

Thinking Ahead Institute | Horizon-scanning project proposal

Scope, framing and key content



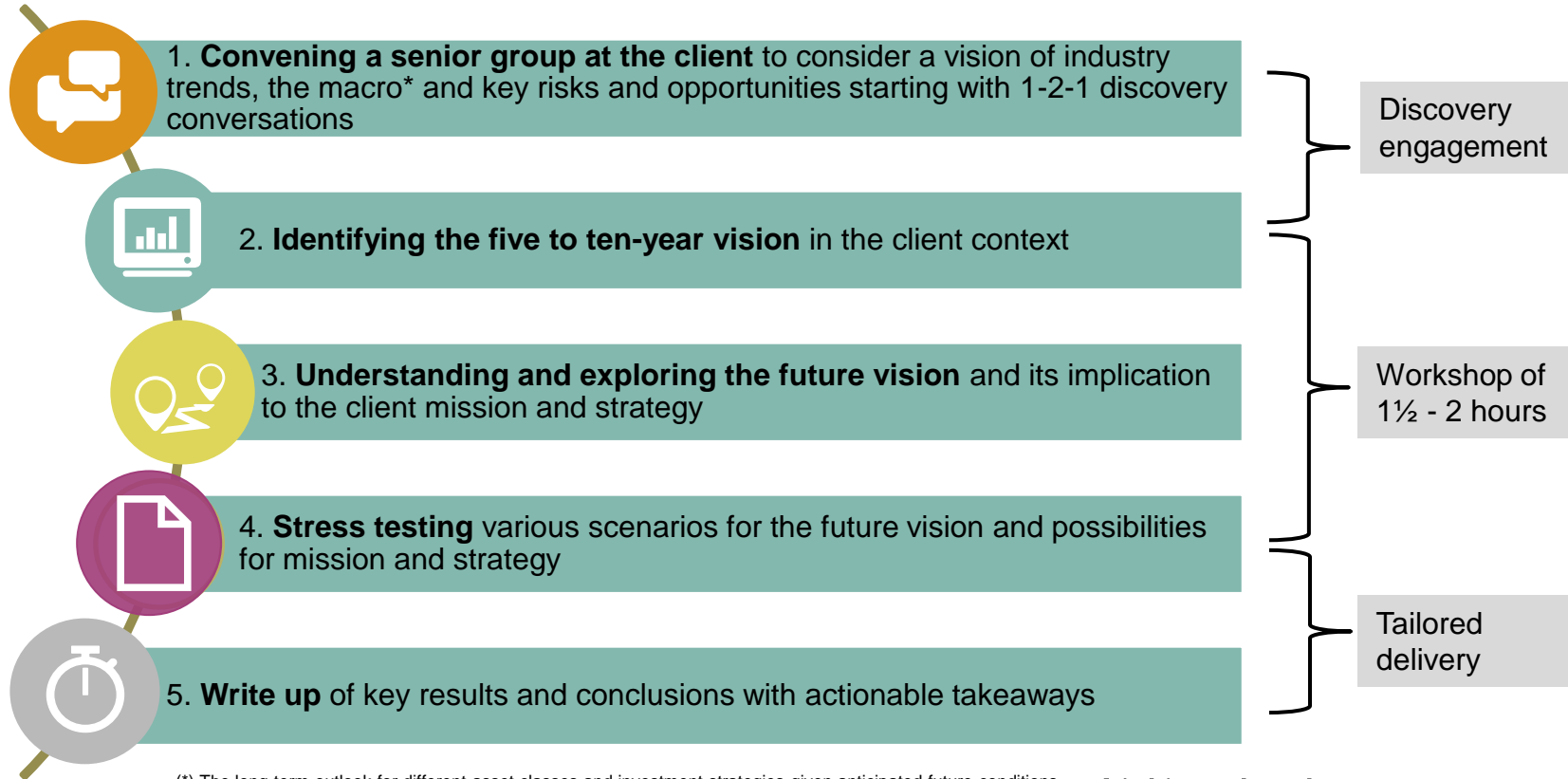
The why and the what

Horizon scanning is systematically scanning the next few years for trends, issues, risks and opportunities.

It responds to the prompt in the Jack Welch quote: “When the world outside is changing faster than the world inside your organisation, you are in trouble.”

This project will provide client leadership teams with a streamlined look at the likely five to ten-year horizon, zooming out across the ecosystem and zooming in on their organisation.

Horizon scanning workshop agenda



(*) The long-term outlook for different asset classes and investment strategies given anticipated future conditions

How does the WTW consultant engage with TAI on this project?

TAI-led engagement	TAI reach can extend beyond the immediate TAI membership of 30+ asset owners by undertaking specialised project work for any WTW client using the research-driven toolkits that TAI has been developing for some time
Which WTW clients might be interested in this project	Those where this problem statement resonates: <i>‘We haven’t got a clear enough picture of how the future landscape will affect us and what the future suggests we should do to evolve our present strategy’</i> This problem is particularly evident with the changing investment macro and changing circumstances with respect to sustainability
How does TAI contract with the client	This work can be carried out under normal consulting terms or using a TAI Statement of Work. In either case the suggested fee is £20k + VAT
How does the client consultant engage with TAI on this	The project is led by a TAI client lead (Roger Urwin, Marisa Hall, Tim Hodgson). They would take the lead on the project working alongside the client consultant who can be as engaged on the project as they wish
Who to contact in TAI	Paul Deane-Williams, Isabella Martin or Roger Urwin






Background and project goals, framing

Scanning the five to ten-year horizon and identifying alternative horizons has become imperative to check in on factors that will be critical to mission success and building resilience and adaptiveness into strategy.

Background	<ul style="list-style-type: none">▪ The process enables the client to build a ten-year view in the areas of macro and mega-trends, investment industry trends, investment portfolios and systemic risk▪ This helps us understand the issues better, agree what matters and review the opportunities and challenges such scenarios present.
Project goals	<p>Despite the obvious difficulties in dealing with future uncertainty, funds taking a structured approach to a ten-year vision get significant strategic capital from:</p> <ul style="list-style-type: none">▪ Improved understanding of key strategic trends e.g. complex & uncertain macro▪ Building better beliefs – providing more accurate inputs to investment and business decisions▪ Providing self-awareness of gaps in strategy▪ Exploring alternative strategy pathways.

**Horizon scanning is the systematic analysis of potential threats and opportunities and likely future developments. This method sits alongside and complements scenarios, stress test and theory of change processes.*

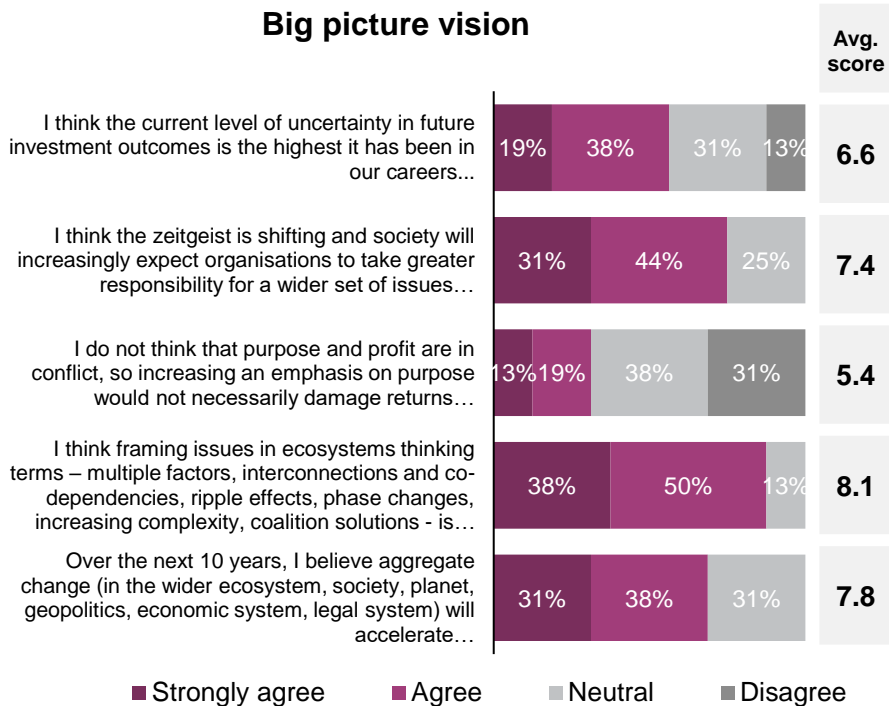
Workshop agenda

 <p>Introductions and context</p>	<ul style="list-style-type: none"> ▪ Pre-reading ▪ Pre-workshop 1-2-1s ▪ Goals of workshop 	<ul style="list-style-type: none"> ▪ <i>Survey covering five to ten-year vision</i> ▪ <i>Background documentation on systemic risk</i> ▪ <i>Key stakeholder exploration calls</i> ▪ <i>Establish certain key beliefs and principles</i>
 <p>1.Framing of horizon scanning. What is this about and why is it important?</p>	<p>Seeing the industry through a systems lens, understanding the dynamics in that system view:</p> <ul style="list-style-type: none"> ▪ Purpose and associated consequences ▪ Functioning in markets, technologies and regulations ▪ Influenced by social, economic and ecological environment 	
 <p>2.Understanding and exploring the future vision and creating beliefs and scenarios</p>	<ul style="list-style-type: none"> ▪ Report back on the client polling results ▪ Discuss experiences with peer organisations ▪ Identifying the beliefs that might be developed to match these views 	
 <p>3. Stress testing various possible scenarios and identifying strategy implications</p>	<ul style="list-style-type: none"> ▪ Organisational resilience and adaptability ▪ Resourcing implications ▪ Stress tests 	
 <p>4. Write up of key results and conclusions</p>	<ul style="list-style-type: none"> ▪ Second round polling and comparison of evolved views – see appendix on Delphi method ▪ Identification of accompanying beliefs and principles ▪ Next steps. Actionable takeaways 	

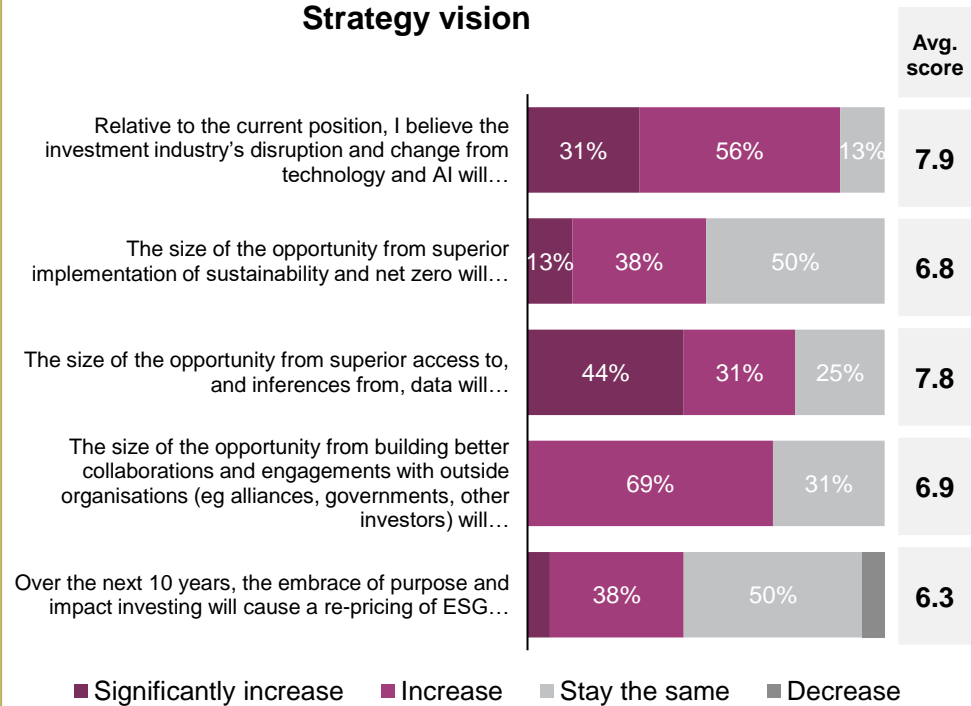
Example results

Horizon scan of big picture and strategy future vision

Big picture vision



Strategy vision



Example results

Future vision of systemic risk

Systemic risk is the risk of malfunctions in or breakdowns of an entire system, as opposed to these occurring in individual parts or components of the system.

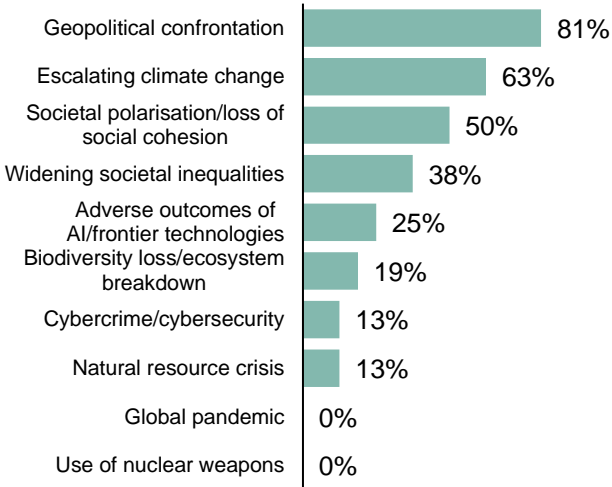


1. Escalating climate change
2. Biodiversity loss/ecosystem breakdown
3. Natural resource crisis
4. Global pandemic
5. Inequality
6. Societal polarisation/loss of social cohesion
7. Cybercrime/cybersecurity
8. Adverse outcomes of AI/frontier technology
9. Geopolitical confrontation
10. Use of nuclear weapons

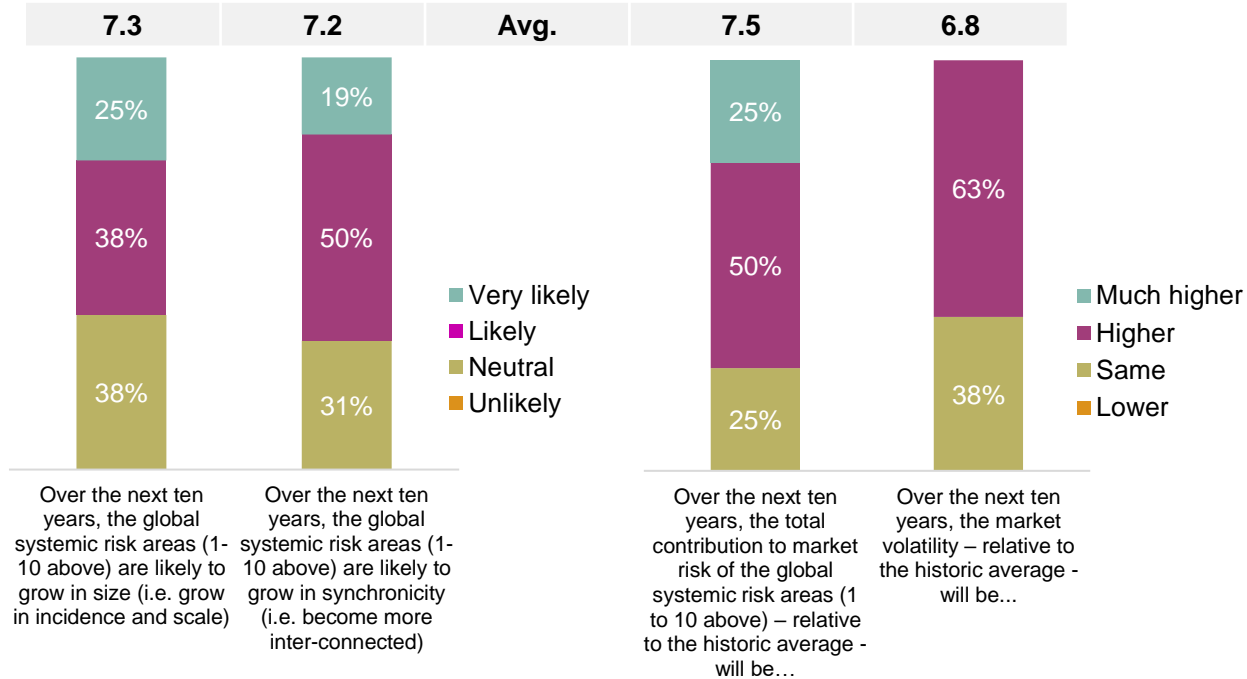
Example results

Horizon scan – systemic risk

Top systemic risks



Systemic-risk future vision



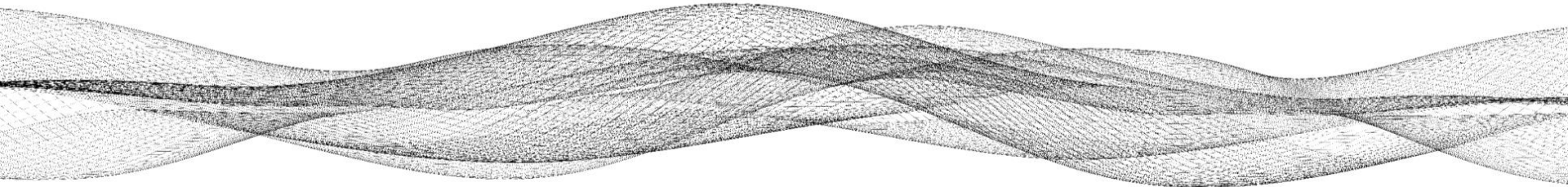
Appendix

Delphi method

- The **Delphi survey method** is a systematic method mixing horizon scanning and interactive discussion to help exploit expert opinion and develop best practice principles
- Delphi is based on the principle that scenarios, forecasts and decisions from a structured group process are more accurate than those from unstructured groups
- The polling is in two rounds using discussion in between the rounds to improve outcomes. Group members are encouraged to revise their earlier answers in light of the discussion
- Practice* suggests that during this process the range of the answers will decrease and the group will converge toward a better answer.



**TAI has used the Delphi method for over five years*



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