

WHAT DO WE MEAN BY 'FUTURES'?



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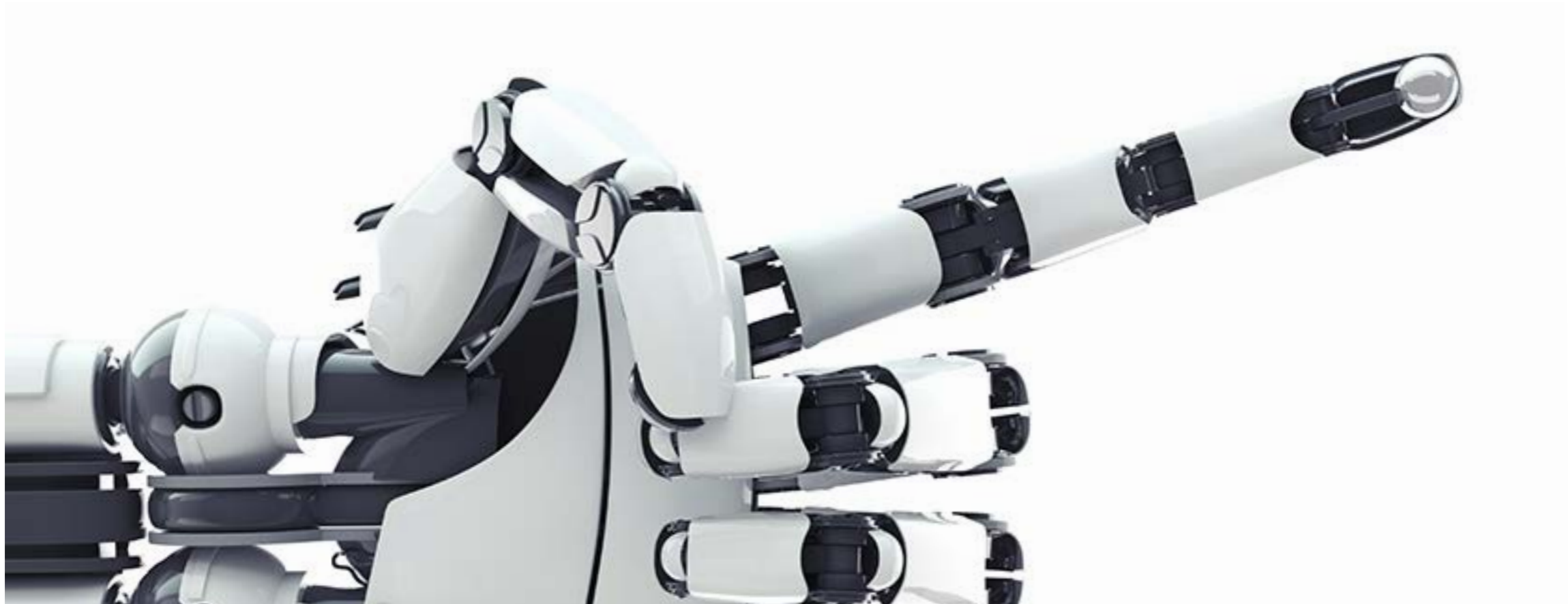
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WHAT DO WE MEAN BY 'FUTURES'?

Futures is an exciting and imaginative tool to navigate the unknown space of possibility and opportunity that lies ahead, whilst highlighting potential risks.

An all-encompassing term, “futures” comprises a range of different techniques to think about the future, but does not attempt to predict it. There is no ‘one’ correct future and therefore we refer to the tool in the plural - futures. Ambiguity around terminology, along with the number of different techniques that can be used, can lead to misunderstandings about what futures can provide businesses with – this report aims to provide clarity on this.

Thinking about the future is not about being right or wrong, it is a way of inspecting our beliefs, disrupting the constraints of current conceptions and revealing assumptions about what we believe can and cannot happen. Here we outline the most prominent techniques being used amongst the participating companies. Ultimately, the futures technique to use will be best determined by what feels most appropriate, depending on the desired outcome and need.



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TRENDS AND FORECASTING: A PROBABLE FUTURE

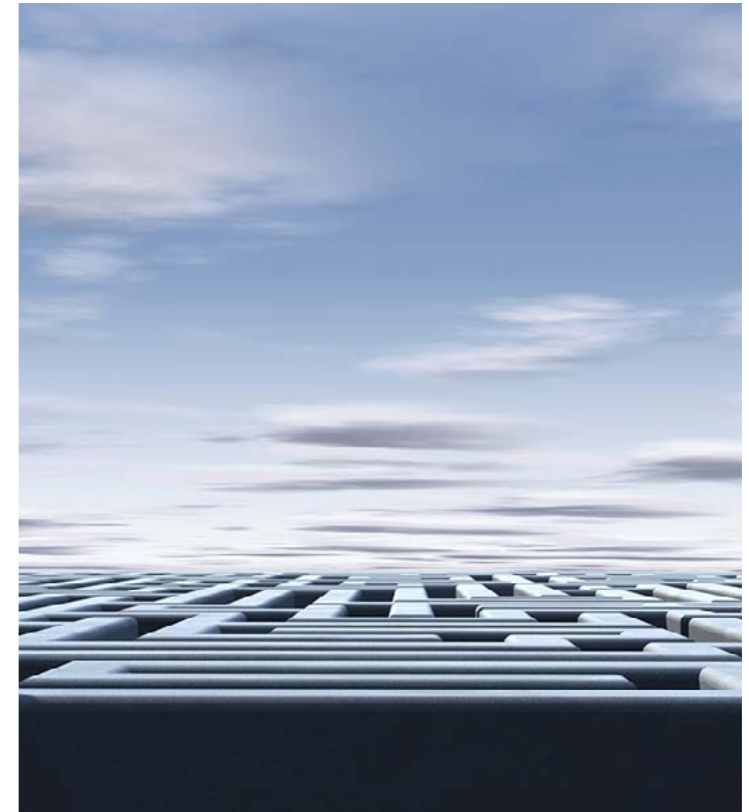
WHAT?

The direction and strength of current trends can be explored by referring to extensive research from external sources and reports such as the IPCC, the Global Environment Outlook (UNEP), the World Economic Outlook (OECD), and the World Energy Outlook (IEA). These indicate how trends are projected and expected to develop over time. Horizon scanning² aims to identify weak signals for new and emerging trends or potentially disruptive impacts. Forecasts are often further informed by interviews with experts and a wide range of stakeholders.

² Horizon scanning – systematic examination of a wide range of sources to detect early signs of potentially important developments: emerging issues, threats and opportunities

WHY?

Trends and forecasting exercises provide companies with an outline of a probable future, offering valuable information about near-term outlooks and events (within the next 10 years). By extrapolating current trajectories, it largely assumes the future will unfold in a similar way to events in the past. However, growing awareness of non-linear changes (such as those shown by differing localised impacts of climate change or ecological thresholds such as fish stock collapse), means projections are being increasingly challenged. New, sophisticated data-driven techniques are constantly being developed to improve analysis in this area.



DESCRIPTIVE SCENARIOS: A PLAUSIBLE FUTURE

WHAT?

Largely informed by trends and forecasts, scenarios develop narratives or storylines around a number of alternative futures, which offer a plausible unfolding of events. Developing several different scenarios ensures the plausibility can be stretched in different directions and accounts for the variations in trends projections. Scenarios are acknowledged not to provide predictions: the true future often lies in a combination of all storylines. Therefore, no priority should be given to one scenario since all provide insights and lessons. Scenarios can be produced at a variety of different scales: global, regional, or country specific and at a number of different timeframes (close, mid or distant) depending on what they have been designed to inform.

WHY?

Descriptions of plausible future worlds can help companies to explore and prepare for uncertainty. The storylines enable interconnections and feedback between trends to be investigated in greater depth. This is a key tool for increasing an organization's flexibility and ability to deal with '[black swans](#)', seemingly improbable events that would have a significant, highly disruptive impact. Scenarios are used to test assumptions, challenge thinking and rehearse implications in a hope to reduce blind spots and enable more imaginative thinking. Creating 'mini-worlds' provides a more holistic vision of the future, necessary when addressing systemic challenges.



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NORMATIVE, DESIRED SCENARIOS: A PREFERABLE FUTURE

WHAT?

A storyline of a largely imagined world describing a preferred future, an idealised outcome. 'Backcasting' – working backwards from that vision to the present day – can highlight the gaps between shorter-term trend forecasting and the longer-term vision. This can help to determine a plausible or necessary path and articulate the changes required to achieve such a future. Normative futures tend to be more distant, for example WBCSD's Vision 2050, since they usually involve a description of a very different world from that which exists today. This is required for such imagined or desired changes to have taken place.

WHY?

Desired scenarios provides companies with a powerful story and image. This can unite hopes and fears as a means to try to shape the future in the direction they wish. Strong faith in an aspirational vision can inspire, galvanize and help push through difficult change, providing a clear overall direction towards the desired outcome. Essentially, desired scenarios help us to break free from today's world: by searching beyond the reasonable or plausible, they provide opportunities to completely diverge from projected and existing trends and stimulate greater imagination.

A BRIEF WORD ON THE SDGs

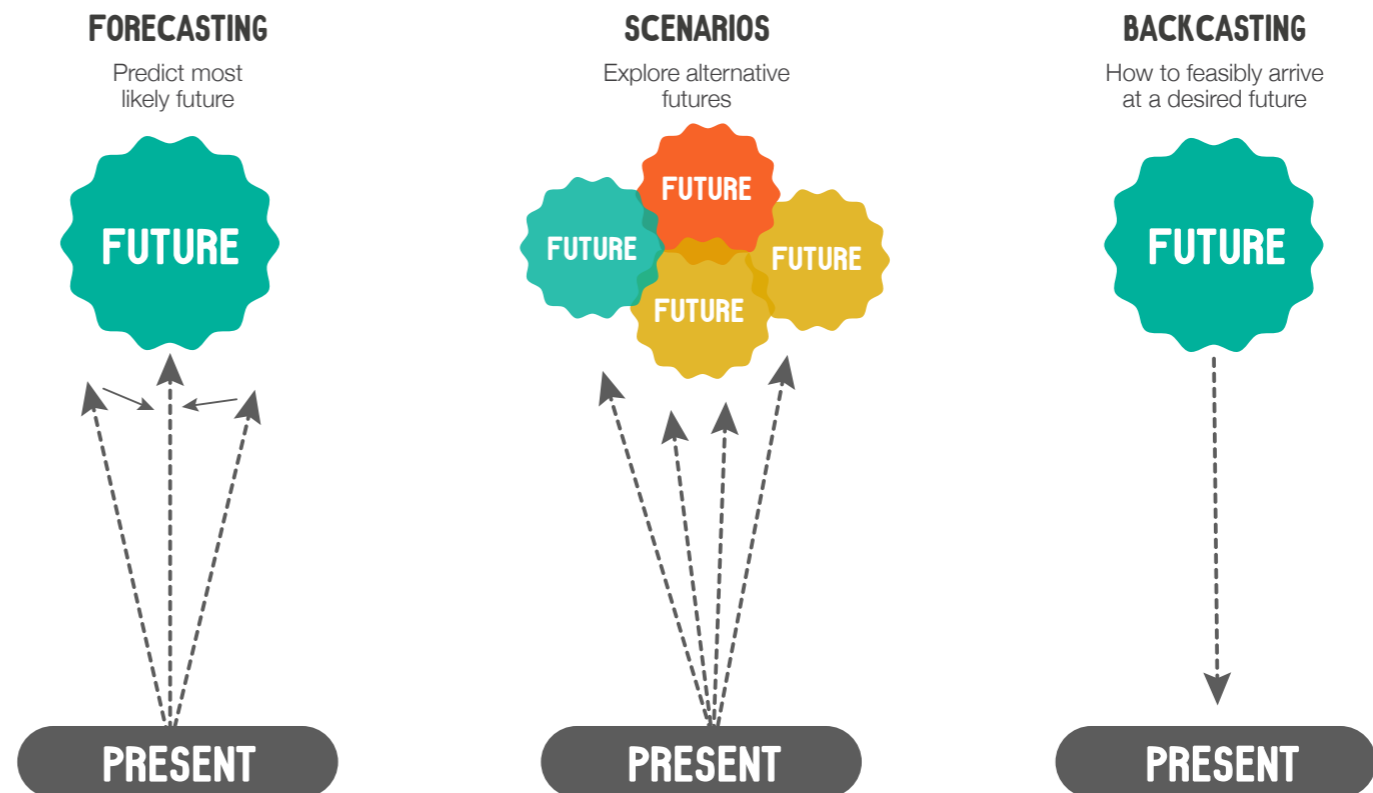
The United Nations Sustainable Development Goals (SDGs) consist of 17 goals, and 169 indicators that will contribute the goals being achieved. To an extent, this is a grand exercise in defining a desirable future and backcasting the plausible and necessary pathways to achieving the goals. To explore the SDGs and how business can align strategy with the goals and contribute towards them, visit the [SDG Compass](#) developed by WBCSD, GRI and UN Global Compact.

The future is complex and uncertain (well explored in more depth in [Nesta's Don't Stop Thinking About Tomorrow paper](#)). Companies could benefit from exploring all three of the major techniques explored above as ways to think about the future, allowing them to feed into and complement each other. However, developing futures can be a resource-intensive process, so companies should also carefully evaluate their aims and the resources and time they have available.

FUTURES AND SUSTAINABILITY

Futures has long been used as a traditional business (risk) management tool. We believe it is time to focus new attention on its links to the sustainability agenda. It is too easy to maintain the status quo in an increasingly resource and carbon constrained world: futures can be used to catalyse transformative action. However, to take full advantage and create real change, sustainability must already be embedded throughout the company at strategic and operational levels. Even where sustainability is less fully embedded, futures can be a powerful tool to demonstrate the business case for sustainability and thus drive greater action throughout the organization.

FUTURES TECHNIQUES



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