A GUIDE TO FORESIGHT METHODS

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INTRODUCTION TO FORESIGHT

Foresight refers to a range of practices, methods, tools and techniques that help organisations actively explore, shape and manage the future. This includes understanding key drivers of change, possible projections into the future, and the implications of change on specific businesses, projects, contexts or in this case your towns.

Foresight activities are not intended to predict the future with complete accuracy. Rather, they enable practitioners to explore plausible futures, informed by current trends and trajectories as well as emergent signals of change.

WHY FORESIGHT

Foresight methods help ensure that investments made today are fit for the future, ensuring future opportunities are maximised and risks are minimised. Foresight helps to build the case for, and create value from change.

When you are trying to build the case for change, you need compelling evidence. Structured methods can help to understand the local context for your towns and their current and potential contribution to the wider region (and the UK). Historical trends and how these (and other trends) may play out in the future provide insight and evidence to shape strategic priorities, building on the factors that make your town unique.

Foresight methods are effective to synthetize and prioritise. However foresight methods are not just about finding an answer. They also create buy-in from stakeholders, and identify what is needed to take the community on a journey towards a preferred future. Through interventions a preferred future can be shaped, ensuring towns are relevant for future generations and assist government objectives to 'level up' economic growth.

GUIDE CONTENTS

DYNAMICS OF CHANGE

1. Trends Analysis

DESCRIBING THE FUTURE

2. Visioning

3. Scenario Development

STRATEGY DEVELOPMENT

4. SWOT

Foresight activities utilise a wide variety of methods. This guide provides guidance of four methods that will be highly valuable for towns to finalise their Town Investment Plans. The guide covers the following information;

- An overview of the method

- Why you would use the method

- How you would use the method

- Links to any further guidance and materials

This guide also considers how these methods could be used in combination to support the development of Town Investment Plans.

1. TRENDS ANALYSIS

METHOD OVERVIEW

A **trend** can be defined as the tendency of a subject to move in a particular direction over time.
Trend research focuses on identifying short- to long-term tendencies in society, technology, economics, environment and politics (e.g STEEP). This **STEEP** framework, sometimes known as PESTLE, ensures that all developments and influencing forces are considered comprehensively. The identification of trends is followed by an analysis of how changes will impact a specific context.

MEGATRENDS: These are the global forces that affect society as a whole – such as climate change, population growth and urbanisation. Megatrends are far-reaching, sustained and relatively certain. They are often the result of a complex interplay of many different forces – social, technological, economic, environmental, and political.
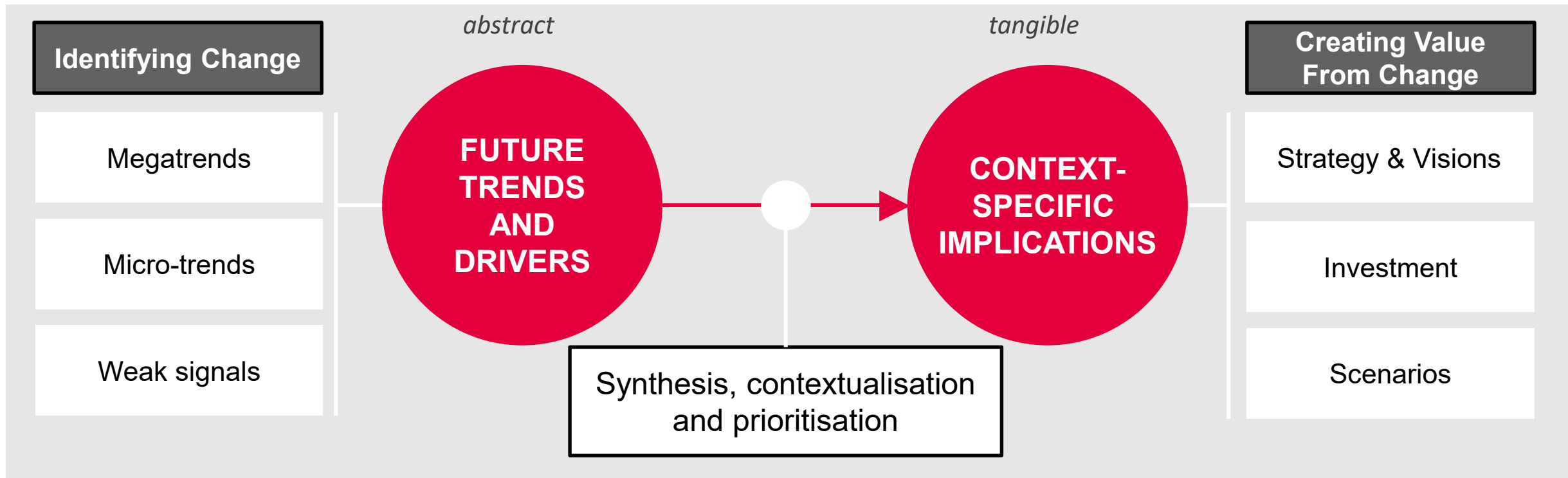
MICRO-TRENDS: These are the trends seen in specific regions, geographies, industries or businesses –for example your town. A better understanding of contextual trends helps stakeholders explore and prioritise issues shaping the future of their areas of interest. They can develop strategies, products or services that respond to new and emerging opportunities and challenges.

WEAK SIGNALS: These are the seeds of change that could develop into full-blown trends over time. Today, driverless vehicle technology might be considered a weak signal. It offers intriguing possibilities, but its true potential and impact remains uncertain.
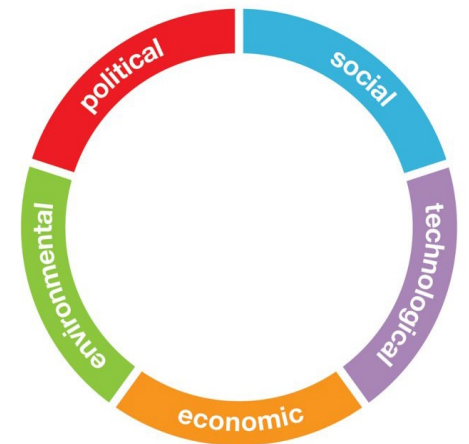
WHY WOULD I USE THIS METHOD?

We live in a fast changing world. Understanding the dynamics of change and identifying tangible implications helps to ensure that decisions made today **consider the future context**, and investments will be **relevant to future generations**. Context specific implications can create value in the form of strategy, vision and scenario development, as well as informing investment decisions.

abstract

tangible

Identifying Change

Megatrends

Micro-trends

Weak signals

FUTURE TRENDS AND DRIVERS

Synthesis, contextualisation and prioritisation

CONTEXT-SPECIFIC IMPLICATIONS

Creating Value From Change

Strategy & Visions

Investment

Scenarios

HOW WOULD I USE THIS METHOD?

Firstly, trends impacting your town will need to be identified. Data should be collected to understand how your town specifically is performing, also considering historical trends and how these may play out in the future.

Trends should be selected by which are **most likely to have the greatest impact** on your town**. T**o support this activity trends can be mapped onto a **Wilson matrix.**

The use of trends is a **highly flexible approach that can tailored** to the needs of any given project. Different approaches can be undertaken to identify and analyse trends including interviews and stakeholder workshops.

Workshops are a useful way to bring together a group of experts or stakeholders. Typically, participants are tasked to collectively identify key trends and collaboratively examine their implications.

Impact

Uncertainty

Wilson matrix
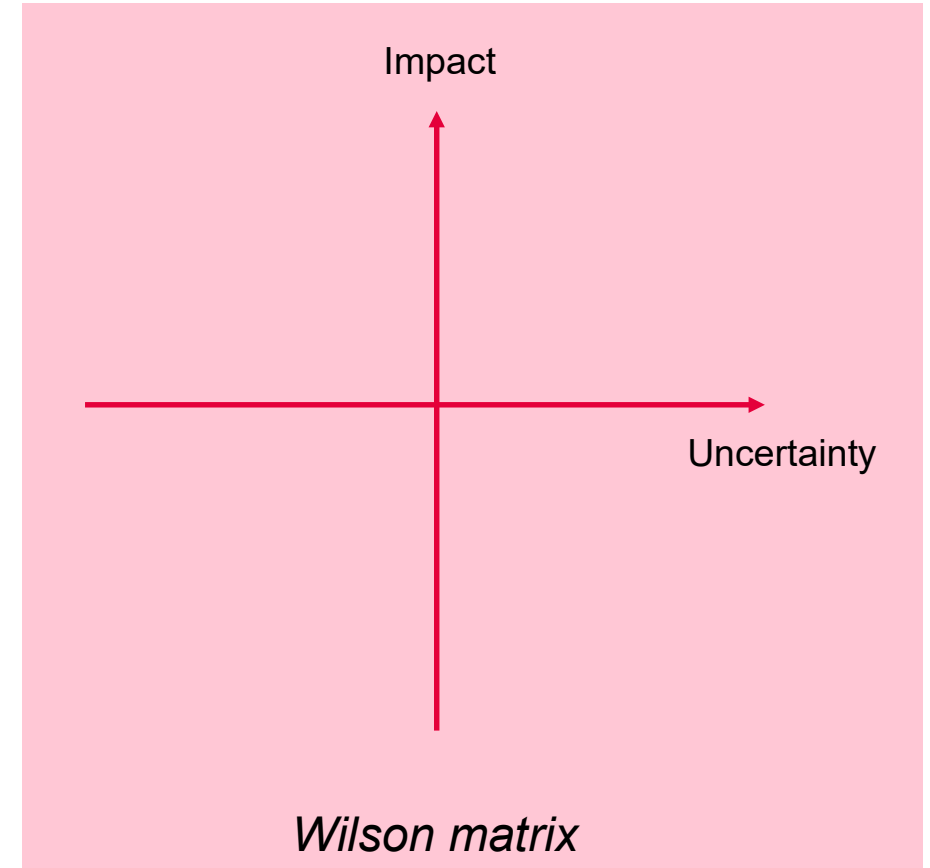
FURTHER GUIDANCE AND MATERIALS

ARUP DRIVERS OF CHANGE

Our **Drivers of Change cards** illustrate the key global issues and **trends** driving change in our societies and markets. It is one of the most well-known and comprehensive publications of its kind. The cards are an effective way to initiate conversations, act as workshop materials, provide a foundation for further study and serve as an input for strategy and innovation processes.

ARUP INSPIRE

Arup Inspire is a browser-based collection of emerging ideas, case studies and concepts from across the globe. It captures best practice and innovation in the built environment, also know as **weak signals**. It can be used as a source of inspiration for corporate foresight, strategy, risk and innovation processes. It gives users easy access to a growing number of compelling case studies that illustrate cutting-edge, innovative thinking across different sectors, markets and themes. Arup analyses and communicates what these trends mean for specific organisations, industries, markets or projects.

FURTHER GUIDANCE AND MATERIALS

TRENDS ANALYSIS

The image opposite highlights trends that will be highly relevant to many towns.
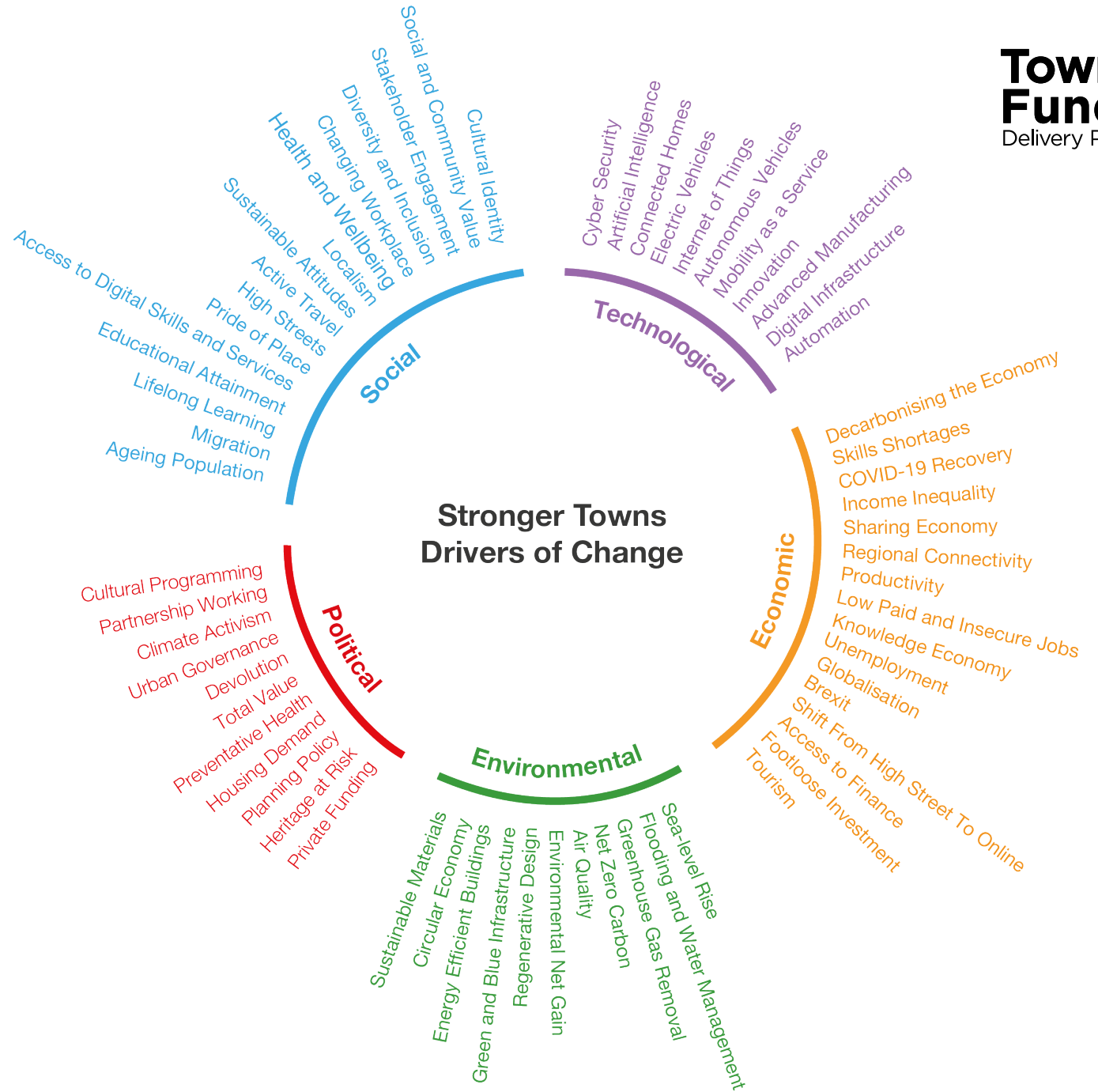
2. VISIONING

METHOD OVERVIEW

Visioning is used to create a set of common aims and objectives for a project and to describe what the future will be like if they are delivered.

A vision describes what a world, organisation or location should look like in the future. What optimal state should society aim for? What are the ideal outcomes for a project? **Unlike scenarios, a vision describes one preferred future.**

Visions can provide the overall direction and framework for a project and support strategy, collaboration, creative thinking, design innovation, leadership and **shared commitment.**

To generate greatest value, scenarios should be both **aspirational and realistic.**
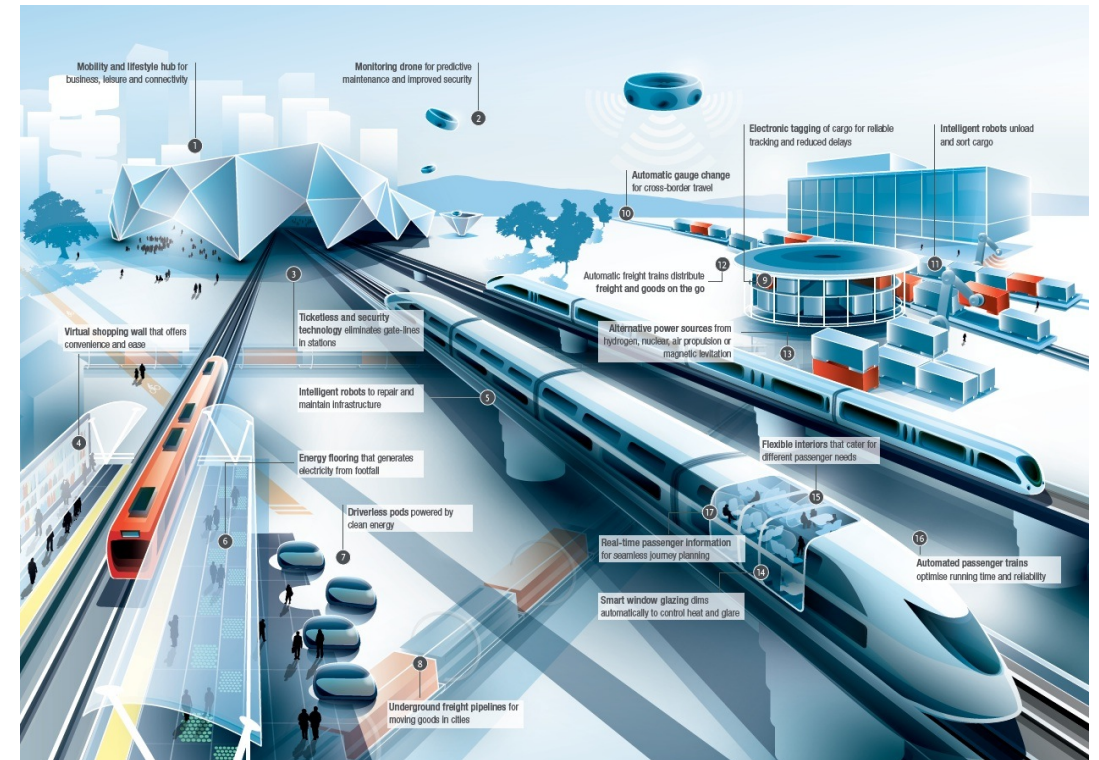
Vision Example: Arup Future Of Rail 2050

WHY WOULD I USE THIS METHOD?

Visions enable a description of what a successful outcome looks like, to agree the current reality and what therefore needs to be done to deliver success. This means the plans and policies can be put in place to **shape and unlock a more preferable future**, rather than the more probable future.

Vision are powerful tools to develop a **shared commitment** to ensure that stakeholders are working towards common objectives. In this case, a vision will **provide direction and a framework** for project prioritisation as part of the Towns Investment Fund.
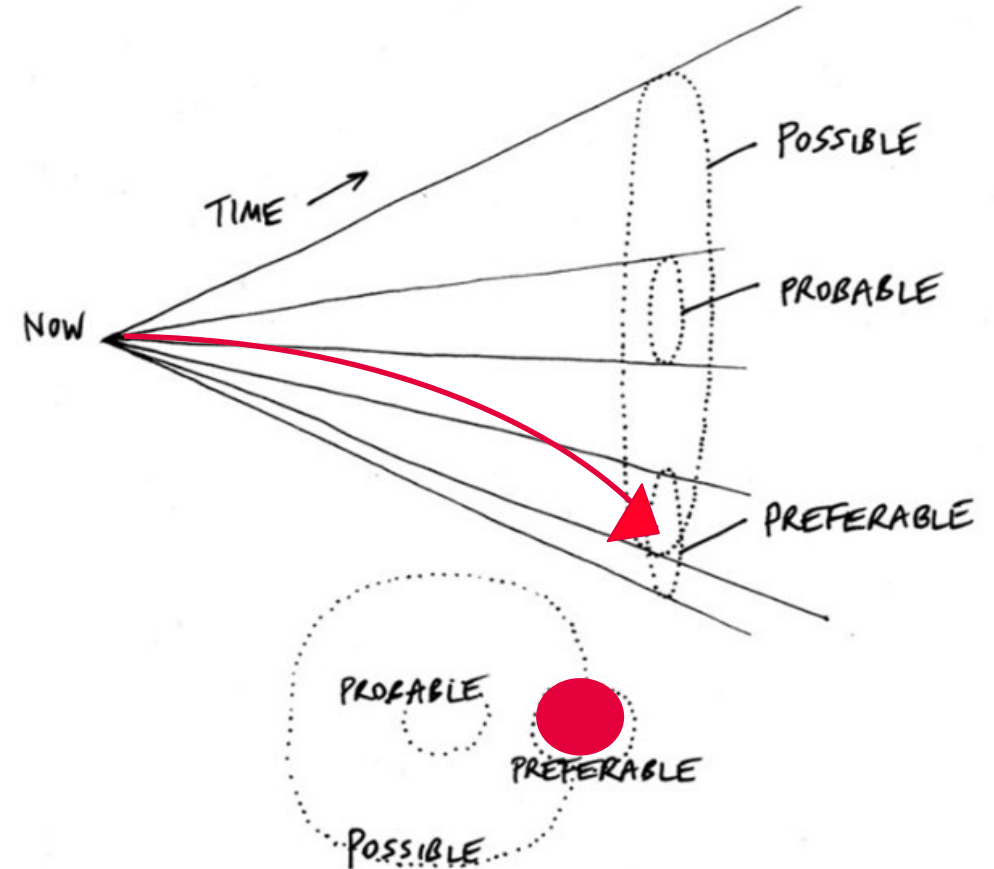
HOW WOULD I USE THIS METHOD?

The use of visioning is flexible can be tailored to the needs of any given project. It is recommended that **stakeholders are highly engaged** in the process of vision development to help ensure shared commitment, and a vision is both aspirational and realistic.

Before setting a vision a good **understanding of the specific context is required.** In this case to understand how your town economy is working. This is a data driven exercise and can be supported by consultation.

Once the vision is developed, **back-casting** techniques can be used to determine steps to be taken to achieve the vision.

Questions to ask early in the process of developing a vision

Is the sectoral focus and proposition around clear and supported by evidence?

How has flexibility been thought into the process?

Have stakeholders been identified. Are there barriers in regards to decision making?

Have stakeholders been identified. Are there barriers in regards to decision making?

3. SCENARIO DEVELOPMENT

METHOD OVERVIEW

Scenarios are hypothetical and plausible descriptions of **how the future may develop**, based on a coherent set of assumptions about key relationships and driving forces.

Scenarios are neither predictions nor forecasts, but plausible chains of cause and effect; clusters of plausible assumptions and environmental changes and trends, combined to develop a set of **alternative, internally consistent future worlds**. Scenarios can be based on quantitative, scientific evidence as well as qualitative information and opinions.

Distinguishing between "preferred futures" or visions, "possible futures" and "probable futures" is crucial in setting up a scenario process.

Exploring possible futures

Reducing complexity

16
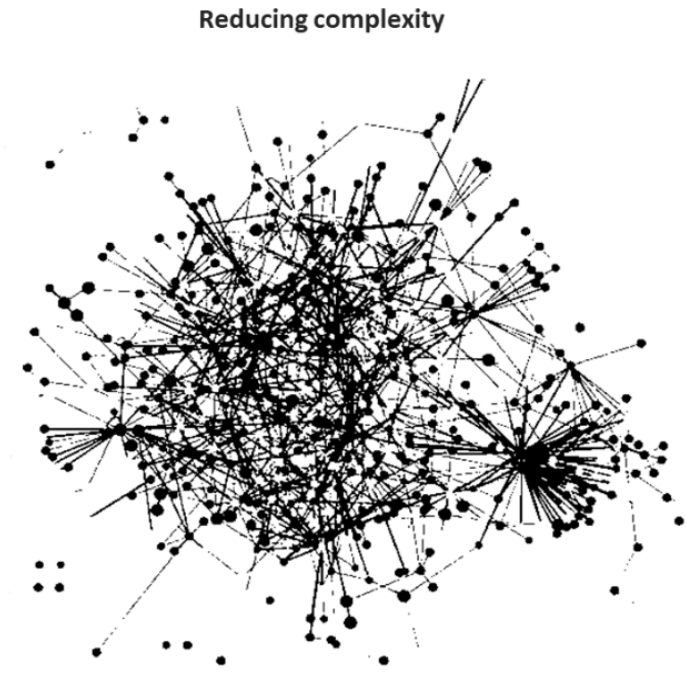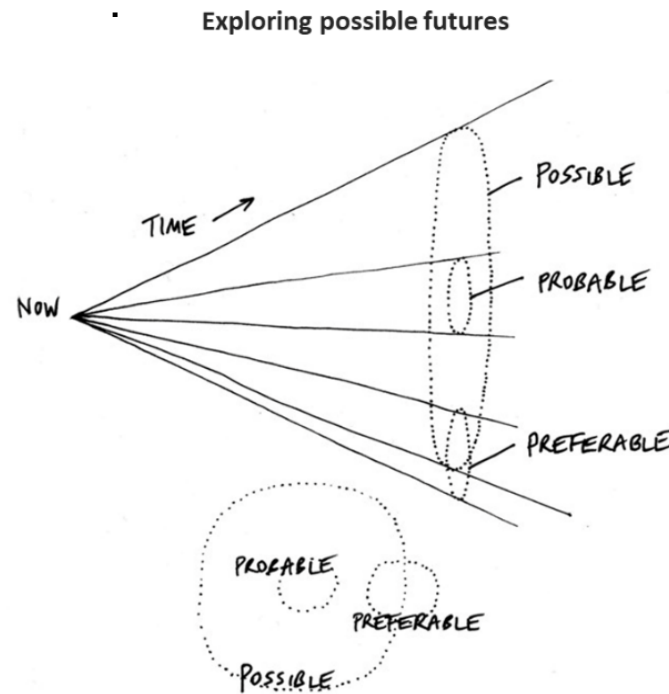
WHY WOULD I USE THIS METHOD?

Scenarios **challenge the tendency to favour the business-as-usual** future and encourage exploration of the alternatives. In this case they would enable exploration of different ways towns might develop in the future considering highly impactful and uncertain factors.

Scenarios provide a **structured framework to manage the complexity and uncertainty** of the future. They create a shared understanding of the complex dynamics of change.

Finally, scenarios can be used to **consider the options and choices facing stakeholders** under different conditions. How key actors – government, businesses, citizens, competitors – might behave under different conditions and identify the key requirements of policy and plans under different external conditions.

WHEN TO USE SCENARIOS

Scenario are a suitable method under the following conditions;
- High uncertainty (of the future development of the focal issues)
- High complexity (e.g. a high number of variables, stakeholders, forces and second order effects to be taken into account)
- Long time horizon (at least +5-7 years, usually more than +10 years).

HOW WOULD I USE THIS METHOD?

There are **various robust methodologies** to develop scenarios. We have outlined the three most commonly used methodologies. The methodology selected and how they are used within a project depends on the specific outcomes required.

Workshops are commonly used to develop scenarios and stress-test using scenarios. **Stress testing** is a method for testing strategic objectives against a set of scenarios to see how well they stand up against a range of external conditions.

SCENARIO METHODOLOGIES

Deductive Analysis
Deductive scenario planning uses a structured framework to explore two highly impactful, highly uncertain drivers. The two axes, often referred to as "critical uncertainties", form a two by two matrix with four quadrants. Each quadrant represents a contrasting but credible future scenario.

Inductive Analysis
Inductive scenario planning explores drivers of change in an unstructured way to formulate a series of narratives. This is typically performed collaboratively by an expert group, bringing together multiple perspectives to identify and build a compelling set of scenarios.

Morphological Analysis (MA)
MA is a sophisticated approach to scenario planning that allows exploration of multiple critical uncertainties to form an appropriate number of scenarios. A morphological box shows a range of projections for each area of critical uncertainty, called key factors. Plausible, internally consistent combinations of projections are then identified for each key factor. These are reviewed to determine which set of key factors and projections point to a coherent future state or vision. Once identified, detailed narratives for each scenario are developed.

FURTHER GUIDANCE AND MATERIALS

EXAMPLE DEDUCTIVE SCENARIOS

The COVID-19 pandemic has transformed the world we live in. Physical distancing measures and restrictions on people's lives now affect over half the world's population, and economic activity has fallen significantly due to the lockdown restrictions put in place. As governments implement policies to limit the spread of the virus, the extent of both the epidemiological and economic impact remains unclear. This report looks to provide some of the latest views around the impacts of COVID-19 and seeks to explore the implications of the ongoing public policy response through a scenarios based approach. The scenarios presented are a subjective – yet insight-driven – view of four possible futures that Arup has identified as both plausible and consistent with our current understanding of the nature of the pandemic and the likely impacts on our economies.

Link
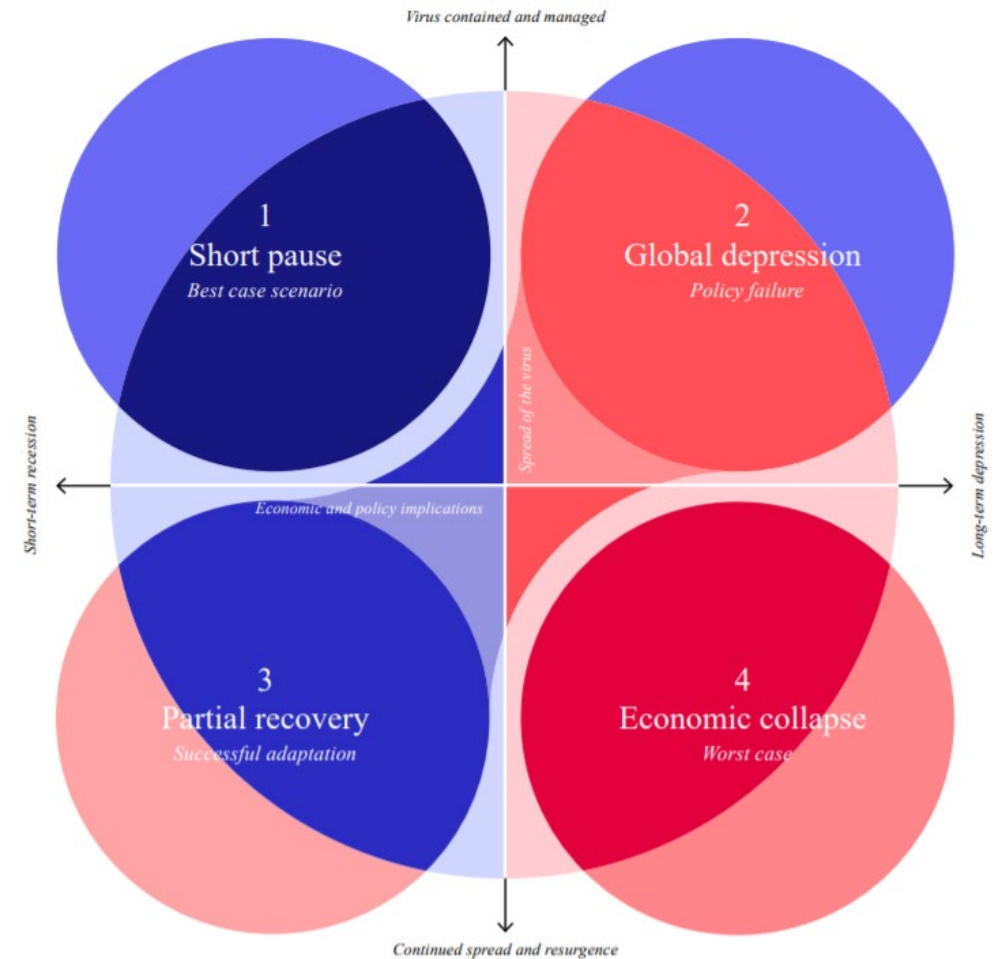
4. SWOT

METHOD OVERVIEW

SWOT analysis is an analysis of Strengths, Weaknesses, Opportunities and Threats. Strengths and weaknesses are internal factors that need to be taken account of when developing policy or strategy. Opportunities and Threats are external factors that need to be considered.

WHY WOULD I USE THIS METHOD?
Before establishing the vision communities ought to have a deep understanding of their local economy and its contribution to the wider region (and UK).SWOT Analysis enables identification of what needs to be done to capture and build on opportunities as well as mitigate threats. The analyse helps to set strategic priorities that build on the factors that make your town unique.

HOW WOULD I USE THIS METHOD?
This method works well if developed collaboratively within a workshop, as stakeholder are key to identifying opportunities and challenges. A temporal aspect can be included to ensure the near term, medium term and long term is considered.

| Strengths	Weaknesses
Internal factors in your town, leading policy or strategy implementation that will support the effort to drive the policy or strategy forwards	Internal factors to your town that might hold implementation back and that will need to be addressed
Opportunities	**Threats**
External factors that will help to achieve the policy or strategy aims and that policy design can build on	External factors that may prevent or delay implementation and that need to be characterised and mitigated against

FURTHER GUIDANCE AND MATERIALS

EXAMPLE SWOT

Strengths	**Opportunities**
• Economic assets (biggest sectors of employment) • People assets (skills, population, sectors of community leaders) • Transport assets • Knowledge assets (schools, universities, major institutions) • Cultural assets • Economic history and context • Concentration of business types and expertise • expertise in knowledge based economic sectors • accumulation of modern built environment assets • Appeal to visitors (short and long term) • Cachet and branding • Reputation for quality of life • Examples of collaboration between knowledge assets and actors	• Growing appetite to live, work, and play in high amenity higher density urban environments • Potential talent pipeline • Infrastructure investment HS2 • Potential to create specialised precincts/ agglomerations in brownfield sites with improved place management • Existing knowledge and customer base to grow industries at interface of growth sectors knowledge/ fintech/ digital • Infrastructure investment cycle and renewal means larger set of opportunities to manage growth • Sites that have the ability to cater for change
Weaknesses	**Threats**
• Evidence of limited local government support for the business community • Not yet excelling in economic metrics (job growth, business creation, building and development activity, low returns to education) • Local infrastructure impacting on town life (time spent travelling, high car dependence) • Low retention of skill and talented people • Limited readiness for new urban technology (low internet use, low investment in tech infrastructure) • Underdeveloped economic areas with pulling power for businesses, and poor sense of place acting as deterrent for investment • Poor business brand identity, lacking in appeals to visitors and in employment	• Reputation declines among broad base skilled people, including family age, unaffordability, and deterioration of public realm • Chronic affordability challenges, especially for families • Perception of a "manufacturing town" : stuck in ageing economic offer • Data analytics, workflow automation and AI disruptions to the industrial sectors • Increased and unmanaged competition for business/jobs within broader town/region

HOW THESE METHODS CAN BE COMBINED

The methods in this guide can be used in combination to support the development of Town Investment Plans.
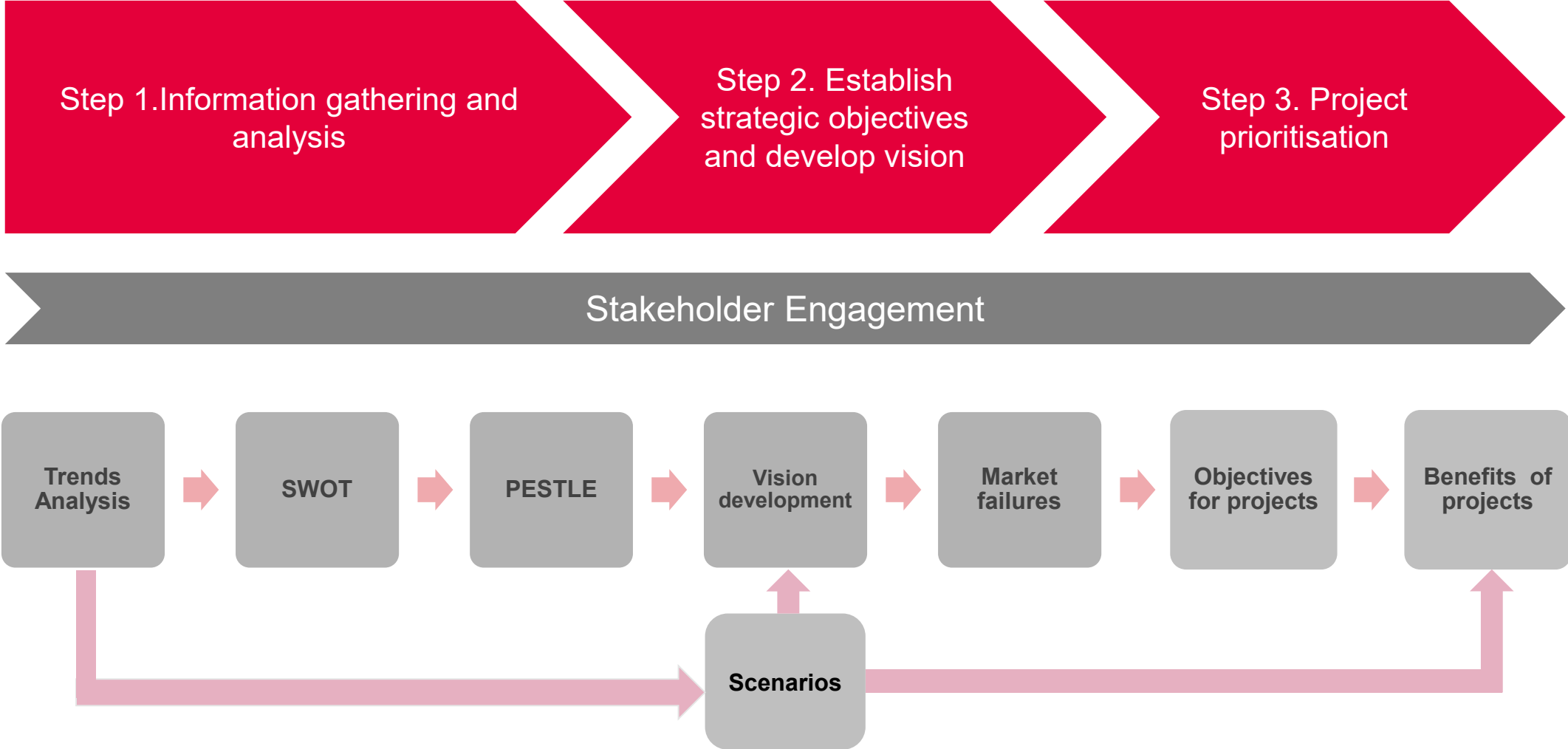
STAKEHOLDER ENGAGEMENT

Foresight is not just about finding an answer, it is about helping to explain the probable futures and the opportunities **to your decision makers and partners.** It is important to gain buy-in from your stakeholders and identify what is needed to take them **on a journey into the future**. When you are trying to tell a compelling story, you need compelling evidence.

Think about who the community is made up of (residents, workers, businesses, community groups etc) and involve them in the process.

Engagement can be in many forms including workshops, stakeholder groups or interviews.

STAKEHOLDER WORKSHOPS

Workshops are a useful way to bring together a group of experts or stakeholders to undertake foresight activities. Workshops often bring together a diverse set of stakeholders with expert knowledge across a range of STEEP domains. Workshop methodologies applied in foresight tend to be adapted to the specific client or context. Customising the approach aims to ensure that the process and outcomes are tailored to the needs and expectations of the client or stakeholder. Standardised workshop approaches are favoured in the delivery of a series of workshops, where there is interest in comparing and contrasting outcomes across different regions or stakeholder groups.