



BEYOND UNCERTAINTY: FINDING OUR WAY TO THE FUTURE

Talking about VUCA and uncertainty is an unhelpful way to think about the future. It creates anxiety and it makes it harder for us to act. In practice, every purpose-driven business knows where it needs to get to to have a sustainable future. The challenge is how to get there.

Unsticking ourselves from VUCA

The world is more confusing than it used to be. Everyone can tick off the list: climate change, populism, pandemic, Ukraine, and more. But in the face of all of this, it is easy to feel stuck: to feel that, no matter what you do, it will be the wrong thing. Chess players have a word for this: *zugzwang*. You have to move, but once you have moved, you will be in a worse position.

These challenges affect the internal management of organisations as well. Technology was supposed to increase efficiency and improve customer management, but instead delivers supply chain disruption and customer noise. Younger staff have different expectations about work and, often, different business values from their managers. People want to work for purposeful organisations, but the line between purpose and greenwashing can be thin.

In the face of this difficult, and different, operating environment, we are told that

strategy is dead and planning is impossible. Agility and adaptation are said to be the answer. It's all about VUCA, or volatility, uncertainty, complexity, and ambiguity. Other acronyms tell a similar story.

But treating the world as if everything is uncertain, and that the best we can do is to respond to the unpredictable, forces us into inaction. The concept of VUCA

makes us more anxious, rather than less anxious. It creates “a sense of over-stimulation and overload,” as Sandra Waddock of Boston College argues.

Anxiety and overload are a terrible combination. They prevent us from making



SOIF is a non-profit group of practitioners that uses futures and foresight methods to identify future-facing insight, build capability, and create change. Our expertise spans the public, private and non-profit sectors. We are leaders globally in the area of translating futures thinking into effective strategy, policy and innovation.

We work globally and are headquartered in the UK. We have a vision for a fairer and more sustainable world for the current and the next generations. We are committed to using open methods and to developing the capability of our partners and clients in our work with them.

meaningful choices. They lock us into incremental variations in business as usual even though we know that it is becoming ever harder to make business as usual work. Worse: this inaction is both a symptom and a cause of the worsening larger environment. You can't address 21st century problems with 20th century tools.

The half truth about uncertainty

The notion that we are living in uncertain times is only a half-truth. Yes, we are living in uncertain times. But if we are interested in a

future that is sustainable for our organisations — economically, socially, environmentally—the path to that future is surprisingly certain. Axa said at the time of the Paris Accord, “A four degree world is uninsurable”. We have learned since then that a two-degree world is probably uninsurable as well. This means that the target area for the future business is tightly defined

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A more certain destination, and some macro certainties to help guide us there

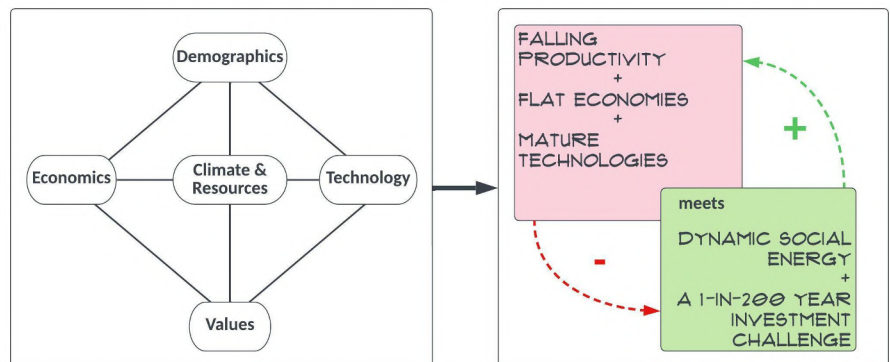
There are five big drivers of change that cause change on generational timescales: demographics, economics, technology, values, and resources. Some of these are surprisingly stable at the moment. On demographics, we know that in many parts of the world outside of sub-Saharan Africa populations are ageing and birth-rates are slowing quite quickly. We know the grim direction of resources, if only from the increasingly strident warnings from the IPCC. Values are on a long trajectory from “modern” values to “post-materialist” values, as generations change. There’s a transition going on from values about “authority” and “conformity” to “diversity” and “autonomy”, from dependence to interdependence.

Rates of economic growth have been on a long decline since the 1960s, despite some intermittent outliers such as

China. (Focusing on annual variations is about noise, not signal). Technology seems most uncertain, the more so because of the current excitement about AI and Large Learning Models, but even here we know some things with confidence. The digital technology market is now saturated; opportunities for growth are limited; regulation is increasing. New emerging technologies that might be influential (such as synthetic biology) may be waiting in

wings, but it's early days. They're not yet mature enough to be transformational. All the same, looking at the world through this diamond identifies a route to change: the values of the younger generation and the investment potential of post-carbon economic transformation.

As we wrote in our report, ‘Better business’, two years ago, “It is a crisis, but also an opportunity. Estimates of the



infrastructure investment required to achieve a successful post-fossil transition vary, but tend to be of the order of \$90-100 trillion over 10-15 years. In a world where capital struggles to find returns this has an internal logic... [W]e are at a fork. Worldviews driven by economics and technology could stifle change. Or, alternatively, new values could open up the future by combining with transformational investment decisions.”

by climate crisis and biodiversity loss. In business terms, we are trying to land the plane on an aircraft carrier in the middle of the ocean.

For values-driven, purposeful organisations—whether in the private, public or third sectors—the need for significant transformation in coming years is clear and certain. The societal, economic and environmental systems we operate within are under growing pressure, and technology innovation alone will not provide the silver bullet that allows business as usual to continue.

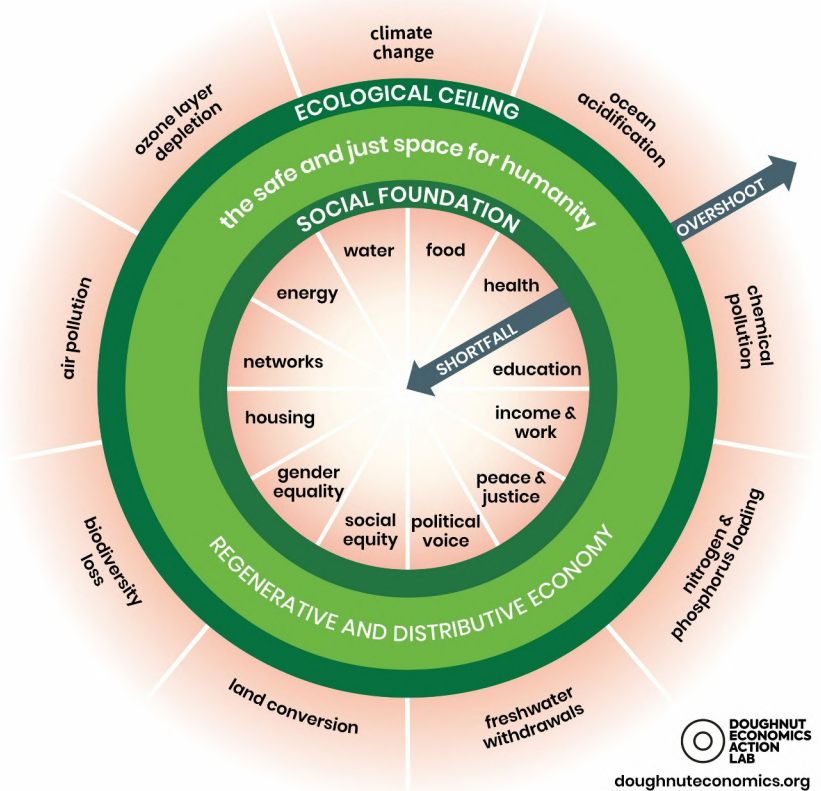
We know that new business models, new ways of navigating resource constraints and new ways of managing staff and stakeholders will be required. Many leaders are already grappling with the scale and reach of transformation needed, for example to meet net zero carbon targets within the constraints of existing assumptions and operating models.

Finding the future

We also know quite a lot about what the aircraft carrier looks like. Different organisations have described it well enough. For example, drawing on FutureFit's open source benchmarking tool, we can see that the businesses that survive in a sustainable future need to be able to operate within the

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planetary boundaries, as well as economic and social boundaries. The corporate business model of exporting external costs into the rest of the system is not sustainable in this future world. In effect, they become the equivalent of 'doughnut' companies, borrowing Kate Raworth's economic model,



The 'doughnut' of our viable future.

Source: Kate Raworth/ Doughnut Economics Action Lab

operating in a safe space between the ecological ceiling and a viable social and economic floor.

This is a pragmatic view as much as it is a moral one. Either we manage our way to businesses that are stable and viable, or the system will manage it for us through continued decline, even collapse.

Using strategic futures as a map

If the outlook is relatively certain, what remains uncertain is how you get there. Transformation is a complex journey that requires navigating a lot of legacy issues at the organisational level. This is where strategic foresight has particular value to add. Foresight helps organisations to identify opportunities to transform, and to identify and then harness the sources of agency and energy needed to get there.

Strategic futures work complements other types of business planning methods, but they come into

their own when it is possible to articulate the shape of the future that needs to be realised. Although futurists often talk about probable futures, possible futures, and preferred futures, and this opens up uncertainty about the future, we are now only looking at one future: the future that is necessary to avoid collapse.

We can sketch out the operating principles of such a future business, even if some of the detail remains out of focus. And from the operating principles, we can also identify the building blocks that need to be in place to get there, the constraints that we have to manage, and the leverage points that we can use to accelerate the transition, using tools such as the Three Horizons Framework, actor mapping, and backcasting, and so on.

Change is going to happen. The question for the future of business right now is whether we want to be the agents of change, or have change happen to us.

To discuss in more detail how foresight can help you to shape a more certain path through uncertain times, please get in touch with Andrew Curry, Director of Futures, andrew@soif.org.uk / +44 7958 538849, or Peter Glenday, Director of Programmes and Research, peter@soif.org.uk / +44 7717 766762.

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