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NOVEL FUTURES CORPORATION | 26 JANUARY 2022

# Seeing FAR

## Essential Skills in Foresight, **Ad**aptability and **R**isk

Presentation offered by:

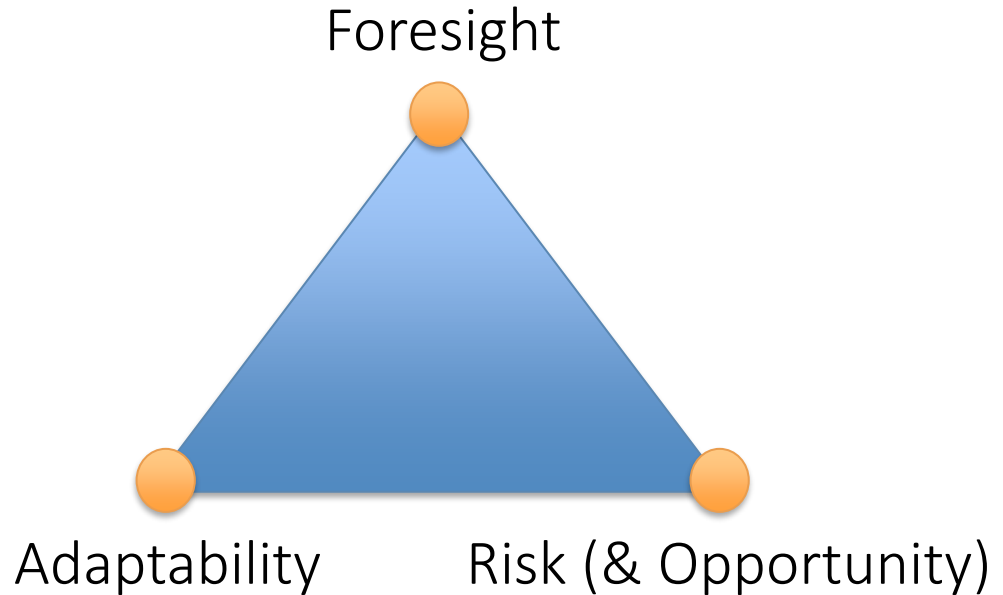


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# Presentation Agenda: Seeing FAR

- > Context and Perspective
- > Foresight
- > Risk
- > Adaptability
- > Q&A



slido



Context:  
How many employees in your  
organization?

① Start presenting to display the poll results on this slide.

V  
U  
C  
A



Volatile

U

C

A



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Volatile  
Uncertain  
C  
A



Volatile  
Uncertain  
Complex  
A



Volatile  
Uncertain  
Complex  
Ambiguous





# slido



In your opinion, during the next 10 years, the operating environment for my industry (or organization) will be:

① Start presenting to display the poll results on this slide.

We always overestimate  
the change that will occur  
in the next two years and  
underestimate the change  
that will occur in the next  
ten years.

Bill Gates



# December 31, 1999



Time magazine cover  
December 1999



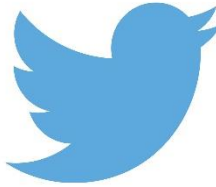
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# Decade: 2000 to 2009 – Societal

Google

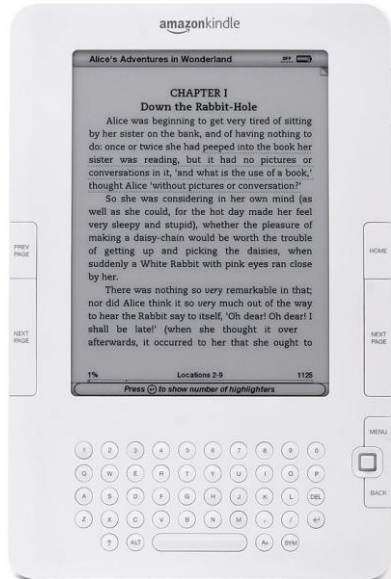
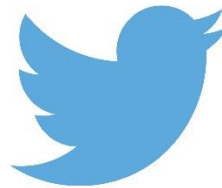
facebook YouTube



# Decade: 2000 to 2009 - Business



# December 31, 2009





# Decade: 2010 to 2019 - Societal

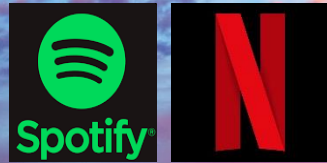


# Decade: 2010 to 2019 - Business





# December 31, 2019



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# Decade: 2020 to 2029 – Societal and Business



**CORONAVIRUS**

# Agenda

- > Context and Perspective
- > **Foresight**
- > Risk
- > Adaptability
- > Q&A



# What is Foresight?

- Foresight does not attempt to provide definitive answers about the future
- Foresight alone does not produce and/or replace a strategy or plan
- Foresight does expand and reframe a range of plausible futures for consideration
- Foresight does enhance the development of strategies and plans



Does not predict the future



Does imagine plausible futures

# Foresight Methodologies – Preparing the Mind

- Scanning the horizon for emerging changes;
- Analysing megatrends; and
- Developing multiple scenarios (plausible futures).



# slido



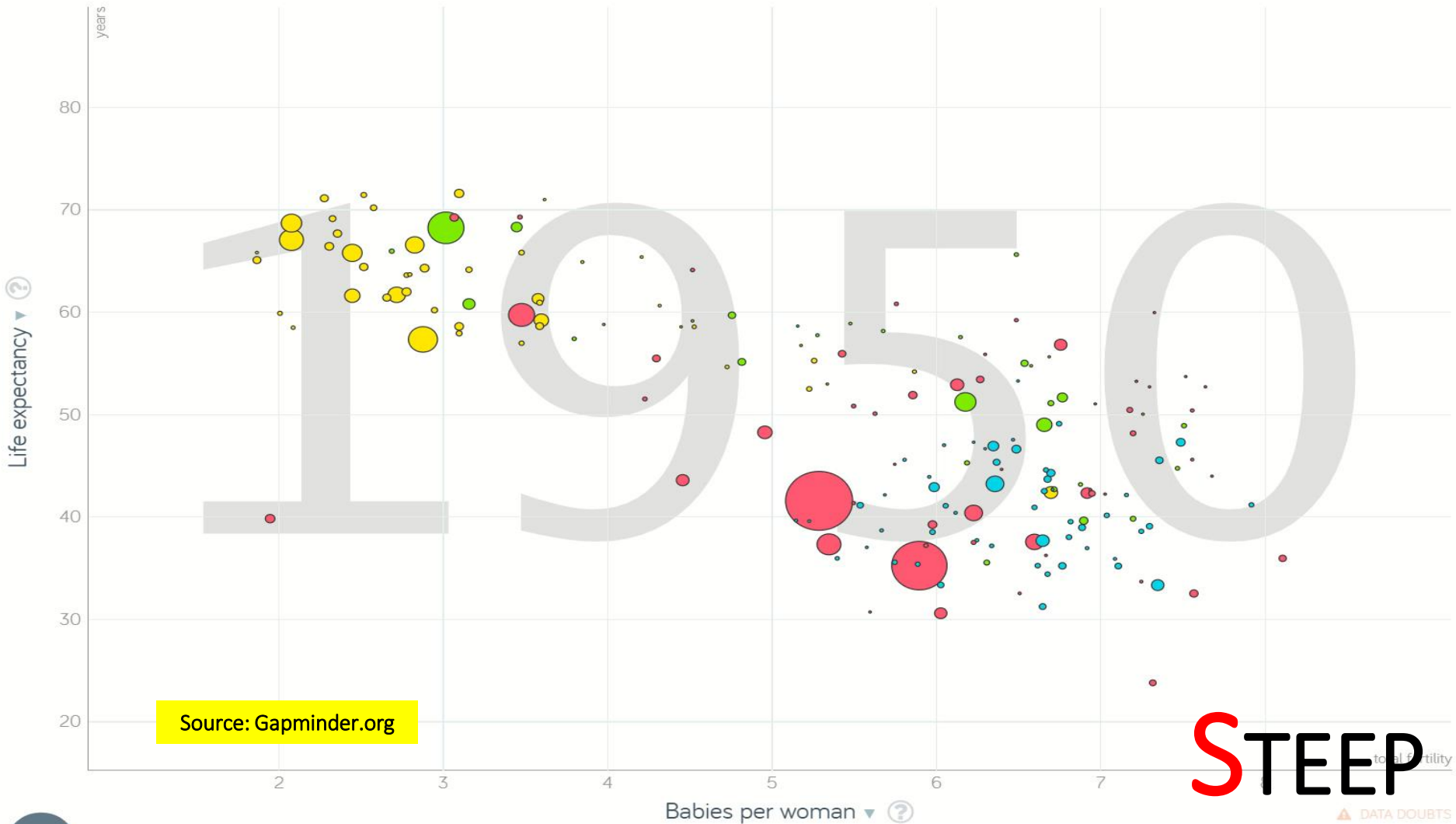
What is your experience level with using foresight methods (STEEP, PRESTO, Scenario Analysis)?

① Start presenting to display the poll results on this slide.

# STEEP Analysis

**S**ocial, **T**echnological, **E**conomic,  
**E**nvironmental and **P**olitical





## Evolution of global Internet traffic, selected years (GB per second)

2002  
100 GB  
per second

2007  
2 000 GB  
per second

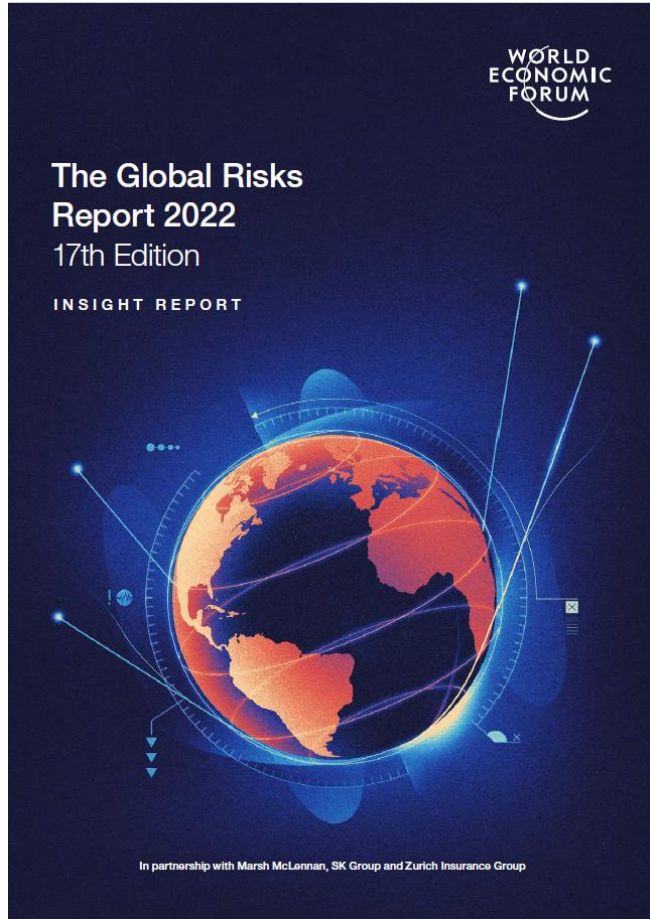
2017  
46 600 GB  
per second

2022  
150 700 GB  
per second\*

STEEP



STEEP



“Over a 10-year horizon, the health of the planet dominates concerns: environmental risks are perceived to be the five most critical long-term threats to the world as well as the most potentially damaging to people and planet.”

World Economic Forum – The Global Risk Report 2022 (17<sup>th</sup> Edition)



STEEP

Society

Challenging

Technology

Competing

Economy

Co-existing

Environment

Cooperating

STEEP

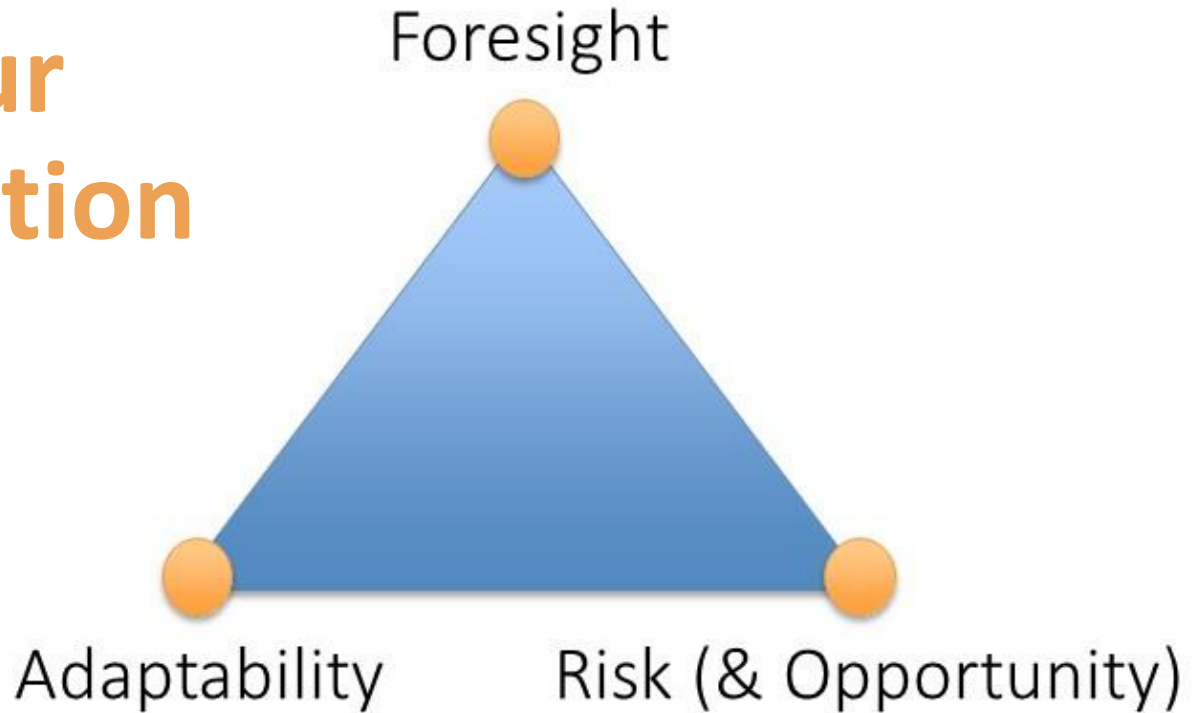
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In your opinion, during the next 10 years, which external STEEP factor will have the greatest impact on the operating environment of your industry (or organization):

① Start presenting to display the poll results on this slide.

**Help your  
organization  
see FAR**





# Creating a FAR Register

- > Foresight worksheet (STEEP and related scenarios)
- > Risk worksheet & Opportunities worksheet
- > Adaptability worksheet

The image displays three overlapping Excel spreadsheets used for creating a FAR Register.

**Top Spreadsheet: Foresight Worksheet**

Factor	Description	Future A	Future B
<b>Social</b>			
social factor 1	...what is this factor about?	...how might this factor evolve?	...how might this factor evolve?
social factor 2			
<b>Technological</b>			
tech factor 1			
tech factor 2			
<b>Economic</b>			
economic factor 1			
economic factor 2			
<b>Environmental</b>			
environmental factor 1			
environmental factor 2			
<b>Political</b>			
political factor 1			

**Bottom-Left Spreadsheet: Risk or Opportunity Worksheet**

System Component	Risk Factor and Description	Impact Description	Impact Score	Likelihood Score	Risk Level	Mitigation Actions	Risk Champion
...strategic objectives of business	...from foresight worksheet		1	3	3		
...Or components of an asset			4	5	20		
			2	4			
			3	1			
			5	2			
			1	2			
			3	5			
			2	1			
			4	3			

**Bottom-Right Spreadsheet: Adaptability Worksheet**

Adaptability Actions	Risk or Opportunity Description	Signposts	Progress and Status	Risk or Opportunity Champion
<b>Priority Risks</b>	...from Risk worksheet	...signals/indicators that a STEEP factor is occurring and action is needed		
...actions for mitigating critical and major risks				
...from Risk worksheet				
<b>Priority Opportunities</b>	...from Opportunities worksheet			
...actions for leveraging critical and major opportunities				
...from Opportunities worksheet				

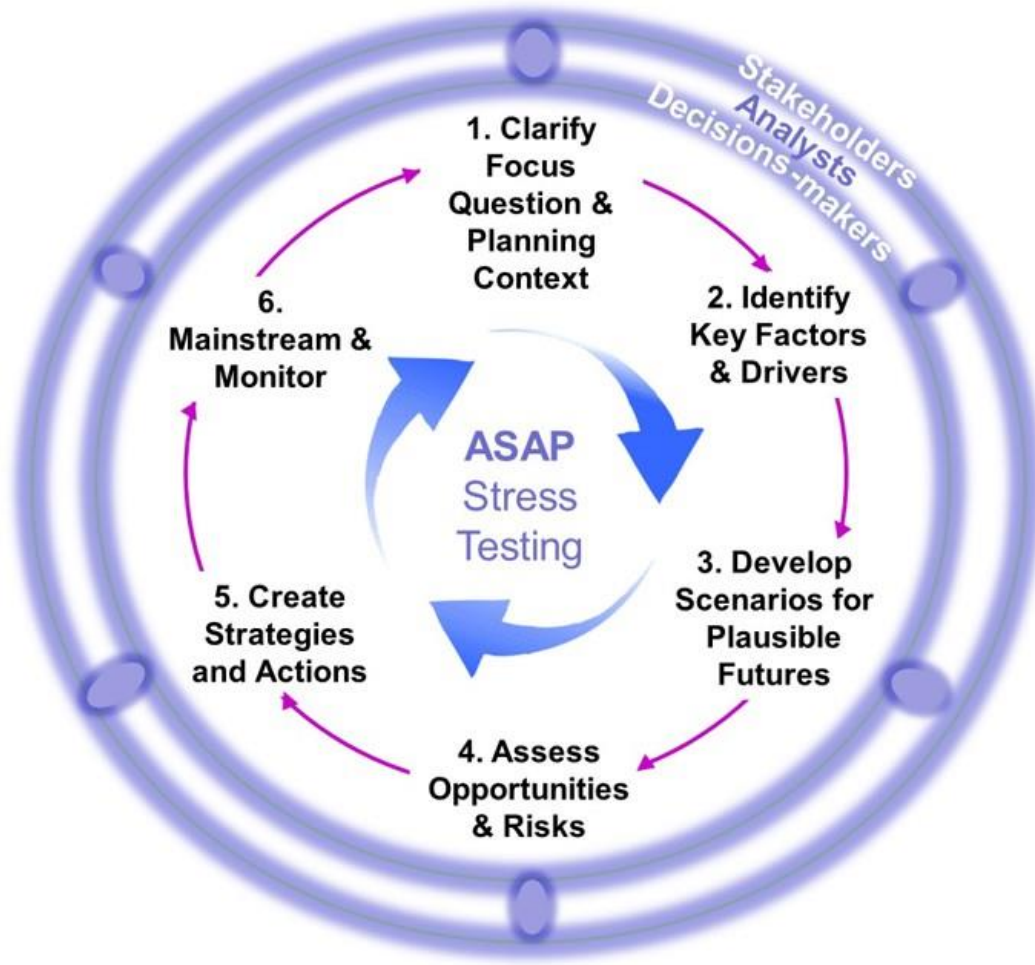
**Risk Matrix (Likelihood vs Impact)**

LIKELIHOOD	IMPACT				
	1 Very Low	2 Low	3 Moderate	4 High	5 Very High
5 Very High					
4 High					
3 Moderate					
2 Low					
1 Very Low					

	A	B	C	D	E
1					
2		<b>Factor</b>	<b>Description</b>	<b>Future A</b>	<b>Future B</b>
3		<b>Social</b>			
4		<i>social factor 1</i>	...what is this factor about?	...how might this factor evolve?	...how might this factor evolve?
5		<i>social factor 2</i>			
6		<b>Technological</b>			
7		<i>tech factor 1</i>			
8		<i>tech factor 2</i>			
9		<b>Economic</b>			
10		<i>economic factor 1</i>			
11		<i>economic factor 2</i>			
12		<b>Environmental</b>			
13		<i>environmental factor 1</i>			
14		<i>environmental factor 2</i>			
15		<b>Political</b>			
16		<i>political factor 1</i>			
17		<i>political factor 2</i>			
18					

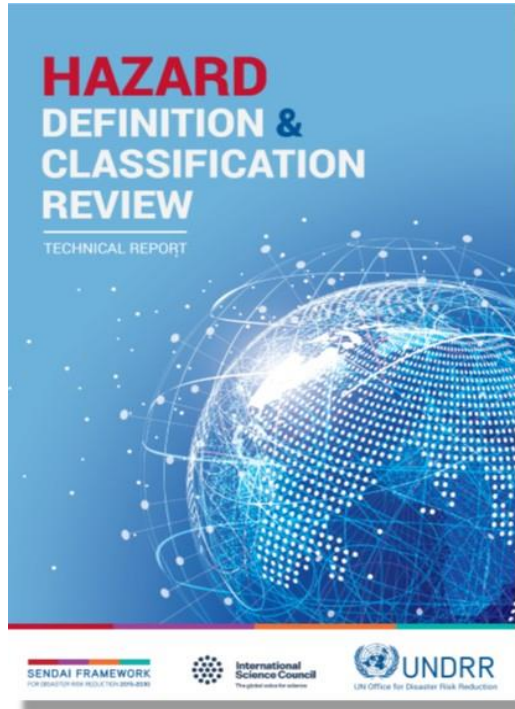
Foresight Worksheet

Foresight
Risk
Opportunity
Adaptability



# Adaptive Scenario Analysis & Planning (**ASAP**)

# Handy Reference



## Eight hazard types:

1. meteorological and hydrological,
2. extraterrestrial,
3. geohazards,
4. environmental,
5. chemical,
6. biological,
7. technological, and
8. Societal

And a further **47 hazard clusters** across these eight types

# Agenda

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# Risk Defined

- > **Risk** = Likelihood x Impact
- > **Risk** = Probability x Severity
- > **Risk** = Hazard x Exposure x Vulnerability

# Risk Worksheet

	A	B	C	D	E	F	G	H																														
1																																						
2	System Component	Risk Factor and Description	Impact Description	Impact Score	Likelihood Score	Risk Level	Mitigation Actions	Risk Champion																														
3	...strategic objectives of business	...from foresight worksheet		1	3	3																																
4	...Or components of an asset			4	5	20																																
5				2	4	<div><div>LIKELIHOOD</div><table><tr><td>5 Very High</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>4 High</td><td></td><td></td><td></td><td>Critical</td><td></td></tr><tr><td>3 Moderate</td><td></td><td></td><td>Major</td><td></td><td></td></tr><tr><td>2 Low</td><td></td><td>Moderate</td><td></td><td></td><td></td></tr><tr><td>1 Very Low</td><td>Minor</td><td></td><td></td><td></td><td></td></tr></table></div>	5 Very High						4 High				Critical		3 Moderate			Major			2 Low		Moderate				1 Very Low	Minor						
5 Very High																																						
4 High				Critical																																		
3 Moderate			Major																																			
2 Low		Moderate																																				
1 Very Low	Minor																																					
6				3	1																																	
7				5	2																																	
8				1	2																																	
9				3	5																																	
10				2	1	<div><div>RISK MATRIX</div><table><tr><td>1 Very Low</td><td>2 Low</td><td>3 Moderate</td><td>4 High</td><td>5 Very High</td></tr><tr><td colspan="5">IMPACT</td></tr></table></div>	1 Very Low	2 Low	3 Moderate	4 High	5 Very High	IMPACT																										
1 Very Low	2 Low	3 Moderate	4 High	5 Very High																																		
IMPACT																																						
11				4	3																																	

# Risk Mitigating Actions - Typology

- > Acceptance
- > Avoidance
- > Transference
- > Reduction





# Opportunity Worksheet

	A	B	C	D	E	F	G	H					
1													
2	System Component	Opportunity Factor and Description	Impact Description	Impact Score	Likelihood Score	Opportunity Level	Leveraging Actions	Opportunity Champion					
3	...strategic objectives of business	...from foresight worksheet		1	3	3							
4	...Or components of an asset			4	5	20							
5				2	4	LIKELIHOOD	5 Very High						
6				3	1		4 High				Critical		
7				5	2		3 Moderate			Major			
8				1	2		2 Low		Moderate				
9				3	5		1 Very Low	Minor					
10				2	1	Opportunity MATRIX	1 Very Low	2 Low	3 Moderate	4 High	5 Very High		
11				4	3		IMPACT						

# Agenda

- > Context and Perspective
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**Plans are useless, but  
planning is essential.**

Dwight D. Eisenhower

# What is adaptability?

- > An ability or willingness to change in order to suite different conditions

Source: <https://dictionary.cambridge.org/dictionary/english/adaptability>

# What is resilience?

- > “The ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management.”  
(United Nations General Assembly)

Source: <https://www.preventionweb.net/publication/report-open-ended-intergovernmental-expert-working-group-indicators-and-terminology>

# Types of adaptive actions

- > Triggerable Action
  - > Actions that make sense under certain conditions/scenarios
- > Robust Action (no-regrets)
  - > Actions that make sense under any condition/scenario

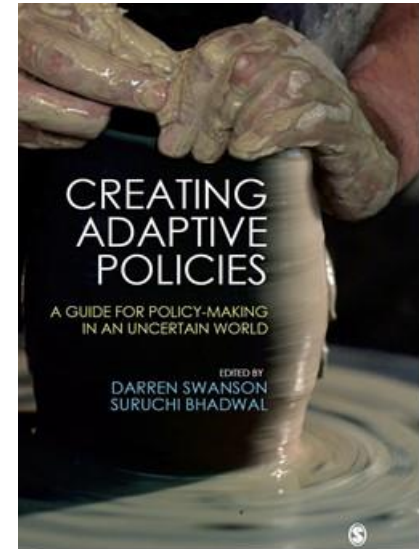


	A	B	C	D	E	F
1						
2		<b>Risk or Opportunity</b>	<b>Adaptive Action</b>	<b>Signposts</b>	<b>Progress and Status</b>	<b>Risk or Opportunity Champion</b>
3		<b>Priority Risks</b>				
4		...from Risk worksheet	...from Risk worksheet, but elaborate more	...signals/indicators showing that a STEEP factor/Risk is occurring and action is needed		
5		...				
6		...				
7		<b>Priority Opportunities</b>				
8		...from Opportunity worksheet	...from Opportunity worksheet, but elaborate more	...signals/indicators showing that a STEEP factor/Opportunity is occurring and action is needed		
9		...				
10		...				
11		...				
12						
13						

## Adaptability Worksheet

# Managing unanticipated opportunities and risks

- > Enabling social capital and self-organizing potential in your organization and networks
- > Consider decentralizing some of your decision-making (with resources)
- > Promote variation and redundancy in adaptive actions



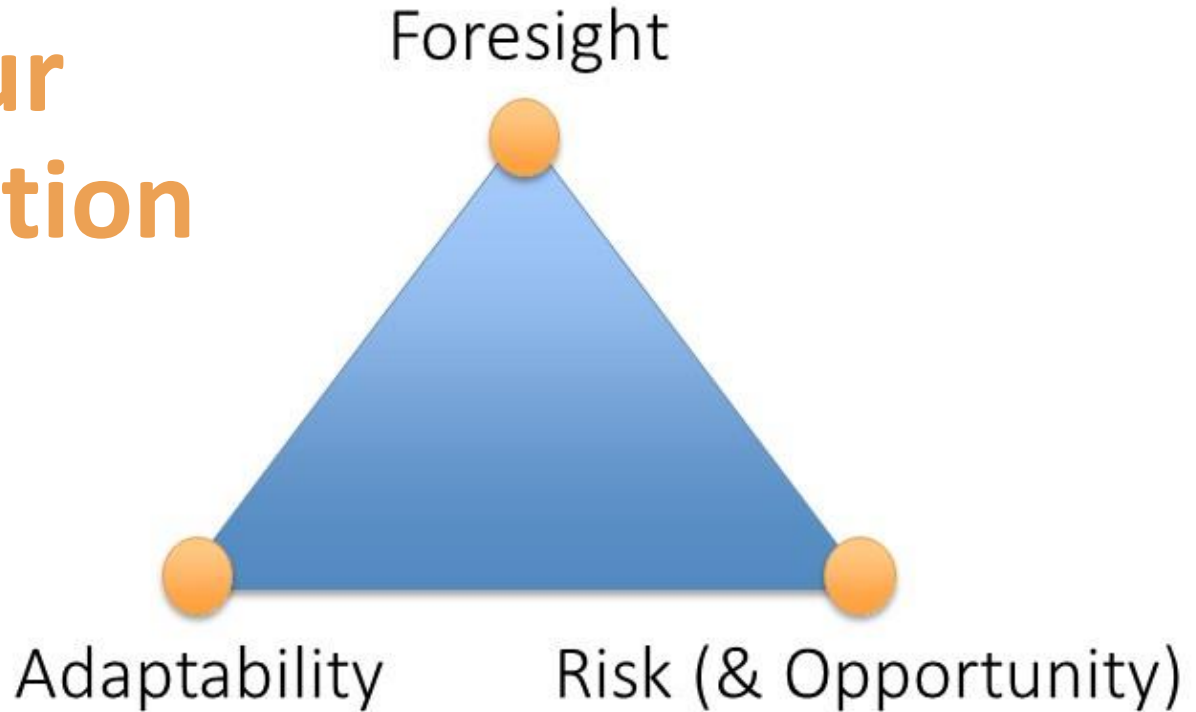


# Coherence and coordination



<https://www.pwc.com/us/en/risk-assurance-services/publications/assets/pwc-erm-and-bcm-together-at-last.pdf>

**Help your  
organization  
see FAR**



# QUESTIONS?



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