Module 6

Scenarios and Results

HORIZONS FORESIGHT METHOD
THE HORIZONS FORESIGHT METHOD

Framing
- Identify the issue or problem of interest
- Consider the larger system(s) shaping the issue
- Prepare a simple domain diagram of what is “in” or “out” as a guide
- Allow it to evolve over the study

Assumptions
- Identify “current assumptions” buried in public dialogue and policy documents
- Identify key trends people assume are true
- Summarize key assumptions as a description of the expected future

Scanning
- Scan for weak signals of potentially disruptive changes
- Conduct interviews and facilitate dialogue to understand the system and develop insights

System Mapping
- Identify key elements or nodes in the system
- Describe key relationships
- Use a system map to identify where change could occur and direct further scanning for weak signals as needed

Change Drivers
- Use insights from scanning to identify change drivers shaping the system
- Do cascade diagrams to see 2nd to 5th order consequences

Scenarios
- Develop scenarios to explore a range of futures
- Identify potential challenges and discontinuities
- Test robustness of current assumptions and strategies

Results
- Explore policy challenges and opportunities
- Identify credible assumptions and robust strategies
- Identify key uncertainties, surprises and emerging issues
- Better understand how the system or issue could evolve

You are here in the Horizons Foresight Method
LEARNING OBJECTIVES

• Understand how to develop and analyze scenarios
• Understand how scenarios are used in the Horizons Foresight Method
WHAT IS A SCENARIO?

• Definition: Scenarios are descriptions of plausible alternative futures.

• In the Horizons Foresight Method, scenarios are a way to visualize how the system evolves as it interacts with drivers that create new and unexpected changes.

• The objective is NOT to predict the future, but to:
  • explore a range of plausible futures
  • identify potential challenges and opportunities that could emerge
  • develop robust strategies that may help cope with these surprises
FEATURES OF A SCENARIO

• Scenarios can be displayed in a variety of formats: words, graphics, pictures, video, etc. Experiential scenarios can include role playing, games and scenes with a collection of artifacts.

• Normally scenarios have a defined time limit, e.g. 2025, 2030.

• The detail level can range from one paragraph to many pages.

• There are many types of scenarios, but the two main ones are:
  – End-state scenarios (snapshot in time)
  – Developmental scenarios (story over time)

• The Horizons Foresight Method focuses on end-state scenarios.
WHY USE SCENARIOS?

Scenarios:

- Offer a holistic view/experience of the range of futures we may confront.
- Expose people to new ways of thinking.
- Can change how people see the system and the strategies they propose.

Scenarios are used to:

- Identify emerging issues and potential policy challenges and opportunities.
- Clarify and test policy and planning assumptions.
- Develop a better understanding of the system and its future.
WHAT MAKES FOR GOOD SCENARIOS?

- **Multiple futures** – don’t examine only one future
- **Plausible** – the causal pathways that explore low probability, high impact developments seem reasonable
- **Non-linear** – go beyond linear models of change (A causes B) to explore spiraling complexity
- **Provocative** – explores the significant issues in a vivid and strategic manner
- **Explore assumptions** – move beyond conventional thinking
- **Concise and clear** – convey images more than facts; elements are at the same level of generality; contains the essence, not the details
EXAMPLES OF SCENARIO METHODS

1. Identify change drivers and system elements that will inform the scenario development
2. Develop the scenario logic
3. Put it all together: Create the structural scenarios
4. Identify policy challenges and opportunities
5. Test and clarify assumptions
STEP 1: IDENTIFY KEY CHANGE DRIVERS AND ELEMENTS FOR ANALYSIS

- Change drivers with the most disruptive impact on the system under study are chosen—these change drivers will be instrumental in the elaboration of the scenarios.
- System elements with the greatest potential for disruption or change over time (given the change driver impact) will also be central in the scenario structure.
STEP 2: DEVELOP THE SCENARIO LOGIC

A scenario logic is…

• Built on a foundation of archetypal scenarios that ensure a range of plausible but distinct alternative futures are explored.

• The following archetypes have proved useful in public policy foresight:
  • **Muddling through** – coping with or reacting to change, but without improving outcomes;
  • **Incremental progress** – things are getting better, but in an incremental way;
  • **Incremental decline** – current arrangements are hard to sustain and things are getting worse (without necessarily being catastrophic)
  • **Transformation** – things change due to fundamental shifts in the way we work or see the problem. Transformation is often a response to an opportunity or a crisis.

• Each archetype is supplemented with additional lines of logic that help define the scenario context. This helps to place boundaries on the archetype, which facilitates the exploration of plausible futures.
## EXAMPLE OF SCENARIO LOGIC

<table>
<thead>
<tr>
<th></th>
<th>Muddling Through</th>
<th>Slow Decline</th>
<th>Gradual Progress</th>
<th>Transformation</th>
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</thead>
<tbody>
<tr>
<td><strong>Archetype Logic</strong></td>
<td>Incremental approach. No major decline or improvement.</td>
<td>Period of instability. Things are not getting better.</td>
<td>Growing prosperity and security.</td>
<td>Crisis catalyzes change (drought -&gt; food shortage).</td>
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<tr>
<td><strong>Global Power Shift</strong></td>
<td>Declining US and EU influence, while China and others grow in influence.</td>
<td>Shifting coalitions led by US, China and others compete for influence.</td>
<td>US, EU, China and others cooperate to promote prosperity.</td>
<td>Recognition of shared values and mutual interests in addressing global issues.</td>
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</tbody>
</table>
### Module 6

#### Scenarios and Results

## STEP 3A: BUILD THE STRUCTURAL SCENARIOS – A TEMPLATE

<table>
<thead>
<tr>
<th>Scenario Logic</th>
<th>Element</th>
<th>Muddling Through</th>
<th>Incremental Decline</th>
<th>Incremental Growth</th>
<th>Transformation</th>
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<tbody>
<tr>
<td>Archetypal Logic</td>
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<td>Geopolitical logic</td>
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<td>Geo-economic logic</td>
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<td>Global Resource Scarcity</td>
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<td>Change Drivers</td>
<td>More Economic Centres of Power</td>
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<td>Science, Technology and Innovation</td>
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<td>New Societal Actors in Governance</td>
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<td>Greener Economy</td>
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<td>System Elements (Lenses)</td>
<td>System element 1: Manufacturing</td>
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<td>System element 2: Services</td>
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<td>System element 3: Natural Resources</td>
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<td>SE 4: Nature of Firms and Character of Value Chains</td>
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<td>SE 5: Work and Jobs</td>
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<td>SE 6: Nature of Government</td>
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<td>Policy Challenges</td>
<td>Policy Challenge 1</td>
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<td>Policy Challenge 2</td>
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<td>Policy Challenge 3</td>
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</tbody>
</table>

One scenario
STEP 3B: FROM STRUCTURAL TO NARRATIVE SCENARIOS

• Once the structural scenario matrix has been completed, the information can be analyzed and synthesized to create narrative scenarios.

• Narrative scenarios can take the form of:
  • Short one-paragraph scenarios
  • 1–2 page scenarios (e.g. day in the life of…)

• These scenarios incorporate the insightful components of the structural scenario matrix.
STEP 4: IDENTIFY POLICY CHALLENGES AND OPPORTUNITIES

- Definitions: A policy challenge is a future issue that current policies or institutions may not be ready or able to address. A policy opportunity is a potential advantage that requires strategic action to maximize future benefits.

- The scenarios developed in the previous step can help uncover new policy challenges and opportunities:
  - Discuss, brainstorm or imagine how current policies and institutions will fare when confronted with each scenario. What challenges and opportunities may emerge?
  - Guided imaging can be used to help participants experience a scenario and explore surprises, challenges and opportunities.
  - Engage different groups to get varying perspectives on the challenges and opportunities the scenarios may generate.

- During this exploration, note any alternative strategies or solutions worth exploring in the policy development phase.
STEP 5: TESTING ROBUSTNESS - THREE TYPES OF ASSUMPTIONS

At this point in the process, we test the “current assumptions” that we collected at the very beginning of the Horizons Foresight Method. We test the assumptions for their robustness across all scenarios.

Testing in this way results in three types of assumptions:

- **Credible** – those that usefully guide planning for the future
- **Uncertain** – those that require further research
- **Vulnerable** – those that should be reconsidered in planning
STEP 5: TEST AND REFRAME ASSUMPTIONS

SCENARIOS

Scenario 1  →  Robust
Scenario 2  →  Robust
Scenario 3  →  Robust
Scenario 4  →  Robust

EVALUATE

CATEGORIZE

Credible
Uncertain
Vulnerable

Inform policy dialogue and development
Revise to become credible assumptions if possible
PUT IT ALL TOGETHER: PROCESS STEPS

Each step provides a context informing the next step:

- Develop the scenario logic—it sets the boundaries for the scenario.
- Deduce how the scenario logic shapes each change driver in this scenario.*
- Deduce how the logic and change drivers (all of the above) shape each system element in this scenario.*
- If time permits, review and revise to ensure that it meets the criteria for a good scenario (strategic, provocative and plausible).
- With all the boxes in mind, identify the policy challenges and opportunities that may emerge in each scenario.*
- Test the robustness of each current assumption across each scenario. Assess and reframe as a new, more robust assumption, if necessary.

* Use guided imaging, brainstorming or discussion to identify a few headlines and synthesize into 1–2 sentences.

<table>
<thead>
<tr>
<th>SCENARIO LOGIC</th>
<th>Provide boundaries for the scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRIVER 1</td>
<td>Describe how each driver is shaped under this scenario logic</td>
</tr>
<tr>
<td>DRIVER 2</td>
<td>Deducede how the above context shapes SE1</td>
</tr>
<tr>
<td>SYSTEM ELEMENT 1</td>
<td>Deducede how the above context shapes SE2</td>
</tr>
<tr>
<td>POLICY CHALLENGES</td>
<td>Identify the challenges that may emerge</td>
</tr>
<tr>
<td>ASSUMPTIONS</td>
<td>Test for robustness and reframe if necessary</td>
</tr>
</tbody>
</table>
RESULTS: PRODUCTS OF THE HORIZONS FORESIGHT METHOD

• The entire process give participants a holistic view/experience of the range of plausible futures. It exposes people to new ways of thinking and can change how they view the system.

• Scenarios are used to:
  – identify emerging issues and potential policy challenges and opportunities
  – clarify and test policy and planning assumptions
  – develop a better understanding of the system and how it could evolve

• Once the scenarios have been completed, they can be used to:
  – test the robustness of existing policy
  – provide a context for new policy development
  – identify uncertainties that need to be monitored as leading indicators of change
SUMMARY: KEY FEATURES OF THE HORIZONS FORESIGHT METHOD

• It uses our innate foresight skills to develop, share and test mental models of the system and alternative futures.

• An understanding of the system is at the core of the process.

• It engages knowledgeable people to share their mental models of the system and how it may evolve.

• Visual tools provide “scaffolding” at every step of the process to help participants share their models and facilitate dialogue.

• The key products (credible assumptions, robust mental models of the system and how it could evolve, and a clear sense of emerging challenges and opportunities) are extraordinarily useful products in policy development and decision-making.

• It offers a more rigorous and systematic exploration of the future possibilities than many other methods.
**Checklist**

- What are the current assumptions about the issue?
- Are there weak signals that change is occurring?
- What are the elements in the system?
- How are they evolving and interacting?
- What external drivers are shaping the system?
- What alternative futures are possible?
- What policy challenges and opportunities could emerge?
- Do these challenges and opportunities create unexpected surprises for government or others?
- Which policy options are more robust across the range of plausible futures?
- What are the robust assumptions to shape future policy and planning?

**QUESTIONS TO MAKE POLICY ANALYSIS MORE FORWARD-LOOKING**
REFERENCES

A variety of other scenario methods are included in the list below:


- Scenario Planning Resources
  http://www.well.com/~mb/scenario_planning/#Introductory_texts


- The scenarios page in the Journal for Future Studies library
  http://www.jfs.tku.edu.tw/?cat=23

INFORMATION

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