ANTICIPATING THE FUTURE: DEVELOPING STRATEGIC FORESIGHT

Richard Lum, CEO
Vision Foresight Strategy

Learning Objectives:
1. Review a broad array of trends and emerging issues shaping the futures of credit unions.
2. Consider alternative scenarios of the future for credit unions.
3. Shift to thinking in terms of multiple possible futures, and how those emerge.
Anticipating the Future

DEVELOPING STRATEGIC FORESIGHT

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29 JANUARY 2020
Vision Foresight Strategy LLC

Vision Foresight Strategy LLC (VFS) is a foresight and strategic analysis firm headquartered in Honolulu, HI.

We are a global network of trained foresight professionals that works with organizational leaders to navigate the uncertainty and complexity they face in the world today.

“Reframing the future.”

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The world is undergoing a transition
NO, THEY DIDN’T GIVE ME A CRYSTAL BALL...
Understand and anticipate change in society...

...and then help others reframe their expectations and preferences for the future.
Futures Studies: Two Complementary Aspects

**Analytic:**
understanding and anticipating change

**Synthetic:**
reframing expectations and preferences
Foresight:

*Insight into how and why the future could be different from the present.*
Forecasting, Not Prediction
Range of alternate possible futures (scenarios)
A World in Transition

A BROAD RANGE OF ASSUMPTIONS IS BEING UNDERMINED
The Global Context
The Built Environment
The Machine World
Social Worthiness as the New FICO
Privatized and Community-Based Governance
Machine Charities
Crossing the Chasm

NEW TOOLS AND FRAMEWORKS
Seeing a Transition

**Old Order**
- Most resilient structures and assumptions
- Rapidly falling structures and assumptions
- Entrenched conceptual impediments to adaptation

**Transition Period**
- Transition pathways (scenarios)
- Cooperation, competition, and conflict across this space

**Future Order**
- Almost mainstream
- Rapidly evolving developments and models
- Most radical ideas about the future

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Things You are Already Seeing

- Rising crowd funding
- Expanding cyber threats
- Aging population
- Gamification of finance
- Automation of Insurance
- Social credits and social shaping
- Cashless society
- Blockchain and banking transparency
- Smart contracts
- Digital outcasts

Old Order
- Financial Regulations
- Tax Structures
- Banks
- Legacy Institutions
- Physical branches
- Customer Expectations
- Traditional financial products

Future Order
- World without money

Fitness for Purpose

Time

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The Future: Change *and* Continuity

**Generic Forces against Change**
- Powerful stakeholders and incumbents
- Physical and logistical constraints
- Rules, customs, and traditions
- Patterns of behavior

**In the Credit Union Industry**
- Regulation
- High barriers to entry
- Legacy infrastructure and strategy
- Unions
- Cultural resistance
- Entrenched preferences
Cashless Country

The wonderfully cashless, same 'ole economy

Fintech, Increased digitization, Increased Automation

Regulation, cyber security, culture lag
Tech Economy

New products and services, strikingly similar industry

Fintech, changing values of millennials, increasing environmental concerns, increasing automation

Legacy industry
Dynamic Environmentalism

*Climate crisis drives innovation and economic growth*

Fintech, climate change becoming increasingly costly, changing US values, crowdfunding
Post-Trust

Disasters worsen trust in financial systems, pushing society to adapt and abandon

Rising cost of climate change, Coops at the End of Capitalism, deep fakes, changing values, cryptogovernance
**Dynamic Environmentalism**
Climate crisis drives innovation and economic growth

**Cashless Country**
The wonderfully cashless, same ‘ole economy

**Tech Economy**
New products and services, striking similar industry

**Post-Trust**
Disasters worsen trust in financial systems, pushing society to adapt and abandon

Range of Possible Futures
Informing and Inspiring

DEVELOPING FORESIGHT TO ANTICIPATE AND TO SHAPE
Seeing Change
Reframing for Strategic Thinking

Scale
- Global
- Regional
- Local

Scope
- Education
- Learning

Timeframe
- 5
- 10
- 15
- 20
### Seeing Change in Layers

<table>
<thead>
<tr>
<th>Layer</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface</td>
<td>Frequent change, usually small impact</td>
</tr>
<tr>
<td>Systems</td>
<td>Change takes longer, making change is harder</td>
</tr>
<tr>
<td>Worldview</td>
<td>Slow, long-run change</td>
</tr>
</tbody>
</table>
Exploring Change

Nothing evolves in a vacuum: how do things interact, amplify, and dampen each other?

Exploring multiple pathways of change: scenarios to map the landscape
Seeing connections and possibilities that are only obvious after the fact
Mahalo