

Future focus — leading in a volatile world

by Bronwynne Jones

It is a truism to say that we live in uncertain times. But it is true nevertheless. Many writers have even suggested that these times are more than uncertain; that we are in the midst of a revolutionary transformation.

This creates a dilemma for all of us who want to do more than just live in the world, and for those of us charged with taking purposeful action to achieve specific outcomes.

How do we lead in this volatile world? Is it all chaos? What new ways of thinking are helpful? What must we re-learn to enable us to be effective in this environment?

Strategic planning emerged at another volatile time in human history—the era post WWII. Over the last 50 years many organisations have used strategic planning processes to successfully deliver on their charters. It has become the conventional wisdom for good management.

Yet many organisations are finding that effective planning no longer guarantees success over the long run. They are finding that traditional strategic planning has limited value in the volatile environment that is today's world. This may be due to the nature of planning itself, for planning works where you have control, or at least significant influence, over the factors of production or service delivery. It works where you can see far enough, and with enough certainty, to plan for a particular outcome.

For most of us this is no longer the case. While we may retain some authority over the internal workings of our organisations, few of us have any control over either the market or the wider environment within which that market exists. It is just too big, too wide and too complex. There are too many influencing factors, and those factors are changing rapidly and in unpredictable ways.

Yet many organisations and their leaders hang onto the planning paradigm, and the life raft of formal strategic planning processes, as the way for guiding strategic decisions and managing the future of their organisation.

'I don't think anything is certain. One of the things we should have learned is that we are living in a revolutionary moment in history...we are going through a fundamental transformation.'

Alvin Toffler, 2003

Today's organisational leaders and managers have learned to be suspicious of new approaches. They often promise much and deliver little. While this often is due to the organisation's ability to commit to the long term, inability to commit to the long term is a characteristic of today's world. We live in a volatile environment, where only the fast and the flexible survive. This can make organisations vulnerable to the latest guru, the latest management approach in a search for something that will work in this turbulent world, for something or someone who will give them certainty.

Unfortunately in this 'solutions' environment many good ideas and approaches get branded as the latest management fad and discounted as a consequence.

I stumbled across futures thinking in this same vein in a large government organisation that had seen its share of 'management fads'. We were struggling with change, seeking new ways to shift thinking and give us clarity and certainty for our future.

We faced a common problem—our best thinking and our best plans didn't deliver the results we had 'planned for'. We met and we talked and we planned. The best available brains and the best available information were brought to the table. We reflected on the past; we understood the present; we used the best forecasts of the future to decide our strategy. But by the time The Plan was finalised and we were able to implement, the environment (the organisations and people we transacted with and the strategic context within which we all live and work) had changed so much that some of our strategies were ineffective, some were inappropriate and worse still, others had unintended consequences that actively worked against the very outcomes we were committed to delivering.

We had toyed with the technique of scenario planning but it was the incorporation of the concepts of systems thinking and a living systems analogy into fully fledged futuring that offered strategic management a way of working with and exploring uncertainty.

Futuring—taking a future focus—reconceives the planning function as navigation, thinking of your

organisation as a yacht on a turbulent sea, rather than as train on a set of tracks. This means that while we can identify desired outcomes, we may not be able to determine a single strategy that will last the five years of the strategic plan. The environmental factors influencing its achievement are just too volatile.

Decision making in this environment is emergent, rather than periodic. Rarely is it possible to take all of your decisions in the strategic plan, identify strategic action required to deliver those decisions and monitor progress toward achievement.

More useful is an emergent decision making process where the first decisions are about which decisions you can take with confidence, which ones with courage and which ones only with caution. Planning is only possible for the first set of the decisions. The next decision then becomes how to get the information that you need to move the latter two categories of decisions into the first and what to do about them while you are getting this new knowledge.

This strategic management approach requires work, but different work to that normally thought of as strategic planning. It requires different information

and different ways of making sense of that information. It requires new competencies and new systems of information collection and analysis. And as this information may not all be available at the one time, it requires ongoing attention to strategic decision making, more flexible and responsive planning processes, supported by business and strategic intelligence that enables appropriate decision making at appropriate times.

Effective planning processes become less 'planned'. A volatile environment

demands constant attention, and the strategic decision making process becomes an ongoing and continual process of sensing and making sense, of evaluating strategic actions in the light of emerging patterns in the environment, of monitoring for signs of change and signs of impact and re-aligning strategic responses accordingly. Just as the captain of a yacht senses the shifts in wind and tide and adjusts the sail and tiller accordingly, so must today's organisational leaders.

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‘Sounds like just another management fad’ I hear you say.

Maybe. It certainly has a new language and its fair share of consultants and gurus! But futuring (or futures studies, strategic foresight, futures thinking, scenario planning) differs from many other ‘management fads’ in that it is now embodied in an academic discipline, with deep philosophical roots, a solid methodological base and a range of graduate and postgraduate programs offered by Australian and overseas universities.

This discipline also has its roots in the turbulent times post WWII in defence strategy, anthropology, sociology and many other disciplines. The long range planning response to uncertainty was to analyse and forecast, to narrow the range of possibility in an attempt to find certainty. The futuring response was to explore it, to work with uncertainty to understand the factors and forces developing greater appreciation of complexity and possibility, enabling a greater variety of response. Truly multidisciplinary, futuring brings together the desires of creative futures, visioning and social construction, with marketers and business analysts into a somewhat messy discipline that mirrors the messy world that it seeks to understand.

At its core, futuring is a process that enables us to take better decisions in today’s uncertain environment. Its core philosophy is that in uncertain times, we cannot learn only from the past, and that the future is populated by possibility. You cannot plan for possibility, but by exploring the range of alternative futures, by ‘practicing the future’ we are better placed to identify the things that are unlikely to change, or that change slowly, to recognise and anticipate the changes we might face, and to develop the capacity to respond when something totally unexpected

Effective strategic management in today’s world requires strategic approaches that are flexible when they need to be and certain where they can be. It requires more than a planning mindset; a paradigm shift to enable us to re-conceive how we can live and take action in that environment. It involves rethinking the very nature of decision making and management systems to enable the design of mechanisms that will

enable continuous alignment to our customers, clients and the wider business environment.

If the world is volatile, then our systems need to be able to deal with that volatility. This means we need to be able to sense when it is time to change, to know when we can plan and when we need to wait. To know what we can plan for and where we need to develop more responsive strategies as we learn and the volatility begins to take shape. We need to be able to respond in different time periods, to review as necessary, to know when to be flexible and when to be steadfast.

To know this we need to pay attention to different things. We need different ways of paying attention to those things. And this means we need different processes, systems, structures and skills to enable this attention.

We are learning that the way we think about the world and the organisations within which we work is very important in guiding our decisions. And the way we think about the world and our organisations is changing.

Today’s challenge for leaders is not to know, but to know how to know and what to know about. Alvin Toffler sums this up as follows...

‘The illiterate of the 21st Century will not be those who cannot read and write, but those who cannot learn, unlearn and re-learn.’

Effective strategic management will belong to those who can look to the future with new eyes and lead through the uncertainty that they see there.

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