FUTURE ENVIRONMENTAL SCANNING:
State-of-the-Art
Best Practices Research Report

The Systems Thinking Approach ®

Founded in 1990 • Offices in over 25 Countries
Now Let's Take a Poll...
STEP ONE:
Look for the icon of the person raising his hand on the bottom left panel of your screen.

STEP TWO:
Read the given statement and choose the green check mark if you agree or red ‘x’ if you disagree.
Every morning in Africa a gazelle wakes up. It knows it must outrun the fastest lion or it will be killed.

Every morning in Africa a lion wakes up. It knows it must run faster than the slowest gazelle or it will starve.

It doesn’t matter whether you’re a lion or a gazelle - when the sun comes up, you’d better be running.
A GLOBAL ALLIANCE OF
MASTER CONSULTANTS
AND TRAINERS

FOUNDED 1990—OFFICES IN OVER 25 COUNTRIES
FOCUS OF THE WEBINAR

THE NEW NORMAL: REQUIRES FUTURE ENVIRONMENTAL SCANNING ON A REGULAR BASIS IN THESE DIFFICULT AND TURBULENT TIMES

THERE IS A COMPLETE REBALANCING OF THE GLOBAL ECONOMIC ORDER
WHO IS STEVE HAINES?

STEVE HAINES
Founder & CEO:

- Haines Centre for Strategic Management®
  - Systems Thinking Press®

Founded in 1990—38 Offices—20 Countries

STEVE
is a:

- “CEO—Entrepreneur—Global Strategist”
  and
- “A Facilitator—Systems Thinker—Prolific Author”
  (of 14+ books)

- A graduate of the US NAVAL ACADEMY’s
  Legendary Leadership Class of 1968
WHO IS TERRY SCHMIDT?

TERRY SCHMIDT

Global Partner:

- Haines Centre for Strategic Management®
  Founder:
  - ManagementPro.com

TERRY

is a:

- “Strategy Consultant —Project Expert”
  and
- “Action Trainer—Facilitator -Author”
  (of 7 books)

- graduate of the HARVARD BUSINESS SCHOOL
  MBA Class of 1968
OVERALL AGENDA FOR TODAY

I. OVERVIEW AND WEBINAR INTRODUCTION

II. FUTURE ENVIRONMENTAL SCANNING—THE CONCEPT—SKEPTIC

III. 12 STATE OF THE ART FUTURE ENVIRONMENTAL SCAN BEST PRACTICES

IV. A BONUS: 18 MAJOR NEW CHANGES WORLD WIDE THAT CONTRIBUTE TO THIS COMPLETE REBALANCING OF THE GLOBAL ECONOMIC ORDER
75% OF ALL MAJOR CHANGE FAILS
STEP ONE:
Look for the Icon of the person raising his hand on the bottom left panel of your screen.

STEP TWO:
Read the given statement and choose the green check mark if you agree or red ‘x’ if you disagree.
"The future is shaped by those who see the possibilities before they become obvious"

Straits Times
The U.S. Armed Forces strategic training schools developed a specific term to describe today’s world: 

Volatile, Uncertain, Complex, and Ambiguous or “VUCA.”

This means that past events are no longer reliable indicators for what we can expect in the near future.
DO YOU AGREE WITH THIS FUNDAMENTAL POINT HERE?

THERE IS A COMPLETE REBALANCING OF THE GLOBAL ECONOMIC ORDER

WHAT ARE THE IMPLICATIONS FOR YOUR ORGANIZATION?
STEP ONE: Look for the icon of the person raising his hand on the bottom left panel of your screen.

STEP TWO: Read the given statement and choose the green check mark if you agree or red ‘x’ if you disagree.
How you think

is how you plan . . .

is how you act . . .

And that determines

The Results You Get in work and life!
Problems that are created by our current level of thinking can't be solved by that same level of thinking.

—Albert Einstein

So ...if we generally use analytical thinking, we now need real “Systems Thinking” to resolve our issues.

—Stephen G. Haines
The Science of Living Systems

“The natural way the world works”

Backed by 50+ Years of Scientific Research:

It is the most Holistic, Integrated, Organizing Framework
Available in the World Today
Give people the conceptual tools –

The integrated frameworks – models
to organize their evidence
– their experience – their learnings
POLLING:
AGREE OR DISAGREE?

STEP ONE:
Look for the Icon of the person raising his hand on the bottom left panel of your screen.

STEP TWO:
Read the given statement and choose the green check mark if you agree or red ‘x’ if you disagree.
GET A HIGHER AND BROADER PERSPECTIVE

Take a Helicopter View of Life!
EXAMPLES OF PARADIGMhiftS

1. Environmental Mainstream vs. Extremists
2. Swiss Watches vs. Quartz/Digital
3. Made in Japan Quality vs. Cheap
4. 77 mpg Car vs. Gas Guzzlers
5. Solar/Methane Cars vs. Oil
6. PCs vs. Mainframe Computers
7. Xerox Copy vs. Carbon Copy-CC
8. Fax vs. Mail
9. Express Mail vs. Snail Mail
10. Wires vs. Wireless
11. Airplanes vs. Drones
12. Electrical vs. Electronics/Internet
13. DVDs and CDs vs. Plastic
14. Cellular/Airfone vs. Telephone
15. Fall of Berlin Wall vs. USSR
17. Global Village vs. National Economy
18. Flexible Work Hours vs. Standard 9-5 Hours
19. Electronics/Cottage Industry—Free Agent Nation vs. Big Firms
If you are doing business now the same way you did it five years ago, it’s probably obsolete.

—Jack Welch
ENVIRONMENTAL IMPACT

“What will be changing in the environment that will impact us?”

Scan Your Future Environment
Future Environmental Scan and Assessments

State Of The Art Best Practices Research Report
This Report is the result of a blend of three fundamental sources:

1. The Strategic IQ Audits that the Haines Centre does

2. Our Interpretation and Translation of Others Best Practices Research (We do not do original research ourselves—rarely paid for)

3. Our consulting practices around the world in over 20 countries
“EVERYTHING IS SIMPLE, YOU SEE BUT YOU JUST HAVE TO SEE IT”

CLARITY AND SIMPLICITY = SUCCESS
Problem #1: There is no standard for future environmental scanning

Best Practices #1: Use the acronym “SKEPTIC” as the new standard for future environmental scanning
Future Environmental Scanning/Trends

List the 5-10 environmental trends – projections – opportunities threats facing you over the life of your plan:

<table>
<thead>
<tr>
<th>Scanning/Trends</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S</strong> Socio-Demographics (People/Society):</td>
<td></td>
</tr>
<tr>
<td><strong>K</strong> Competition/Substitutes:</td>
<td></td>
</tr>
<tr>
<td><strong>E</strong> Economics:</td>
<td><strong>E</strong> Ecology:</td>
</tr>
<tr>
<td><strong>P</strong> Political / Regulatory:</td>
<td></td>
</tr>
<tr>
<td><strong>T</strong> Technical:</td>
<td></td>
</tr>
<tr>
<td><strong>I</strong> Industry / Supplier:</td>
<td></td>
</tr>
<tr>
<td><strong>C</strong> Customers/Citizens:</td>
<td></td>
</tr>
</tbody>
</table>
STEP ONE:
Look for the icon of the person raising his hand on the bottom left panel of your screen.

STEP TWO:
Read the given statement and choose the green check mark if you agree or red 'x' if you disagree.
Problem #2: Future environmental scanning is not done early enough or at all

Best Practices #2: SKEPTIC should be the first thing you do (Phase E) other than definition of your Ideal Future Vision (Phase A)

The World is a complex system—focus on all your Stakeholders
THE WORLD AS A COMPLEX SYSTEM:

- Governments
- Society/Community
- Owners/Board
- Suppliers
- Environmentalist
- Financial Institutions
- SIGS
- Union/Employees
- Management
- Media
- Customers
- Industry/Associations
- Competitors
- Other Countries
Problem #3: SWOT (Current State Assessment) is conducted as the first thing in the strategic planning process

Best Practice #3: SWOT should be conducted later in the strategic planning process (Phase C)
SIMPPLICITY OF SYSTEMS THINKING

A Holistic, Integrated, Organizing Framework

INPUTS (Current State)

Phase C

“THE SYSTEM”

Energizing and Integrating Force

Phase B

FEEDBACK LOOP

Phase D

THROUGHPUTS

Phase A

OUTPUTS (Future State)

Phase E

ENVIRONMENT

Haines Centre for Strategic Management
Problem #4: SWOT is the only Current State Assessment conducted

Best Practice #4: SWOT should be used as an executive summary of the current State assessment only
I. Internal to the Organization/department (In Here)

- **Strengths**
  - “Build On”

- **Weaknesses**
  - “Eliminate/Cope”

II. External to the Organization/department (In the environment – Out There)

- **Opportunities**
  - “Exploit”

- **Threats**
  - “Ease/Lower”
Problem #5: The OT in SWOT is usually developed from a blank sheet of paper.

Best Practice #5: The OT in SWOT should be developed from the IMPLICATIONS from the future environmental scan (Backwards Thinking from the Future).
<table>
<thead>
<tr>
<th>TODAY – IMPLICATIONS (O pportunities – T hreats)</th>
<th>SPONSOR</th>
<th>SKEPTIC – FUTURE SCAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>List the 5-10 environmental trends – projections Facing you over the life of your plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S Socio-Demographics (People/Society):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K Competition/Substitutes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E Economics:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E Ecology:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P Political / Regulatory:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T Technical:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I Industry / Supplier:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Customers/Citizens:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

©2010 – All Rights Reserved
Problem #6: The SW in SWOT is usually developed from a blank sheet of paper

Best Practice #6: The SW in SWOT should be developed as an executive summary only using a Systems Thinking Approach® to the Current State Assessment (such as the Haines Centre’s Business Excellence Architecture)
Problem #7: No one has responsibility for the SKEPTIC letters

Best Practice #7: There should be executive sponsors for each SKEPTIC letter (See some natural fits on the next page/slide)
### FORM “SKEPTIC” TEAMS

<table>
<thead>
<tr>
<th>Scanning Area</th>
<th>Senior Management Team Leader (Sponsor)</th>
<th>Team Members (Max 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>HR VP</td>
<td></td>
</tr>
<tr>
<td>K</td>
<td>Sales VP</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>Safety</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>General Counsel or PR/Regulatory VP</td>
<td></td>
</tr>
<tr>
<td>T</td>
<td>CIO</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>CEO or Marketing VP</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Customer Service VP</td>
<td></td>
</tr>
</tbody>
</table>

**Goal:** Quarterly one-page reports to the change leadership team by each team.
STEP ONE:
Look for the Icon of the person raising his hand on the bottom left panel of your screen.

STEP TWO:
Read the given statement and choose the green check mark if you agree or red ‘x’ if you disagree.
Problem #8: The responsibility for future environmental scan it is a staff responsibility

Best Practice #8: Each SKEPTIC letter should have a volunteer team of managers to support the executive sponsor (5-6 Members)

Create a Strategic Environmental Scanning System (ESS) with quarterly reports to the Change Leadership Team
THE SIX STEPS INCLUDE THE FOLLOWING:

1. Identify the organization’s Environmental Scan needs, especially for the next round of Strategic Planning (Annual Updates).

2. Generate a list of information sources that provide core inputs (i.e., trade shows, publications, technical meetings, customers, shareholders).

3. Identify those middle managers/employees who volunteer to participate in the Environmental Scanning System (ESS). (Not just members of the Planning Team.)

4. Assign scanning tasks for each SKEPTIC letter to a Sponsor/ Senior Management Team Member and 4-6 volunteer members of the organization.

5. Collect data on a regular basis.

6. Disseminate the information in a large group meeting:
   • on a yearly basis and quarterly at the Change Leadership Team meeting
Problem #9: Future environmental scanning is done only yearly

Best Practices #9: Future environmental scanning should be done every 3 to 4 months
Problem #10: Future environmental scanning usually only focuses on one year at a time

Best practices #10: Future environmental scanning should look out a minimum of three years
Problem #11: Most future environmental scan and current state assessments stay within the box

Best Practices #11: Both future environmental scan and current assessment need to dig deep and be the creative and innovative in looking for alternative futures.

Technology is the key variable each time.
Problem #12: There are too many ways to conduct a current State assessment

Best practices #12: Focus on the top 3 to 5 current State assessment tools only
Future Environmental Scanning

Table of Contents

1) Introduction and Overview
2) Summary of Key driving forces – trends – and their implications
3) “Skeptic” Framework – Team Reports:
   a) One page each with:
      i. The trend over the next 3-5 years
      ii. Each trend’s implications for us now (opportunities and threats)
4) Near term almost certainties
5) Wild cards – uncertainties
6) Conclusions
“If the rate of change on the outside exceeds the rate of change on the inside, the end is near.”

—Jack Welch

Former Chairman and CEO
General Electric Corporation
What we think, or what we know, or what we believe is, in the end, of little consequence. The only consequence ... ...is what we do!

WHAT ARE YOUR NEXT STEPS?
THANK YOU
FOR YOUR PARTICIPATION

Steve Haines—Terry Schmidt
Haines Centre for Strategic Management
(Using the SKEEPTIC Framework)
A Future Environmental Scan by the Haines Centre for Strategic Management

<table>
<thead>
<tr>
<th>S</th>
<th>Socio Demographic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Generational Shifts (Millennium – Boomers —Population Growth)</td>
</tr>
<tr>
<td>2.</td>
<td>Innovative Employees/ Entrepreneurs— in the Emerging Markets/Countries</td>
</tr>
<tr>
<td>3.</td>
<td>Chinese Employee Demands/ Manufacturing going elsewhere</td>
</tr>
<tr>
<td>K</td>
<td>Competition/Substitutes</td>
</tr>
<tr>
<td>4.</td>
<td>Innovation Everywhere-world-wide/ Globalization—Shrinking World</td>
</tr>
<tr>
<td>5.</td>
<td>Scarcity/polarization/fear world-wide-austerity</td>
</tr>
<tr>
<td></td>
<td>Economic</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------</td>
</tr>
<tr>
<td>6</td>
<td>Global Economic System meltdown/rebuild-?? USA Deficits and Debt both</td>
</tr>
<tr>
<td>7</td>
<td>Japan economics (insular)—”PIGS” in the EU—Socialism Dead?</td>
</tr>
<tr>
<td>8</td>
<td>Countries/Federal/State/Local Deficits/bankruptcy</td>
</tr>
<tr>
<td>9</td>
<td>Wealth Transfer</td>
</tr>
<tr>
<td></td>
<td>· State Oil Companies (Top 12 world-wide )</td>
</tr>
<tr>
<td></td>
<td>· Sovereign Wealth Funds</td>
</tr>
<tr>
<td></td>
<td>Ecology</td>
</tr>
<tr>
<td>10</td>
<td>Green Economy/Growth – Germany Leads—Climate Change?</td>
</tr>
<tr>
<td></td>
<td>Political/ Regulatory</td>
</tr>
<tr>
<td>11</td>
<td>Terrorism Worldwide (Islamic Extremists)</td>
</tr>
<tr>
<td>12</td>
<td>War Potential – hot spots (Iran, Korea, etc)</td>
</tr>
<tr>
<td>13</td>
<td>Empires/Government Bureaucracy (crumbling infrastructure declining)</td>
</tr>
<tr>
<td>---</td>
<td>----------------------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>T</td>
<td>Technology</td>
</tr>
<tr>
<td>I</td>
<td>Industry/Suppliers</td>
</tr>
<tr>
<td>C</td>
<td>Customers/Citizens</td>
</tr>
</tbody>
</table>