

## **Article 3: Practical enactment: Strategic foresight process and methodology**

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### **Article 3**

This is the third in a series of four articles providing an introduction to the practice of strategic foresight. This article delves a little deeper into the details of foresight methodology and process design, with the aim of providing the reader with a greater appreciation for how organisational benefits of the nature that I discuss in the first and second articles can be practically enacted. In the final article I will discuss ethics of practice, explaining how my approach to strategic foresight practice is grounded in a view of us as living beings striving to better coordinate our collective actions.

### **Starting the conversation**

The strategic foresight work in which I'm involved is often initiated as a response to questions based on the broad contemporary themes of *sustainability* and *innovation*. A conversation to identify organisational needs and interests framed very generally in terms of these themes can be an effective way to commence a foresight process.

Ideas associated with sustainability and innovation have broad relevance and currency (though diverse meanings) in most organisations and provide a general conceptual work space in which to establish initial clarity of intent. Moreover, these themes provide a framework to link the organisation's past, present and future while allowing scope for a very broad range of concerns to be brought to the table. Most importantly though, the themes are sufficiently versatile to allow the organisation's members wide scope for articulating what *they* mean in these terms.

No single authority controls the discourse in relation to either sustainability or innovation, and so people tend to be relatively free to express what *they* mean by these and related concepts. At the same time, sustainability and innovation are clearly influential in contemporary discourse, and so provide useful ways of linking the organisation with its broader *socio-ecological* environment. That is, the themes provide a prompt to consider the organisation—at least—in relation to its social and ecological contexts.

### **Designing and enacting the foresight process**

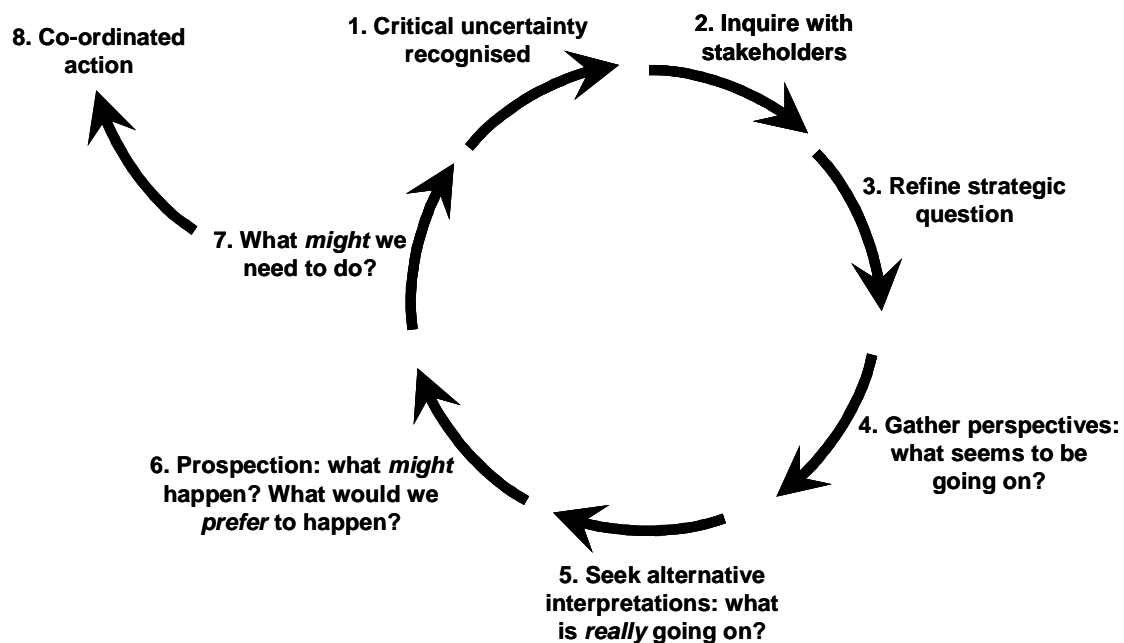
Each organisation's situation is unique, and this should be reflected in the design of an appropriate foresight process. The "right" methodologies and techniques are context-dependent, and should respond to the specific strategic question that is being explored. I draw on a wide range of methodological influences to design tailored, context-relevant process, rather than promoting a particular favourite tool. Client needs should be the determinant of process, rather than the converse.

The diagram below shows a general structure for a foresight process that reflects the philosophy, theory and principles that I discuss throughout this series of articles. This structure is based on Voros's Generic Foresight Process<sup>1</sup>. I stress though that I don't regard this as a generic template that could be applied in all situations. While many foresight

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<sup>1</sup> Voros, Joseph 2003, 'A generic foresight process framework', *Foresight*, vol. 5, no. 3.

processes will take a similar form to this, and many others will incorporate similar elements, my experience is that it is best to maintain flexibility even in regard to the basic design structure. Furthermore, given that the organisations in which strategic foresight work is carried out are *living* systems—an idea that I'll look at in a little more detail in the final article on ethics of practice—the most useful foresight processes continuously adapt to moment-to-moment circumstances. On this basis, a typical process rarely follows the initial design in blueprint-fashion from start to finish. In the remainder of this article, I'll describe in more detail the features of each phase in this general model.



### *1. Initial engagement: recognition of uncertainty*

Every foresight process commences with the recognition of some source of critical uncertainty, usually in the form of a question or set of questions for which members of the organisation are struggling to find a coherent response. This creates a barrier to decision making and action, and usually acts as the initiation point for the process—at this point members of the organisation recognise the need for a new way of responding to the uncertainty. If an external strategic foresight practitioner is required to help facilitate the response, this is the engagement point. The establishment phase should specifically include some form of recruitment and engagement process for participants, focusing especially on building shared responsibility for and commitment to the strategic foresight work. This might include introduction to foresight concepts, principles and tools.

### *2. Stakeholder inquiry and 3. Strategic question refinement*

Initial engagement is typically followed by some form of interview-based inquiry with participants and other important stakeholders both internal and external to the organisation. Providing everyone involved with an opportunity to have their views heard and noted is a powerful way to establish the legitimacy of the foresight work within the organisation and

amongst external stakeholders, and to continue building commitment amongst participants. Findings from the interviews then provide the basis for initial “situation assessment” and collaborative refinement with participants of the strategic question that the foresight work will explore. Group inquiry methods such as conversation mapping are useful here. The importance of this phase shouldn’t be underestimated—the relevance of the strategic question determines the value of all subsequent work.

#### *4. Research: gather perspectives on the current situation*

With the strategic question (or questions) established, research is undertaken to further extend the “situation assessment”. Here participants cast their nets as wide as resources allow to identify perspectives on the strategic question. This tends to focus on the organisation’s external environment, but it may also be relevant to shine the light on the organisation itself. Historical data and presently discernable change processes are the primary focus here, although it is also useful to log perspectives on the future. Environmental scanning, emerging issues analysis and trend identification are some of the methodologies that can be used, but may also include more conventional research based on social, technological, economic, environmental and political data sources. The aim should be to canvass as many different perspectives as can be identified, including mainstream sources but sweeping in weak signals of change, voices from the fringe, voices of dissent, provocations and counterfactuals. This phase should also include some initial organisation of the findings. Important questions here include: “Which data are most relevant and most significant?”; and “What patterns can we detect in the data?”. Initial interpretations of “what seems to be happening” generally take place here.

During the research phase, participants often start to appreciate the ways in which their own mental models and world views both reveal and conceal important features of the environment. If the foresight process is effective, this appreciation should grow during the subsequent interpretation and prospection phases.

#### *5. Alternative interpretations*

The alternative interpretations phase seeks to organise the identified perspectives into useful explanatory structures. The aim is to create accounts of *why* things are as they appear to be. In what ways can the data be accounted for? Methodologies of particular relevance here are Causal Layered Analysis and various systems methodologies. The work at this stage can be considered effective if participants understand pattern, structure and causality in ways of which they had not previously been aware. Outputs from this can include models of “how the world works” from the point of view of participants.

#### *6. Prospection*

In the prospection phase, emphasis shifts from developing deeper insight into what *did* happen in the past and what *is* happening in the present to what *might* happen in a range of possible futures. There are two general modes of prospection—both are oriented towards *building agency for action in the present* rather than towards *prediction of what will happen*:

Mode 1. Exploration of *plausible futures*—what *might* happen? The most popular methodology associated with this mode is scenario analysis. In fact, for some people scenario analysis is regarded as synonymous with futures and foresight practice. My own approach is to treat scenario analysis as one tool in a more comprehensive toolbox, to be used with discretion depending on context. In support of such an approach, it is noteworthy that Kees van der Heijden, a leading scenario analysis practitioner-researcher, situates the methodology within the broader

contexts of *strategic conversation*<sup>2</sup> and *organisational learning*<sup>3</sup>. The broad aim with scenario processes is to look at the spectrum of plausible future environments in which the organisation may find itself operating, in order to test and build support for alternative courses of action. The term “scenario” is used—and more importantly, in the context of the approach to practice described on this site, *understood*—in a range of different ways. Perhaps the simplest form is where a single model is constructed to represent the system of interest, and run with multiple sets of parameters (such as initial conditions) in order to generate corresponding sets of outputs. The sense in which I use the term “scenario” follows van der Heijden and is very different from this usage. Whereas the simple form is based on a fixed underlying structure with uncertainty in relation to parameters associated with that structure, with van der Heijden’s use of the term *scenario*, attention is focused on *structural* uncertainty. Different scenarios are characterised by different underlying explanatory structures—different models of “how things work”. The models reflect alternative interpretations of why observed behaviour might be occurring. In order to explore a range of alternative, plausible futures, scenarios with alternative underlying structures are developed.

Mode 2. Exploration of *preferred futures*—what would we *like* to happen? This mode is characterised by visioning methodologies—and has its conceptual foundation in Amara’s third principle relating to our capacity to influence future outcomes by choices in the present. Decision making and subsequent action in organisations is often founded on unspoken and even subconscious assumptions about the nature of *good* futures. In many instances, the underlying assumption is that others hold ideas of good futures that are the same as my own. Visioning methodologies start by making such assumptions problematic: the (unspoken) “official future” is regarded as one amongst a spectrum of available futures, and is not assumed to necessarily be preferred by everyone with a stake in those futures. More sophisticated visioning processes reflect the understanding that images of preferred futures act as guides to decision making and action in the present, rather than “end states” to be implemented exactly as they’re conceived. As guides to action, the nature of these visions is very different to more familiar “vision statements”, and would typically include significant levels of concrete detail about what it would be like to live in the preferred future(s). High quality visions move beyond surface features to include consideration of the structural dynamics that operate in the envisaged worlds, and can serve as a counterpoint against which to consider the consequences and limitations of current structural dynamics. Such comparisons provide the basis for developing action plans to navigate in the direction of a preferred future.

### 7. *Outputs and outcomes*

The overall foresight process should result in both explicit outputs and tacit outcomes. It is the tacit outcomes that I regard as most important, although both explicit outputs and tacit outcomes must work together. The reason I emphasise the tacit outcomes in this way is that these can *only* be arrived at through participation in the process. The tacit outcomes include the deepened insight and shared understanding within and between participants, and shared agency for enacting preferred futures. This provides the explicit outputs—in the form of new

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<sup>2</sup> Van der Heijden, Kees 2005 *Scenarios: The art of strategic conversation*, Chichester: John Wiley & Sons.

<sup>3</sup> Van der Heijden, Kees, Bradfield, Ron, Burt, George, Cairns, George & Wright, George 2002, *The sixth sense: Accelerating organizational learning with scenarios*, Chichester: John Wiley & Sons.

models for understanding the organisation in relation to its environment, and associated options for action—with their legitimacy.

In principle, a single individual could sit in an office and develop similar outputs by running through the foresight process on his or her own. The value of the outputs though is dependent on their practical utility for coordinating decision making and action. Such coordination is dependent on the outputs being widely regarded as legitimate. As communicable artefacts, the outputs must reflect the interior convictions of their proponents and sponsors. This also provides for greater flexibility in using new models to build understanding with others not directly involved in their creation. When a model is a representation of interior understanding on the part of the model user, adapting the model to changing real world circumstances becomes more fluent.

Some foresight processes may terminate at this point, or go into some form of recess. This might be the case for instance where the process relates to a specific project of fixed duration. In most cases though, the phases above will bring to light ongoing sources of uncertainty, and so the learning cycle—and the associated authentic conversation—can continue, reflecting the continuously changing nature of the operating environment, and the organisation's need to continuously develop in response.

#### *8. Co-ordinated action*

Whether terminating after a single cycle (project-specific implementation) or continuing as an ongoing organisational learning process, the value of the strategic foresight process depends on how well it informs decision making and action in the present. An effective foresight process should result in qualitatively different co-ordinated action.

In the model above this is shown as a flow-on from a particular phase in the cycle; in reality, this happens on a continuous basis, with co-ordinated action occurring on a continuous, real-time basis as the foresight process unfolds.

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The final article I will outline an ethic of practice from a viewpoint that recognises the participants in strategic foresight initiatives—and moreover, those affected by such activities—as living beings sharing a common desire to organise our worlds in ways that are inherently meaningful.