

Given today's continuing turbulence, agencies need to proactively explore diverse futures to anticipate change, withstand disruptions, and seize new opportunities.

As government leaders took the helm in steering the nation through the most disruptive global challenge in recent history—the COVID-19 pandemic—it reinforced the necessity of taking a long-term look at the future to improve resiliency and prepare for both likely and unlikely events.

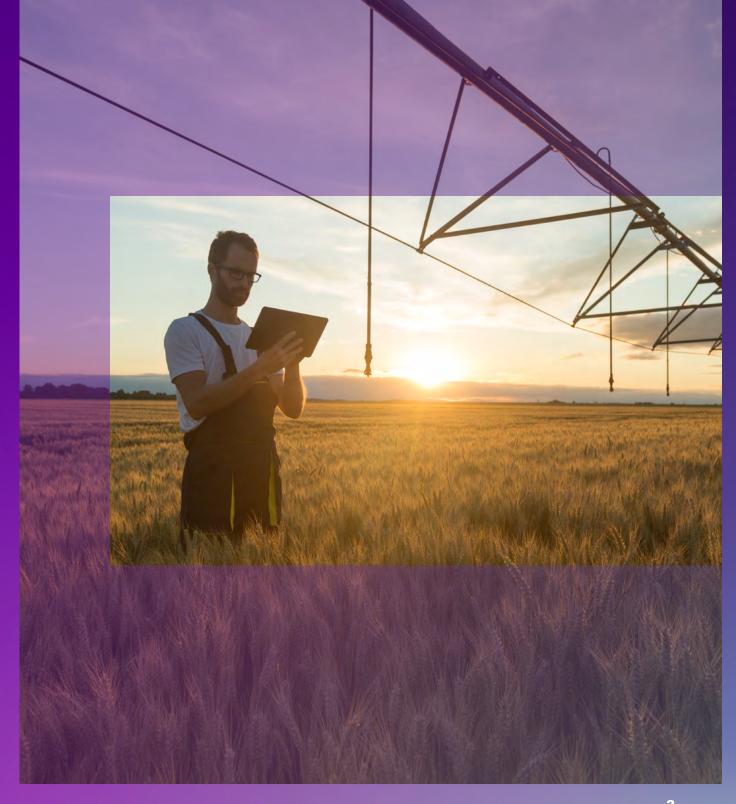
This has been the traditional and important focus of **strategic foresight**, a holistic and rigorous approach for envisioning future scenarios to better anticipate new obstacles and steer toward safety. Strategic foresight is a critical ingredient of building enterprise **resiliency**; it enables organizations to visualize, explore and prepare for the unimaginable.

The challenge, even removing rare yet epoch-making events like global pandemics, is that the pace of change continues to accelerate. So, while it's increasingly important for federal agencies to stay ahead of the curve, it's also more and more difficult to even know what that curve may look like. This trend is being felt across both the public and private sectors; an Accenture survey found that only <u>6% of companies report feeling completely confident</u> in their current abilities to foresee and respond to future disruption.

Given the unprecedented unpredictability created by even one issue—climate change—and the stakes for mankind, federal agencies need to expand their commitment to strategic foresight. Indicators of the future are all around us, and by embracing a strategic foresight mindset across federal government, we can more fully embrace, explore, and act on these findings.

However, there is another aspect of strategic foresight that we must consider as well. Traditionally, government has used strategic foresight to answer big questions and prepare for obstacles, such as with the annual Worldwide Threat Assessment of the US Intelligence Community. However, they have made less frequent use of it as a creativity tool to spur more open-ended innovation specifically, to consider and evaluate new approaches and work iteratively to improve and refine them. This type of thinking is critical to ensuring that we thrive as well as survive.

Based on our experience and exploration, strategic foresight can be a fundamental skill for fostering both resiliency and innovation. It can help agencies view the future without blinders but also help them imagine new possibilities and act on opportunities. Incorporating tools such as scenario planning, horizon scanning, and backcasting, strategic foresight empowers agencies to proactively navigate and shape the future.



History of strategic foresight in government

"In the government, leaders are trained to project themselves and their organizations into the future, to deliberately think through the conditions that could develop, to war game and plan against best-case and worst-case scenarios, and to ensure they are prepared to act and respond as conditions begin to change. This is a discipline that is well practiced within the Intelligence Community and Department of Defense, and one all leaders and organizations can benefit from."

LTG(R) Mary Legere

Accenture Federal Services Intelligence Practice Lead For decades, federal agencies have found value in adopting strategic foresight to assess and plan for uncertain futures. The origin of strategic foresight as a field is well-debated, but likely has strong ties to the U.S. federal government.

Many point to <u>Project RAND</u>, a private research project launched in 1946 for the Army Air Force by Commanding General of the U.S. Army Air Forces, Hap Arnold, as the beginnings of <u>futurism</u>. From then to today, the U.S. Department of Defense and Intelligence Community have adopted strategic foresight to a greater degree than other areas of government. A <u>2018 study</u> found that "[d]edicated foresight staffing for defense and intelligence agencies is consistently greater than for the civilian agencies." Today, the National Intelligence Council's <u>Global Trends report</u> is widely praised among the foresight community as a model of excellence.

The U.S Coast Guard's Project Evergreen (and an earlier, similar effort, Project Long View) are examples of not just using strategic foresight to explore possible futures, but actually integrating that insight into how the agency operates. More than 1,000 Coast Guard members have participated in Evergreen or Long View, and evidence shows that it has <u>enabled the organization to integrate foresight into policy making and other day-to-day operations</u>. As one example, prior to 2001, Project Long View had predicted a future where "terrorism strikes frequently and increasingly close to home." Since Coast Guard leadership was already socialized to this shift through Project Long View, the organization was able to react to new needs more quickly and effectively post-9/11.

New developments indicate strategic foresight's greater influence across all of government. In 2013, the <u>Federal Foresight Community of Interest</u> was established, the beginning of a cross-federal approach to sharing foresight methods and best practices. Then in 2018, the U.S. Government Accountability Office launched the <u>Center for Strategic Foresight</u>, continuing to accelerate progress.



Why strategic foresight is important

Strategic foresight provides a framework for challenging assumptions and <u>imagining new</u> <u>scenarios</u> in today's fast-moving world. Doing so helps leaders move forward with more confidence and less emotion, and take a proactive, rather than reactive, stance to new obstacles and trends.

Essential to strategic foresight is the concept of signals. According to the <u>Institute for the Future</u> (IFTF), a signal is a "a small or local innovation or disruption that has the potential to grow in scale and geographic distribution." These include new products, new policies, new technologies, events, issues, and more.

Often, the signals of change are all around us, but leaders fail to recognize them or act. For example, in 2008, the CEO of Blockbuster <u>dismissed</u> the then-emerging prominence of Netflix and Redbox: "Neither...are even on the radar screen in terms of competition." Blockbuster overlooked several key signals, such as the meteoric rise of new, more convenient distribution models for customers (i.e., first mailing DVDs and then online streaming), as well as the value of Al-driven personalization based on in-depth user data. Their resistance to change meant the company lost its dominance on at-home entertainment and eventually shuttered down.

Being attuned to signals can reap great rewards, though. In the 1970s, for example, <u>Royal Dutch Shell's Pierre Wack</u> famously used scenario planning to anticipate oil prices surging and ultimately helped the company better weather the energy crisis. By challenging inward-looking biases, such as the belief that Western-dominated stability would always prevail, Wack's team concluded that an energy crisis stemming from tensions in the Middle East was inevitable; this prediction helped the company proactively prepare for the challenges ahead, instead of being caught by surprise.

Nowadays, the urgency of uncovering and acting on signals is increasing, particularly for federal government:

- In our always-on, constantly connected society, agencies must react to events and obstacles quickly. Thus, there is a greater need to anticipate and prepare for change. Recent Accenture survey data found that 91% of federal executives report that their organization is innovating with an urgency and call to action this year.
- Crises like climate change are increasing the frequency of seemingly random, disruptive "black swan" events. Alongside the known impact of climate change-induced disasters, the crisis will have other, secondary impacts that are signals for change—including an increase in human aggression and decrease in productivity.

Strategic foresight enables agencies to proactively prepare for these shifts and learn from the future. For example, the <u>US Forest Service</u> has adopted futures thinking to improve forest management and anticipate change, running its own <u>Strategic Foresight and Rapid Response Group</u>. The unit's <u>Forest Futures Horizon Scanning system</u>, as described in a 2019 introductory report, seeks to "find, collect, and analyze the signals of change, and to identify emerging issues suggested by these signals that could affect forests, the field of forestry, and the Forest Service in the future." By doing so, Forest Service decisionmakers can better prepare for varied futures and take timely action when and where necessary.

Strategic foresight can help explore specific problems and answer "What if?" questions. But applying an organization-wide futures thinking mindset has broader implications as well: It fosters greater creativity and innovation, and can help teams break out of narrow, siloed paths of thinking to explore new opportunities.

- Our world is growing more complex due to the greater interdependence of systems. For example, organizations are currently reckoning with the fragility of global supply chains, which have been increasingly tested by pandemic-induced workforce shortages, weather disasters, and rapidly shifting consumption patterns over the past two years.
- Long-anticipated trends are happening sooner and faster.
 Even when organizations may be paying attention to signals, unforeseen change can alter the timing. Consider how the pandemic accelerated discussions around remote and hybrid workplaces, making them widely common faster than many organizations anticipated.

The <u>Organisation for Economic Co-operation and Development (OECD)</u> posits that strategic foresight can support government policy making in three main ways:

Better anticipation: to better anticipate changes that could emerge in the future

Policy innovation: to reveal options for experimentation with innovative approaches

Future-proofing: to stress-test existing or proposed strategies and policies

In other words, strategic foresight can be applied in a multitude of ways, including to discover new ideas, to explore potential scenarios, to map out possible outcomes, and to create new response plans.

An example of signals of change

In 2021, Accenture <u>initiated research on the future of business</u>, and identified six signals of change, both small and large, that are most relevant to corporate leaders. But these markers are important for government officials to understand, too, as they try to identify what works for a new and evolving today, and what will be required to thrive tomorrow.

01

Learning from the future

"Organizations are using data analytics and artificial intelligence to make decisions and define strategies that anticipate the future."

For federal

The rapid analysis of recent or real-time data is increasingly essential for government to stay ahead of accelerating change—and can provide signals to fuel a strategic foresight mindset.

02

Pushed to the edge

"Leaders are pushing decision-making authority to people at the 'edges,' relying on highly networked teams to act with speed and agility."

For federal

Edge organizations can empower government to operate more efficiently, and better serve their customers' unique, personalized needs, wherever they are.

03

Sustainable purpose

"Organizations are building sustainability into the fabric of their operations—and making social responsibility sustainable."

For federal

Government must be a leader in combatting climate change, and recent executive orders signal stronger emphasis on sustainability.

04

Supply unbounded

"Organizations are restructuring their supply chains and moving production to the point of demand."

For federal

Decentralized supply chains can help government better meet sustainability goals and manage supply chain disruptions, such as those we've experienced due to the ongoing pandemic.

05

Real virtualities

"As virtual environments enhance our physical worlds and redefine our sense of place, organizations are creating new ways for people to work, consume, and socialize."

For federal

Virtual reality offers <u>new opportunities for federal</u> government to rethink training, field operations, situational awareness, and digital twins.

06

The new scientific method

"As scientific disruption enables the creation of better, cheaper, and more sustainable products and services, leading companies are becoming scientific companies—and apply science to tackle the world's fundamental challenges."

For federal

The Biden administration has placed high priority on restoring trust in government through scientific integrity and evidence-based policymaking; the U.S. government's role in funding key advances, such as Operation Warp Speed, demonstrate how, by embracing scientific innovation together, the public and private sector can create significant outcomes.

Strategic foresight in action

At the Accenture Federal Studio, we recently challenged our own teams to apply strategic foresight to explore signals of change within a rapidly shifting and increasingly important topic—the future of work. Over 16 weeks, we analyzed a range of signals and identified 20 trends warranting further study.



To start, we made some basic assumptions: (1) We can never know what lies ahead, and (2) We must make sense of the future in the same way we make sense of the past—by telling stories about it. Then, as we work to understand these stories, we can better orient ourselves in the present and plan for what's next. In order to structure our thinking from today to tomorrow, we applied the "Four Futures" framework to the 20 trends, ultimately brainstorming 80 scenarios along a quadrant of:



Growth

A future that manifests the results of current trends and conditions, extrapolated forward.



Constraint

A future in which a core guiding value or purpose is used to organize society and control behavior.



Collapse

A future in which major social systems are strained beyond the breaking point, causing system collapse and social disarray.



Transformation

A fundamental reorganization of a society or system that signals a break from previous systems.

What did we discover? Let's look at one trend: how the future of the office will impact collaboration and employee engagement. The pandemic has shown that employees do not need to be in the same room to engage, collaborate, and produce great work. Fully remote collaboration has been tested at speed and scale over the past two years. Given this, future work environments will likely look very different than the past, with various factors creating a multitude of possible outcomes.

To test these outcomes, we asked: Will a physical office still be relevant in 5-10 years? How will office workers "go" to work in the future? Will we be face-to-face, or will a new interface emerge—and how will that impact employers' strategies and employees' work habits?



In the **growth scenario**, enterprises have invested heavily in digital tools to emulate in-person environments, remotely. As such, collaboration across distributed teams has flourished. Teams are more productive and feel they can effectively contribute remotely. Large corporate headquarters are replaced by office-on-demand concepts that can flex when needs arise and are often seen as a tool to reflect culture and productivity, rather than to drive it.



In the **constraint scenario**, employers are legally required to provide full reimbursement for travel expenses if employees are required to come into the office. What could this mean? Employers divest from office space and encourage employees to work from home to keep costs low. Companies go all-in on investing in remote-enabling technology and are no longer geographically restricted in recruit and hire practices. This also accelerates the push for automation and reduced headcount, making traditional office jobs harder to find



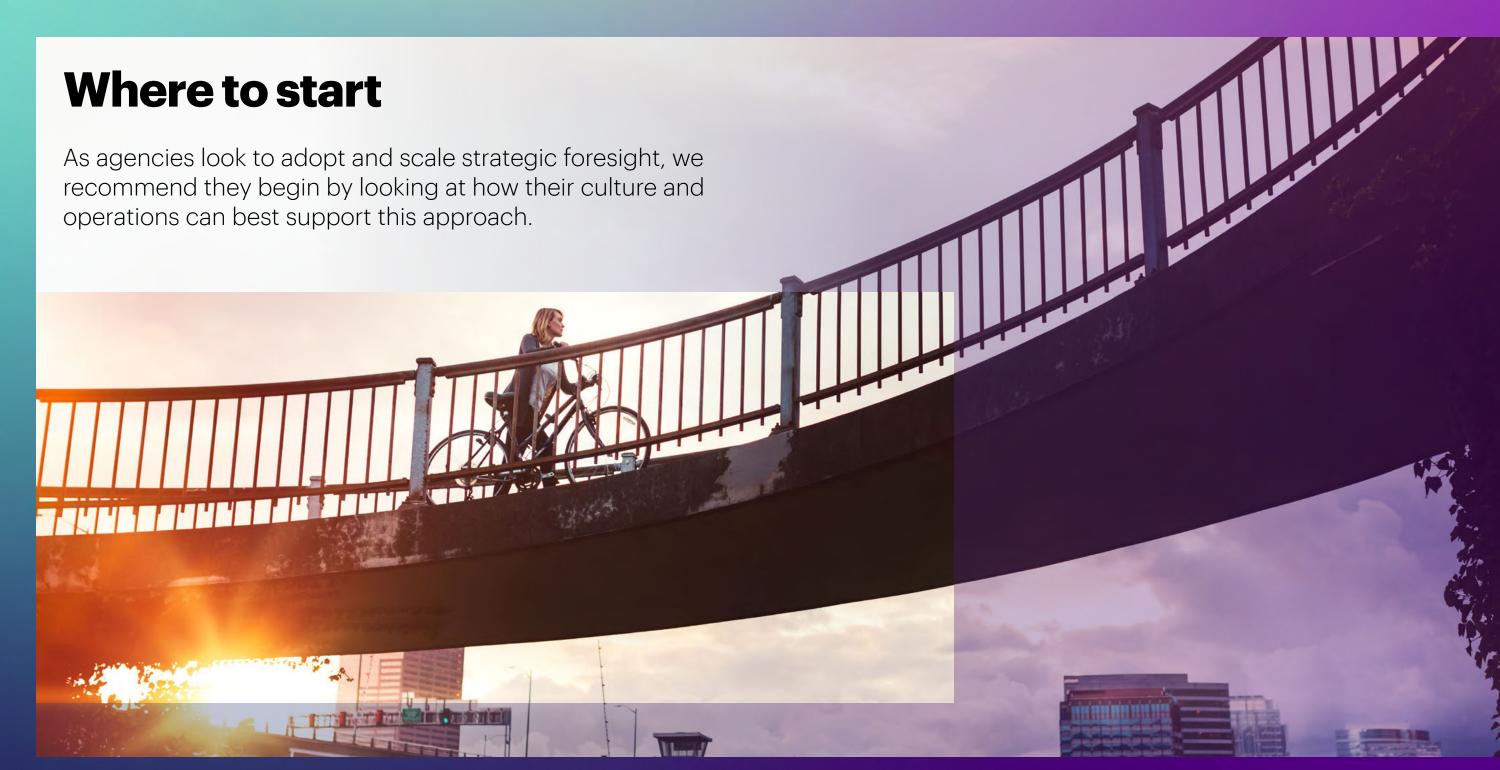
In the **collapse scenario**, large employers do not allow locational flexibility to their employees in any capacity. You are either completely in-person or completely remote. In turn, the rates of burnout are higher than ever due to lack of work-life balance in both scenarios. Employees pick one track or another and find it hard to switch. Internal siloes slow progress for large companies and increasing pools of talent choose to work for themselves or pursue other types of employment.

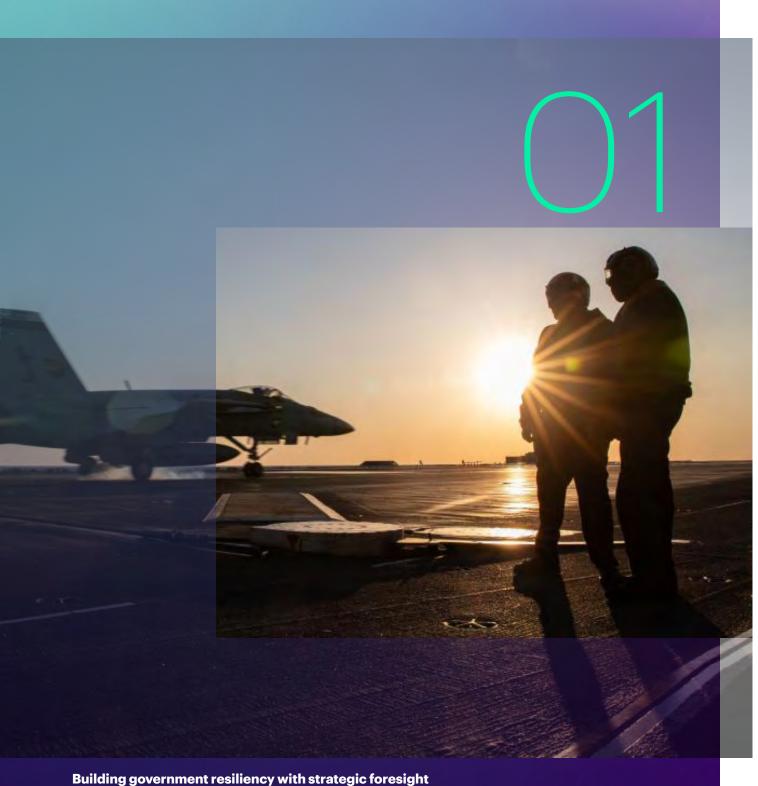


Finally, in the transformation scenario, technology has evolved so that typical office jobs can be done fully remote. enabled by the use of holographic and robotic technology to simulate in-person interaction. That means these careers all focus on use of technology, and new industries will pop up to outfit, equip and protect our virtual worker selves. Some technology may be provided by the employer, like a VR headset, some may be considered an employee benefit, like a whole home cyber protection package. while others, such as personal avatars or virtual office decor, may be on the workers to choose for themselves

These are just highlights from our full exploration, but the scenarios underscore how the future can unfold in many different directions, based on an uncountable number of influences and interdependencies. Remember that it's not just about what you personally think is plausible but expanding your perspective on what could be possible. After creating scenarios, the next step is to consider which potential futures might be preferrable, and which might be disastrous. Think through what strategies or actions you could take to steer toward or away from any of these scenarios.

We can never truly understand all the possible futures—but by stretching our thinking to explore both the futures we want and don't want, and the ones that seem likely as well as unlikely, organizations can better prepare for whatever may come.





Embrace uncertainty

Effectively adopting strategic foresight is not just a new skill to be trained on.

It's also a mindset and cultural shift. You have to accept that you are operating in an uncertain world, and understand that's it statistically impossible to predict the future—even <u>credentialed experts fail at it much of the time</u>. This is particularly hard in government, with its bias against "fail fast" thinking. But that's not a reason to throw your hands up and let anything happen; instead, let this uncertainty motivate your organization to be proactive and engaged with diverse signals and trends.

Surprising to some, the U.S. military has come to terms with this uncertainty. As MG George Franz (USA Ret.), now a managing director with Accenture Federal Services, notes, "good leaders are trained to balance the knowns and unknowns of any mission and create plans to mitigate these risks and exploit opportunities. Strategic foresight plays a huge role in illuminating the decision space."

You must embrace uncertainty as a fact of life, instead of something that should be avoided at all costs; even the best-laid strategic plans cannot account for all of life's unpredictable twists and turns. By adopting this thinking, and evangelizing it across your organization, leaders can create a culture that values exploring and preparing for diverse future scenarios. This ultimately leads to more resilient, adaptable operations.



Start small to test, but scale for success

Second, you must decide how you want to integrate strategic foresight into your organization—as a way to explore specific problems, or as a way to foster greater creativity and innovation?

Small-scale strategic foresight can help an organization strengthen this skill and make a business case as to why it's valuable. However, if you choose to only use strategic foresight for small-scale, one-off situations, you must understand that there will be limitations to your success. Sustained efforts in futures thinking cannot remain siloed to be most effective. In this case, they may miss signals, or not be able to exert influence as needed.

Ultimately, the goal should be to embed strategic foresight into how an organization operates in a continuous and organic way. For example, you can bring together a cross-section of stakeholders from across the agency for a regular cadence of exploratory sessions to keep your organization alert and focused on all the possible signals that may impact it.

As you embed across the organization, set broad objectives that can serve as a North Star. This helps diverse stakeholders work toward a common goal while maintaining the flexibility needed for creative thinking.



Translate your preferred futures into action

Exploring diverse futures can create rich insight—but without subsequent action, it remains just a thought exercise, not an integral part of your business strategy.

Consider our above example on future work environments—now that we've generated these four possible outcomes, organizations can decide which is their preferred future and then begin asking the questions needed to work toward that. For example, remote enabling technology is key to the growth scenario—how can your organization make key investments to incentivize use of these tools? Burnout is a possible consequence of the constraint scenario; to combat this, how can you encourage a hybrid work model that meets all employees' needs, either in-person or remote?

Then, prototype your ideas and begin testing them. This is important because the further off or more different the future is from now, the less tangible it may seem and thus harder to socialize with stakeholders. By bringing possible far-off futures to life, even in small ways—such as through an interactive experience or physical prototype—individuals across the agency can better understand the implications, their role in these possible futures, and what actions they can take now to either work toward or prevent that outcome.

For example, the US Forest Service developed <u>IMPACT</u>: <u>Forestry Edition</u>, a "serious board game designed to help forestry professionals and stakeholders think more broadly, critically, and creatively about the future of forestry." Through the game, players can better understand individuals' roles in achieving preferred futures.



Document, assess, and track value

As your organization becomes increasingly adept at strategic foresight, you can begin to pinpoint the best cadence and timing for conducting these efforts.

Establish regular signal scanning, and a set schedule for forecasting and strategizing. For example, your organization might find it most helpful to conduct exercises once a year ahead of annual planning.

Strategic foresight is often a relatively small investment that can pay back in spades. To assess the value of strategic foresight, agency leaders can look back at their efforts and ask questions like:

- What signals of change did we identify that might have previously gone unnoticed?
 - Which of these signals have the potential to turn into "flags"—or drivers of change with a strong likely impact on our customers or industry?
- What new actions did we take based on those signals?
- What signals did we miss, and why?
- Has strategic foresight helped balance our <u>innovation portfolio</u>? On a scale from low-risk, incremental innovation, to higher-risk, transformational innovation, how has strategic foresight helped our agency evaluate what change is necessary to optimize mission success?

By asking these questions, and consistently tracking how strategic foresight is adding value to the agency, federal leaders can build a stronger business case to further embed it across the organization.

Face the future

To be most effective, strategic foresight requires investment from across the agency. The required mindset shift begins with individual steps, though.

Federal leaders can start adopting everyday futurist habits now. Proactively look for signals of change—for example, regularly ask yourself how today's news headlines could lead to new, unexpected futures for your organization. Intentionally think through what the future may look like from your customers' or stakeholders' perspectives, to challenge your own ingrained assumptions. Identify potential collaborators within your organization and have informal conversations about what futures they foresee.

The future holds increasingly complex challenges for federal agencies, as well as opportunities to create value in new, unexpected ways. Like the question of if the flap of a butterfly's wings can set off a tornado, countless elements will go into the creation of these challenges and opportunities, most of which may remain unknown. Yet, by using strategic foresight, federal leaders can expand their view of the drivers of change and challenge their assumptions on the scope of possible futures. In doing so, they can create an organization that is ultimately more resilient and more innovative—to better meet mission needs, no matter what the future holds.



Authors



Lauren M. Oliver
Group Design Director, Fjord
Accenture Federal Services
LinkedIn



Philip R. Hartley
Design Director, Fjord
Accenture Federal Services
LinkedIn

Copyright © 2022 Accenture. All rights reserved. Accenture and its logo are trademarks of Accenture.

About Accenture Federal Services

Accenture Federal Services, a wholly owned subsidiary of Accenture, brings together mission expertise with proven innovation and leading practices to help the federal government do the extraordinary things it takes to create a better future for all of us. We are passionate about partnering with clients, going beyond the bold future we collectively imagine, to create real and enduring change for our country and our communities. We deliver new value and advantage that lasts, drawing on the full power of our partners and Accenture. Learn more at http://www.accenture.com.

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 699,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. Visit us at www.accenture.com.