

An Exploration of Strategic Foresight

RubenNelson@shaw.ca

Foresight is “*the integrated capacity to consciously see, think through and do what needs to be done now, in light of what the weak signals of change imply for the future, while there is still time to act pro-actively and creatively.*”

Foresight, therefore, is an intentional stance *vis a vis* the future that is taken in the present. The intention is not to be victims of history, but pro-active agents of change who influence the shape of the future. We note that some understanding or other of what is desirable in the future is necessarily presupposed.

The focus is on the weak signals of change, because foresight is not the same as forecasting. The difference is in the degree of doubt about the future with which we are dealing. We can forecast those things for which the probabilities of accuracy are relatively high, e.g. how long it will normally take to drive from home to work. We must rely on foresight when the degrees of uncertainty are so high that we cannot forecast the outcomes, but, nevertheless, we still need to know something about the future. In short, foresight becomes vitally important when change is so rapid, extensive and profound that it calls into question our taken-for-granted views of the future.

Foresight entails four activities:

- **Noticing and reading** (interpreting) today’s weak signals of change
- **Anticipating the implications** of change, especially its threats and opportunities
- **Understanding what needs to be done** in response to the emerging threats and opportunities
- **Working with others to do** what needs to be done

Strategic denotes the fact that “*the characteristic or event to which it is applied is of great consequence – it is life-transforming and history-altering.*”

‘Strategic’ can be applied to a human perspective. Then it denotes a 2nd order, reflexive and evaluative stance or turn of mind. To take a strategic view is to stand aside from whatever it is we are doing in order to re-view and evaluate both the changing situation we are in and what and how we are doing. The point is to identify and act on those few matters on which the fundamental shape of our future truly hangs.

Therefore **Strategic Foresight** is, “*the integrated capacity to consciously see, think through and do what needs to be done now, in light of the history-altering implications of the weak signals of change, while there is still time to act pro-actively and creatively – before hidden opportunities are lost and unseen threats have become crises.*” .”

Because strategic foresight is pro-active – action must be taken before threats have become crises and opportunities have dissipated – it necessarily relies on a somewhat intuitive reading of the patterns of change. If one waits until all evidence is in – until the picture is so clear that all can see it – it is too late to act pro-actively. Then, our only options are dealing with crises and regretting the opportunities lost.

Strategic Foresight assumes that reality is better caught and described by an open dynamic systems view than by any closed systems view, be it organic or Newtonian.

Given the pace and scope of change, we face an increasingly uncertain future. Accordingly, strategic foresight is no longer an optional luxury. Rather, strategic foresight is now a required practice by any

person or organization that is serious about sustaining success regardless of the conditions of the 21st Century.

The Emerging Field of Strategic Foresight

It is important to understand that we are in the early days of the development of strategic foresight; that we are pioneering a new practice that is not yet well understood or well-formed. Strategic Foresight can be seen as just the latest of a long series of practices that have been established since the turn of the 20th Century as we have sought to improve the performance and the longevity of our organizations. See Figure 1, below.

In 1900, we administered organizations; we did not manage them. Senior executives were then the senior administration of the organization. There was virtually no planning, only operations. The central focus was on efficiency – the cost-effective use of resources. During the early decades of the 20th Century, both financial and operational planning were invented. These were then the outer reach of administrators. By the 1930s, a university degree for organizational operations was invented – the MBA – Master of Business Administration. But the focus was still operational, since management had not yet been conceived as a separate perspective and practice. This early 20th Century conception of the work is still seen in the language associated with governments, e.g. a new government is characterized as a new administration, and the degree in public management, invented in the 1960s, is called an MPA – Master of Public Administration.

During WWII, two things happened. Operations were systematized by the invention of operations research, and the strategic perspective was teased out of the taken-for-granted tactical, operational perspective. Both these moves contributed to the development in the 1950s of a new and distinct view of organizations – the management perspective. The central concern of this new view is effectiveness – the achievement of the goals and objectives that had been set earlier. During the 1960s this concern was formalized in Planning, Performance, Budgeting Systems and Management by Objectives. Also, policy emerged as a distinct level of analysis and as a university degree. In the 1970s, strategic planning became fashionable. In the 1980s, it was Total Quality Management with a Japanese flavour. Strategic Planning was then the outer reach of Managers. When the Century closed, a new focus was emerging – leadership. However, while management had been clearly distinguished from administration, there was only an intuitive and fuzzy understanding of how management differed from leadership. Nevertheless, there was a growing consensus that we were over-managed and under-led; that what we needed was better leadership and governance.

It is our view that in the next few decades, the cognitive work of leadership will be teased from the cognitive work of management; just as the latter was teased from administration in the mid-to-late 20th Century. As we do so, we will clearly distinguish strategic planning (looking outward with a management mind) from strategic foresight (looking outward with a leadership perspective). Leaders, when looking outward, practise strategic foresight, and when looking inward practise strategic planning.

In this light, it is useful to re-consider the emergence of the practice of strategic planning. Today, strategic planning is understood to be a required practice of good management that is quite separate from operational planning. 'Strategic Planning' routinely appears in the titles of Vice Presidents and Assistant Deputy Ministers. But this was not always so. In 1965, almost no one had heard of strategic planning, much less of the Boston Consulting Group. In the early days, strategic planning was routinely confused with and reduced to operational planning. However, over the last forty years the practice and methods of strategic planning have slowly been refined and defined. Bit by bit we got it that while operational planning was required, it was not enough; that something more was needed to ensure operations were

sound and sustainable over long periods of time. Strategic planning emerged as the “something” we required. Today, it has a secure place in the management universe.

We see a similar evolution with strategic foresight. It is slowly emerging from strategic planning, just as the latter did from operational planning. It is still routinely confused with and reduced to strategic planning.

Operational Planning is what *administrators* do when they look *out* from their work. It is what *managers* do when they look *in* towards the work of their organization. Their focus is on the *work* (operations) of the organization. The objective is to ensure the *effectiveness and efficiency* of the *operations/administration*.

Strategic Planning is what *managers* do when they look *out* from their work. It is what *leaders* do when they look *in* towards their organization. Their focus is on the goals, strategies/policies and objectives (management) of the organization. The objective is to ensure *the relevance and the effectiveness* of the *management*.

Strategic Foresight is what *leaders* do when they look *out at the world* from their organization. Their focus is on the *changing historical environment* of their organization. The objective is to ensure the *relevance* of the *leadership* of the organization; to ensure that the organization is *aligned with the shape of the emerging future*.

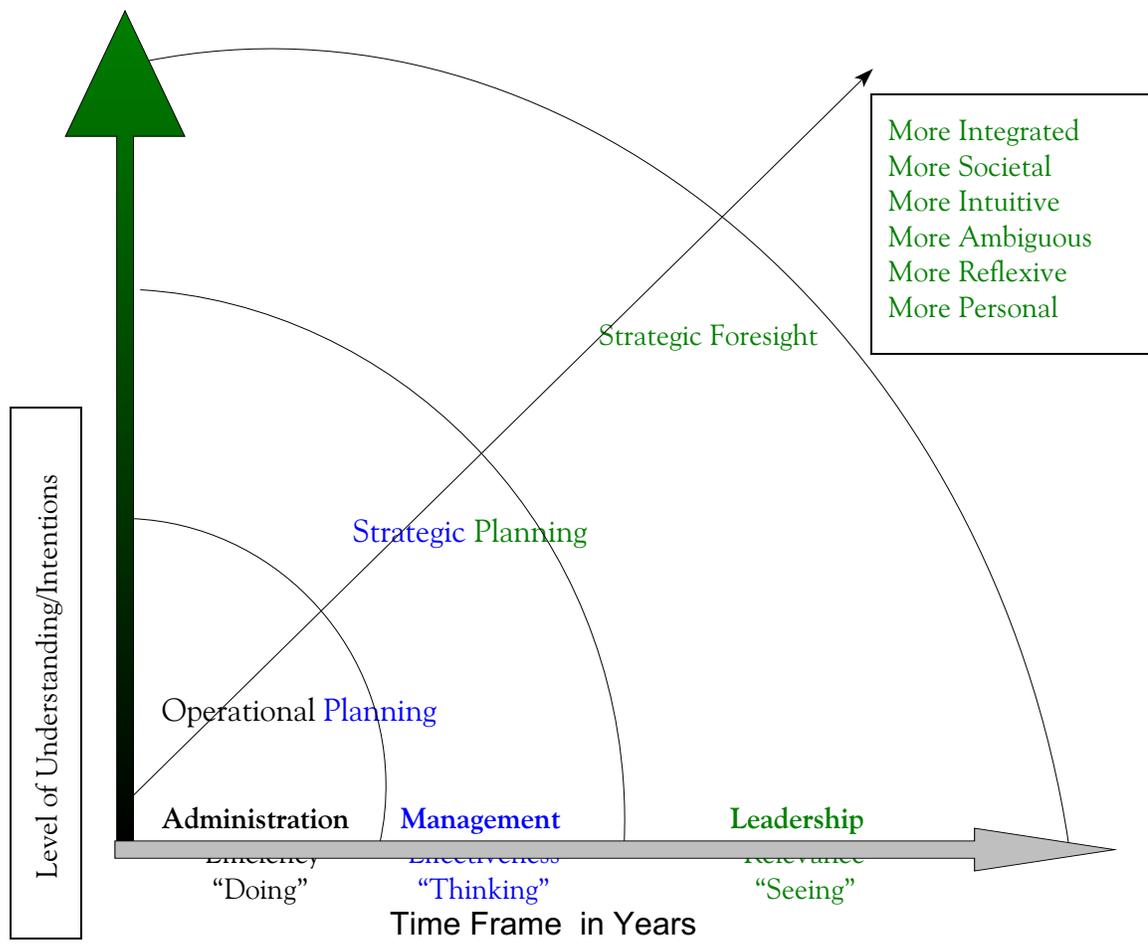


Figure 1

Locating the Work of Strategic Foresight

Contrasting Conventional ‘Strategic Planning’ with ‘Strategic Foresight’

Conventional Strategic Planning

- Internally Focussed – essentially on the organization and its future
- Practised episodically
- Point: to increase confidence in the path that has been chosen to the future
- Once set and committed to, it sets limits to what one can think and do
- Still within the “Industrial” assumptions of a mechanistic world that can be controlled and commanded, e.g. ambiguity, when found, should be overcome and dissolved
- Ultimately reinforces familiar and well-known perceptions, attitudes, ways of organizing and behaviours, e.g. hierarchical bureaucracies are seldom seriously challenged
- Little sense of psychological spaciousness and abundance
- Tends to see strategic planning as the outermost edge of the cognitive world; there is nothing beyond it that better strategic planning cannot cope with.

Strategic Foresight

- Externally Focussed – essentially on the fundamental changes of one’s circumstances
- Ongoing observations and reflections
- Point: to increase our capacity to face and handle ambiguity and fundamental societal change, and thus navigate the rapids of change
- Never finally set; all conclusions are “for now” and open to challenge. New insights are sought and welcomed
- Within a post-Newtonian world that assumes the complexity of dynamic systems and the possibility of influence, but not ultimate control, e.g. ambiguity is a necessary dimension of this world and must be faced
- Presupposes that we are at a moment of history that requires new perceptions, mental maps, logics, ways of organizing and behaviours, e.g. learning communities are embraced as a new requirement
- Great sense of psychological spaciousness and abundance
- Sees strategic planning as an important activity that we now need to affirm and include as we move beyond it to learn the new practice of strategic foresight.