the world needs both futurists and strategists



- As a rule, it is good to separate the task of foresight from the task of strategy. However, that is not always practical. In which case, take the time to think like a futurist before acting like a strategist
- Strategy without foresight will lead to poor decision making, especially in times of uncertainty
- Always respect those that are good at strategy, it is hard work!

Thank you  
Ngā mihi

#ThinkLikeAFuturist

Learn more at [mcguinnessinstitute.org](https://mcguinnessinstitute.org)

