

Educating Your Senior Leadership on the Importance of Strategic Foresight

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Why does your organization need a capability for strategic foresight?

- Well:
 - To provide an idea of what the future may bring (but not try to predict it!)
 - To identify both potential trends, threats and opportunities for your organization on or over the horizon (future environment)
 - Thought: At what point should the American blacksmith have realized he should have become a car mechanic when the Model T came along? When are the experts wrong.....?
 - To predict the future is difficult, but it is also not predetermined. We can influence the future by positive actions we take in the present.
 - To minimize potential negative possible “Black Swan” impacts, or maximize positive “Black Swan” aspects; at best, both!
 - To have a better idea what adversaries or competitors may do in the future
 - To have a better idea what allies or friends may do
 - By 2020, what if Scotland decides this time for independence from Great Britain (GB) as GB divorces from the EU?
 - A good foresight capability would help your capability in forecasting as well
- Other reasons??.....

Foresight vs. Forecasting

Statement: Foresight is the ability to foresee or prepare wisely for the future, while a forecast is an estimation (prediction) of a future condition.

- **Foresight-** (noun)- The ability to foresee or prepare wisely for the future. Example: Having the foresight to prepare an evacuation plan may have saved their lives. (Surveying) a bearing or azimuth taken forwards towards a new object or goal. Synonyms-* (ability to foresee or prepare wisely for the future) prescience, foreknowledge, divination, clairvoyance, prophecy. Antonyms-* hindsight. It is based essentially on your internal farsightedness, prudence, or general mental preparedness. (Incorporates more of the “art” of strategy)
- **Forecast-** As a Verb: A forecast is to estimate how something will be in the future. It is more based on objective facts (ideally) or experience or something else. (Uses scientific methods for gathering data....) (noun)- An estimation of a future condition; example: a prediction of the weather.

Example: Therefore, the 'reasonable individual' should have the foresight (vision) to save up for their retirement years when work and earnings won't likely be coming in. To ensure their earnings are on track during their working years, the reasonable individual makes periodic forecasts (predictions) of his future work opportunities based on their industry knowledge and experience, and prevailing industry trends.

NOTE: Foresight is used primarily as a noun, while forecast is used more as a verb.....

FORESIGHT AND FORECASTS, FROM A COMPARATIVE REVIEW article dated 20.07.2010; <http://www.stoyko.net/smithysmithy/archives/49>, by Peter Stoyko:

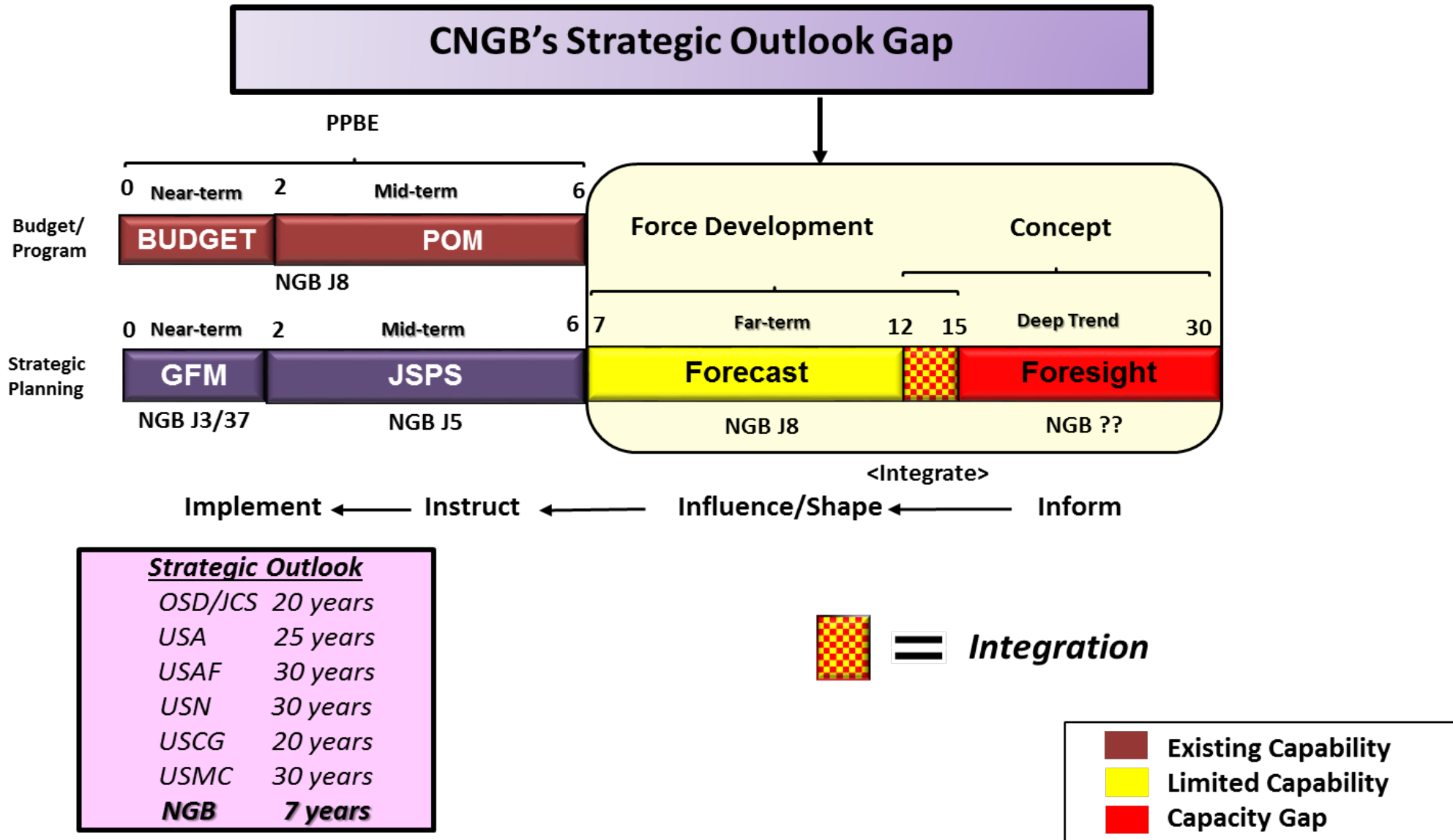
From the article: My thinking about forecasting is heavily influenced by Nassim Nicholas Taleb's books Fooled By Randomness (2005) and The Black Swan (2007). Taleb is a former finance industry wonk who is trying to get people to consider the occurrence of rare, unpredictable one-off events with extreme impact. Those events—called Black Swan events—are particularly problematic because of our tendency to treat them, after the fact, as if they were entirely predictable. These events put the whole business of forecasting into doubt. If you can't predict these extreme game-changing “wild card” events (outliers) that occur every so often, then how good can your predictions be? Taleb argues that, since we can't predict these events based on the track-record of the past, then we should make ourselves flexible and adaptable for when they happen (Taleb et al., 2009). A blind faith in forecasting numbers to anticipate the future is “statistical self-deception”.



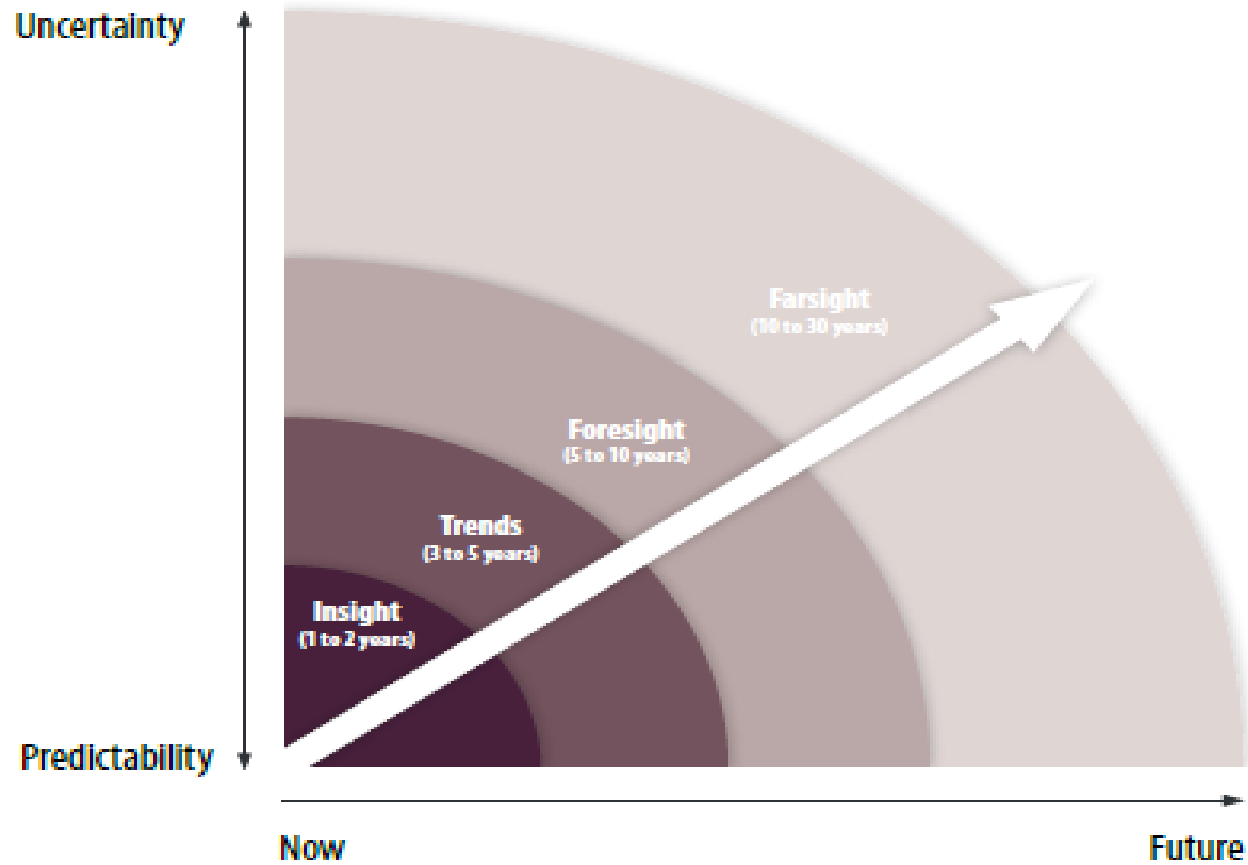
What Does Foresight Incorporate?

- Your organizational mission or overarching goal for your organization. Why does your organization exist?
- What do you want it to do (Formal and/or informal)?
 - An informal collaboration within the organization (networking, Google approach throughout organization; i.e., 20% of all employees can spend work time working to new towards innovative solutions for the company)
 - Have reach back capability throughout your organization (locally, regionally, nationally, worldwide....)
 - Produce FORMAL products and results for use and dissemination (this may require a formal capability and establish processes in the organization to do this)
- What is the time horizon for your organization's foresight curve?
 - 5 years? 10 Years? 20 years?

National Guard Bureau Strategic Outlook Map

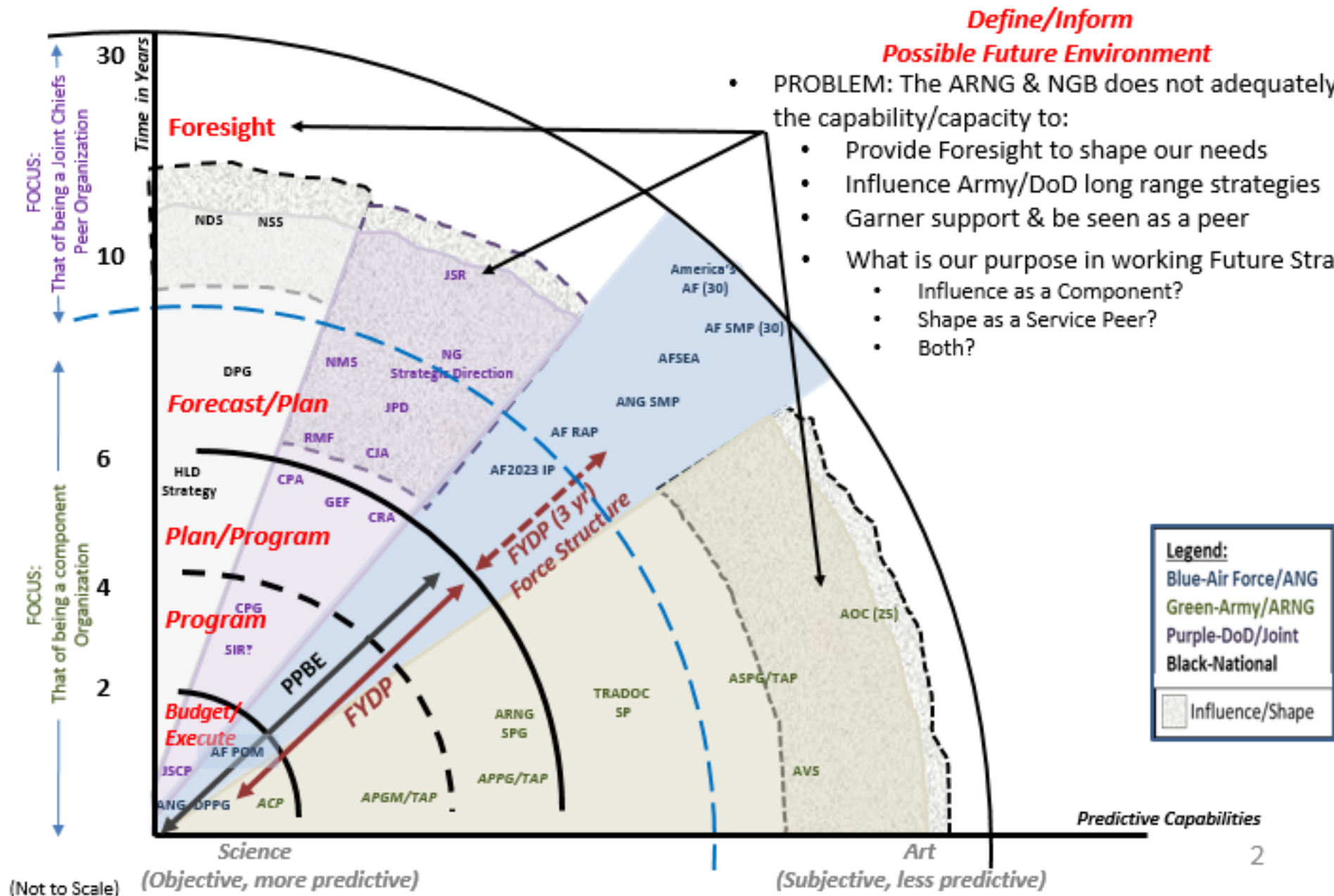


British Global Strategic Trends - Out to 2045 (5th Edition, 2014)



A timeframe looking out 30 years means there is a huge degree of uncertainty in the world that we describe, which by its nature, is based on extrapolation and a degree of imagination.

Time Horizon & Predictive Capabilities Chart (“Ballpark”, v6)



Define/Inform

Possible Future Environment

- PROBLEM: The ARNG & NGB does not adequately have the capability/capacity to:
 - Provide Foresight to shape our needs
 - Influence Army/DoD long range strategies
 - Garner support & be seen as a peer
- What is our purpose in working Future Strategies?
 - Influence as a Component?
 - Shape as a Service Peer?
 - Both?

(Not to Scale)



Types of Analysis that Can Support Strategic Foresight

- More objective data supports foresight recommendations. Some examples of tools for foresight:
 - SWOT-Strengths, Weaknesses, Opportunities, Threats
 - A benchmark of where you are at today....
 - Alternative Futures Approach....
 - “Ranges” of Probability.....
 - The DoD JCS and the British Defense Ministry (4th Edition) have generally follow this concept of linking probability ranges to descriptive words in order to provide a BROAD perspective, but also to provide senior leaders a level of confidence in what they read or are told
 - Generic Example (related to probability ranges from the JCS Chairman’s Risk Assessment, or CRA)
 - 0-20% Probability: Terms to describe: Highly Unlikely, Improbable, Not Likely
 - 21-50% Probability: Terms to Describe: Unlikely, somewhat possible
 - 51-80% Probability: Terms to Describe: Likely, Possible
 - 81-100% Probability: Terms to Describe: Probable, Very Likely
- Others types of analysis???

“Selling Foresight” to Leadership (*DA MONEY SLIDE*)



- A foresight capability is critical for a senior leader to utilize in order to develop their vision for the organization
- It increases a senior leader’s overall awareness about future environmental possibilities
- Show how a foresight capability will (not can) support and enhance the organization’s mission or goals
- Foresight can identify deep trends while a forecast can help prioritize those trends and sharpen an organization’s focus for the future.....i.e., foresight and forecasting should be used in tandem....
- Provide a good example of how foresight positively affected your organization (an opportunity arose and you were the one of the 1st ones through the door); and/or helped mitigate or reduced the impacts of a negative, unexpected event (Black Swan); or best, BOTH!
- Positive foresight examples provide a way to demonstrate that while the future is not predictable, it is also not predetermined, and that it can be influenced in a positive way by actions, decisions, and guidance taken in the present
- *Use the right kind of quantifiable data to support your foresight projections; data that supports or identifies long term trends is different than data used for analyzing short term projections*
- Megadata is very useful and can increase your confidence level of probability, and ‘narrow’ in many cases the range of probability, but it is still a range; it does not provide a very narrow margin of error the further out in time you go.....
- Believe in the importance of incorporating foresight for your organization, and how it positively affects both your organization and leadership. In some (not all) cases, articulating the potential risks of not developing a foresight capability may be effective as well; i.e., your organization or leadership’s vulnerability to negative Black Swan events
- Be:
 - Politely persistent
 - Patient (you are in many cases planning seeds ‘to grow’, time is important)
 - Flexible and agile (be ready when opportunity arises to point out how foresight can help leadership and the organization)
 - Determined (it can take several attempts to sell or market the concept)
 - Positive
 - Believe in the importance of foresight (how will you sell it to leadership when you are not enthusiastic about it yourself?)



And Finally.....

To quote Mr. Ping, Po's father from Kung Fu Panda:

“There is no magic ingredient!”

Discussion

Some Documents Related to Foresight:

- British Global Trends Out to 2045

<https://www.gov.uk/government/publications/global-strategic-trends-out-to-2045>

- FEMA

<https://www.fema.gov/strategic-foresight-fema>

- British Petroleum (BP)

<http://www.bp.com/content/dam/bp/en/corporate/pdf/investors/bp-strategy-update-2017-slides-and-script.pdf>

- Foresight in governments

<http://www.docslides.com/kittie-lecroy/foresight-in-governments-150>

- Stewardship of the Future-Using Foresight in the 21st Century

<http://documents.mx/download/link/stewardship-of-the-future-using-foresight-in-21st-century-governance>

- Foresight-A Glossary: Civil Service College: Singapore

http://www.csf.gov.sg/docs/default-source/default-document-library/csf-csc_foresight--a-glossary.pdf

- Global Trends-Paradox of Progress: National Intelligence Council 2017

<https://www.dni.gov/index.php/printable-formats>

SUPPORTING SLIDES

Are the Experts Ever Wrong?

**Everything That Can Be Invented
Has Been Invented...** Charles H.
Duell, 1899, Commissioner,
US Patent Office

"No, it will make war impossible." -Hiram
Maxim, inventor of the machine gun, 1893

"The horse is here to stay but the automobile is only a novelty—a fad."
-The president of the Michigan Savings Bank advising Henry Ford's
lawyer not to invest in the Ford Motor Co., 1903

"It'll be gone by June."
- Variety Magazine on Rock n' Roll, 1955

"I think there is a market for maybe five computers."

(Thomas Watson, Chairman of IBM, 1943)

**"There is no reason why anyone would want to have
a computer in their home."**

(Ken Olson, President, Chairman and founder of Digital
Equipment Corp., 1977)

"Who the hell wants to hear actors talk?"

(H.M. Warner, Warner Bros, 1927)

**"To affirm that the aeroplane is going to
'revolutionise' naval warfare of the future is to be
guilty of the wildest exaggeration."**

(Scientific American, 1910)

**"There is not the slightest indication that
nuclear energy will ever be obtainable. It would
mean that the atom would have to be shattered
at will."** - Albert Einstein, 1932

**"Television won't last because people
will soon get tired of staring at a
plywood box every night."**
-Darryl Zanuck, movie producer,
20th Century Fox, 1946

**A rocket will never be able
to leave the Earth's atmosphere."**
— New York Times, 1936

**I can fix that..... Husbands
around the world**

A paraphrase: We have likely reached the end of scientific thought and expansion. There is little of the world that we have not already explained and now understand today.

President, *US Academy of Sciences?*, 1904

(2-years later a teenager named Einstein published a paper on the theory of relativity.....)

Black Swan Concept.....

- From a Latin expression, the importance of the metaphor lies in its analogy to the *fragility of any system of thought*. A set of conclusions is potentially undone once any of its fundamental postulates is disproved. In this case, the observation of a single black swan would be the undoing of the logic of that system of thought, as well as any reasoning that followed from that underlying logic.
- The English expression derives from the Old World presumption that all swans must be white because all historical records of swans reported that they had white feathers. In that context, a *black swan* was impossible or at least nonexistent. After Dutch explorer William de Vlamingh discovered a species of Black Swans in western Australia in 1697, the term metamorphosed to connote that a perceived impossibility might later be disproven. Taleb notes that in the 19th century John Stuart Mill used the *black swan* logical fallacy as a new term to identify falsification.

Sources: Wikipedia, The Black Swan (2007 Book); The Black Swan, by N. Taleb, 2007.



Well, sort of...
(MD RennFair 2016)

Acronyms:

- DoD-Department of Defense
- EU-European Union
- JCS-Joint Chiefs of Staff
- NGB-National Guard Bureau
- OSD-Office of the Secretary of Defense
- USA- United States (US) Army
- USAF- US Air Force
- USCG-US Coast Guard
- USMC-US Marine Corps
- SWOT-Strengths, Weaknesses, Opportunities, Threats