



# Navigating Change and Uncertainty

LUTHERAN SERVICES IN AMERICA

*MATT RANEN*

JAN 2024

# The times they are a-changin'

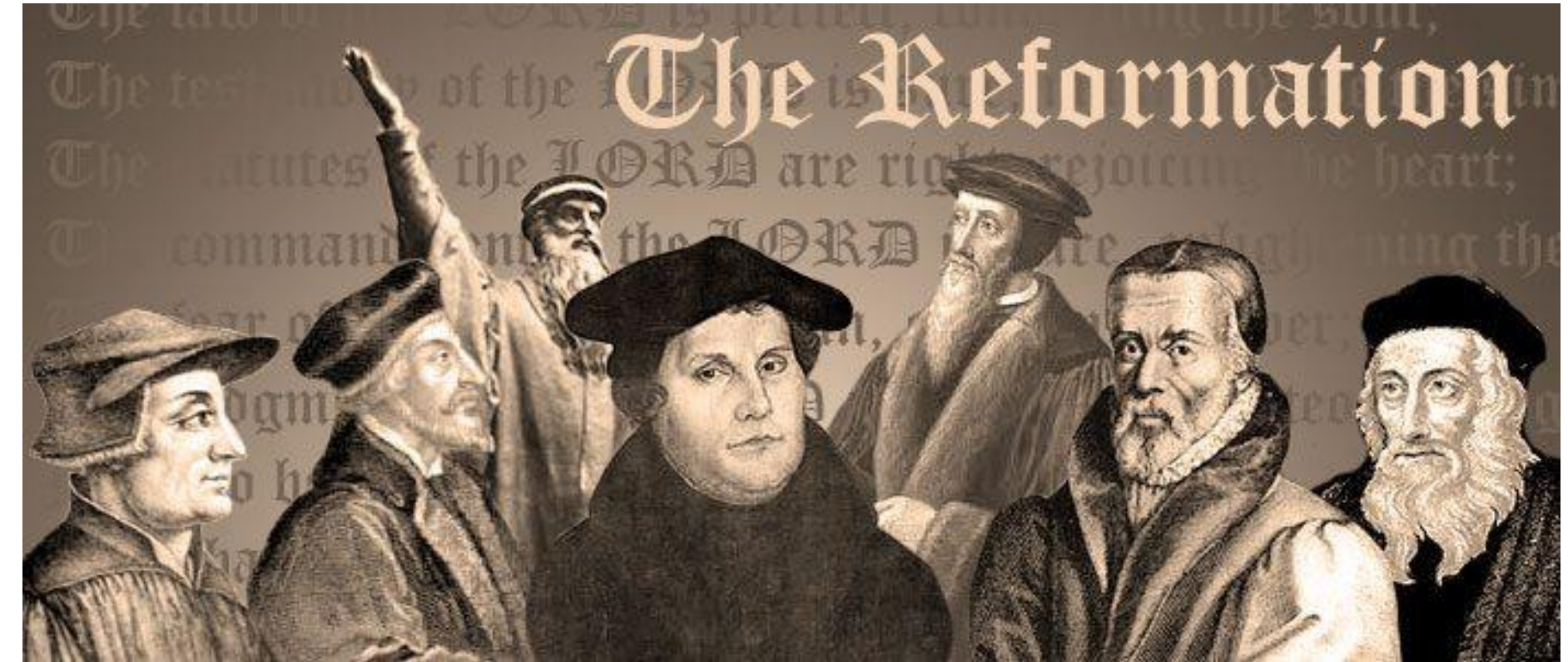




# Imagining structural change



1436

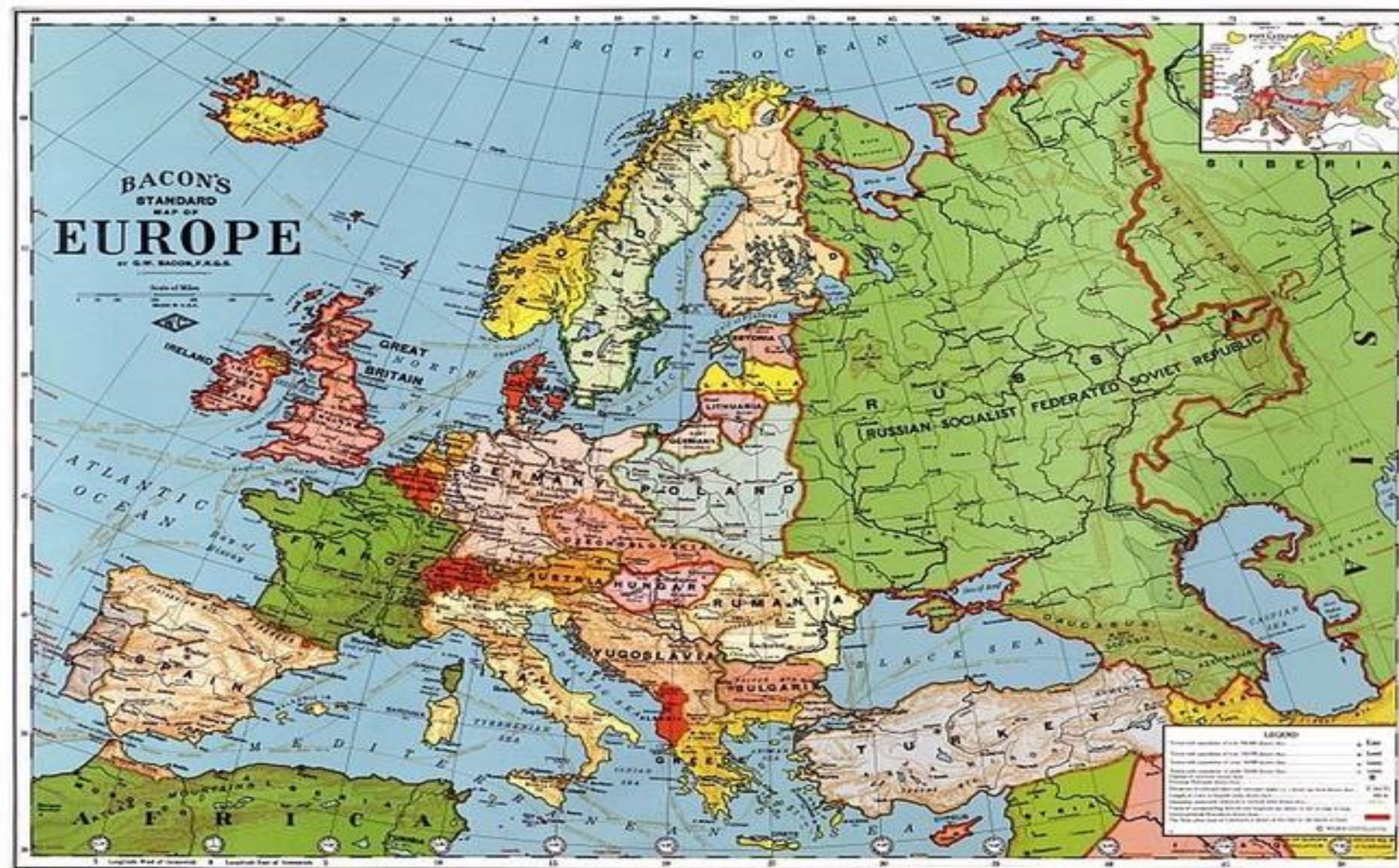




# Imagining structural change



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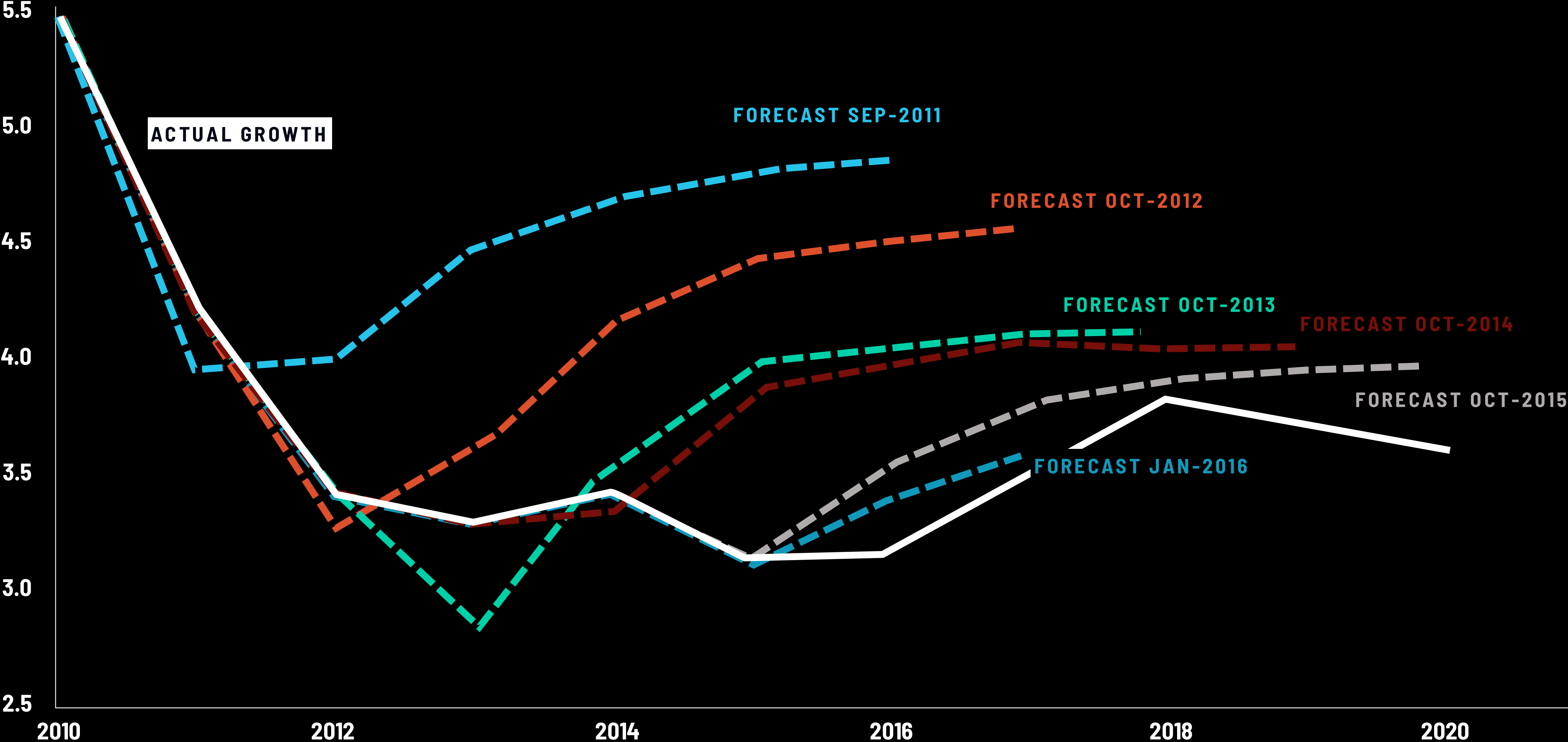






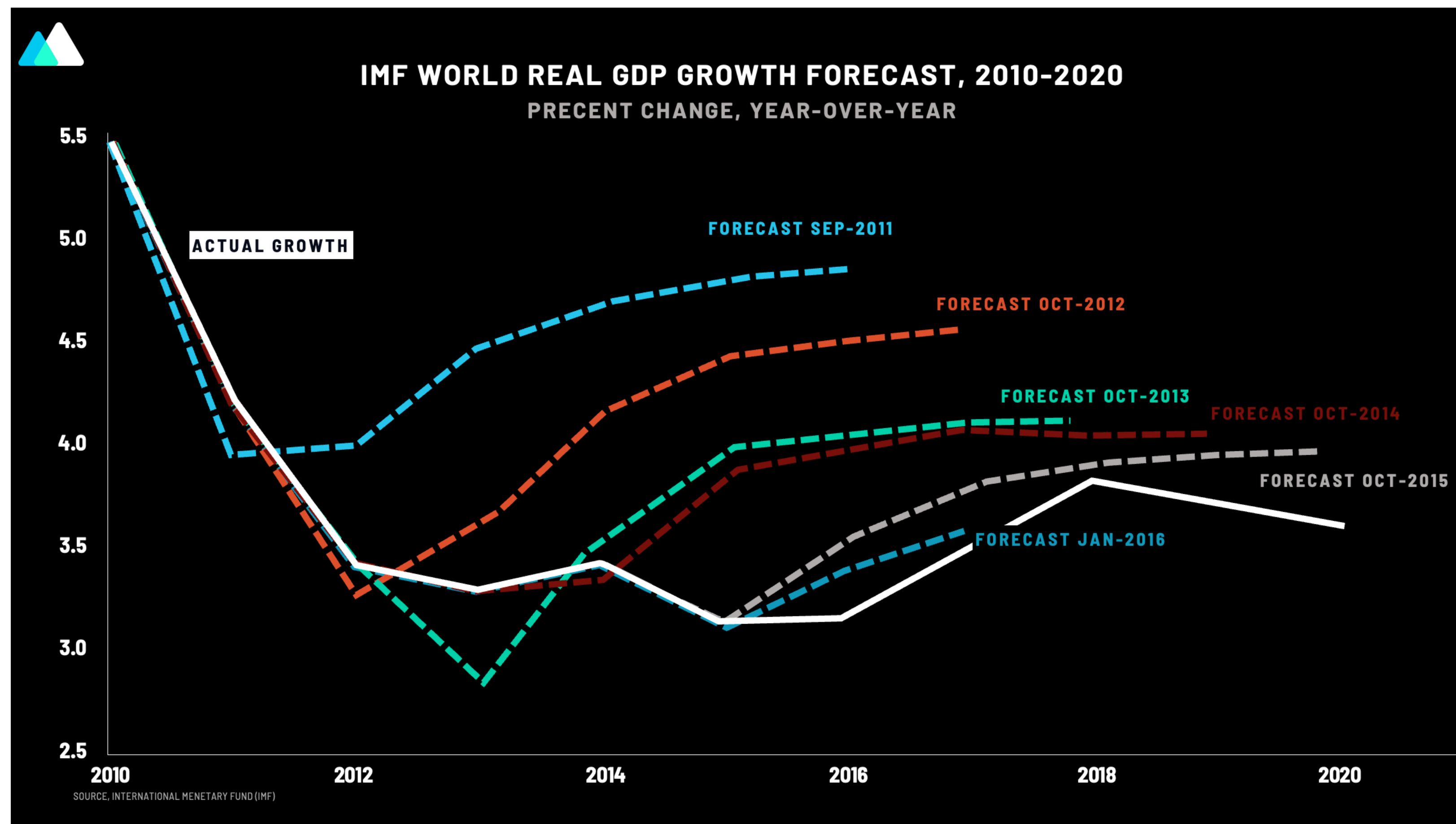
# IMF WORLD REAL GDP GROWTH FORECAST, 2010-2020

PERCENT CHANGE, YEAR-OVER-YEAR



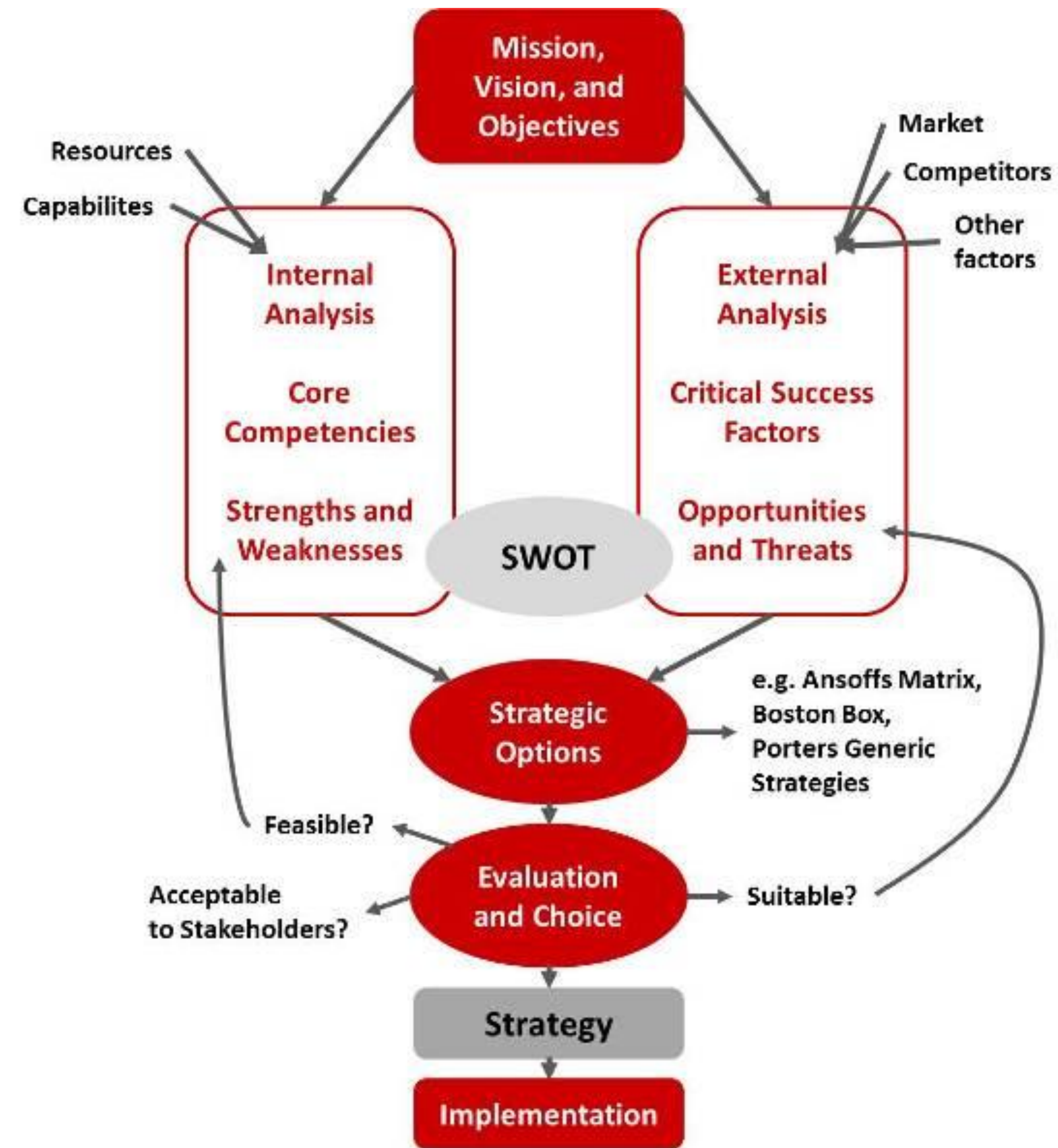
# The future is uncertain!

*(despite our desire to predict)*





Most planning is  
incremental and  
static  
*(even though the world  
is not)*







# About me

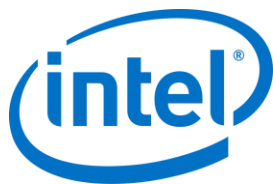
Scenario Planning  
Strategist for 20 years



[www.mattranen.com](http://www.mattranen.com)

**GBN** Global Business Network  
a member of the Monitor Group  
Monitor **Deloitte.**

Northwestern | Kellogg  
School of Management  
Berkeley Public Policy



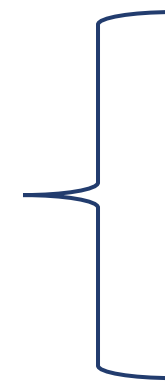




# Navigating the future

An approach, in 3 steps

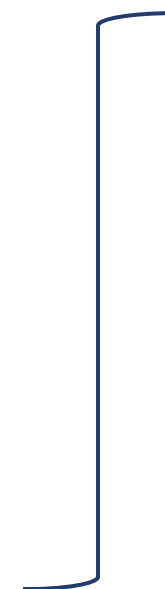
Today



1

Envision new scenarios

Tomorrow



2

Rehearse each future

3

Plan for adaptability





# Navigating the future

An approach, in 3 steps

1

Envision new scenarios

2

Rehearse each future

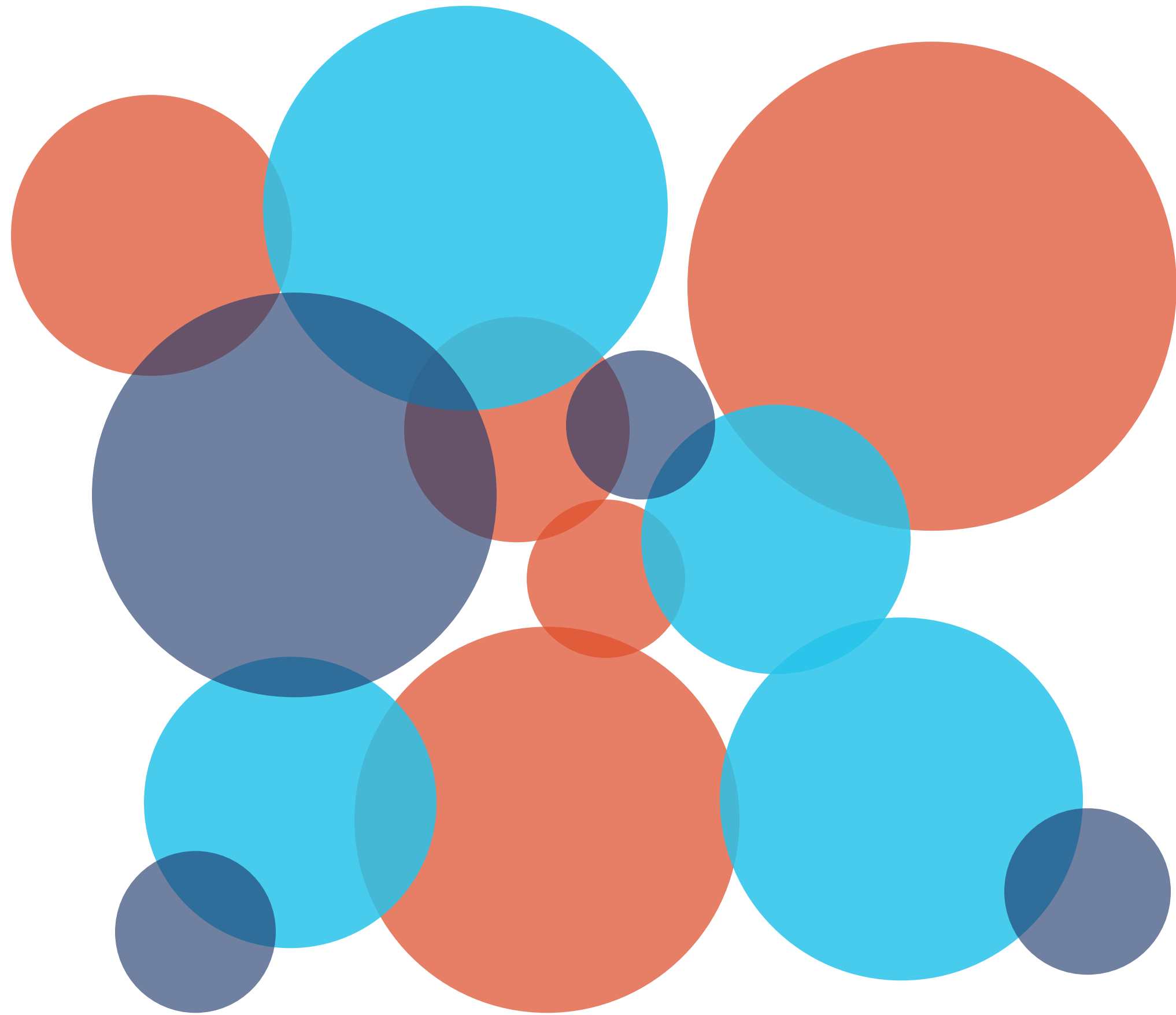
3

Plan for adaptability





# 1a Think systems, not just trends

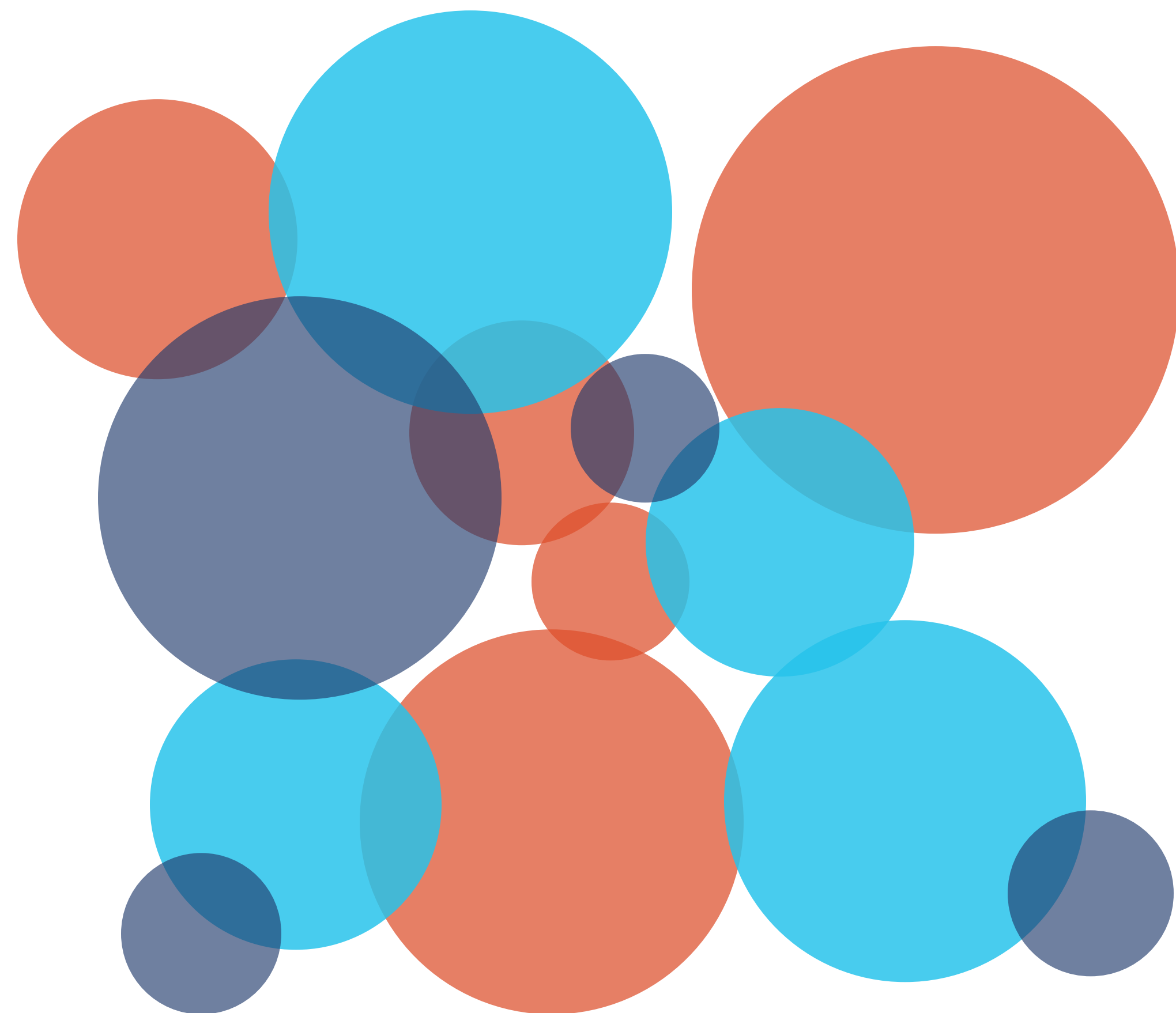


Observed trends and events



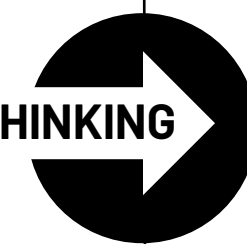


# 1a Think systems, not just trends

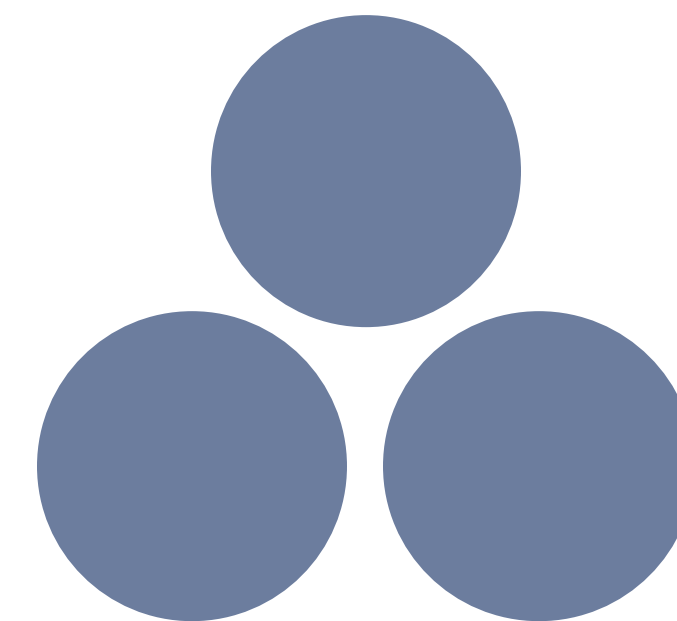


Observed trends and events

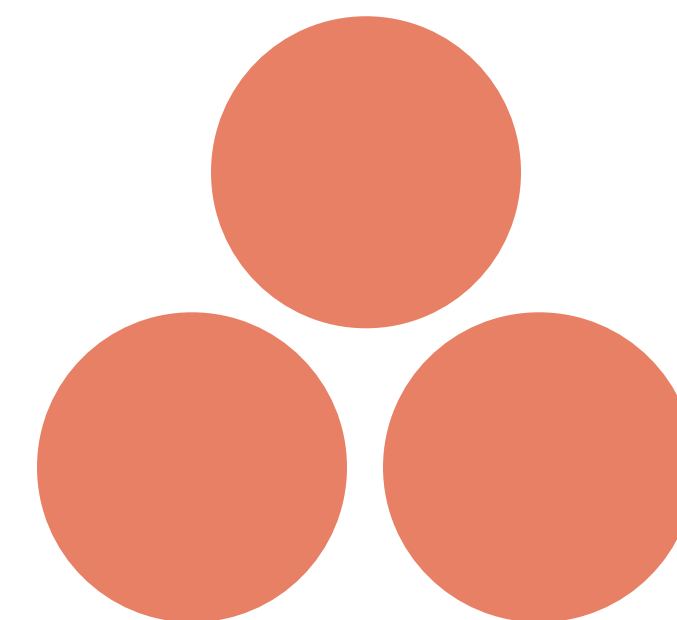
SCENARIO THINKING



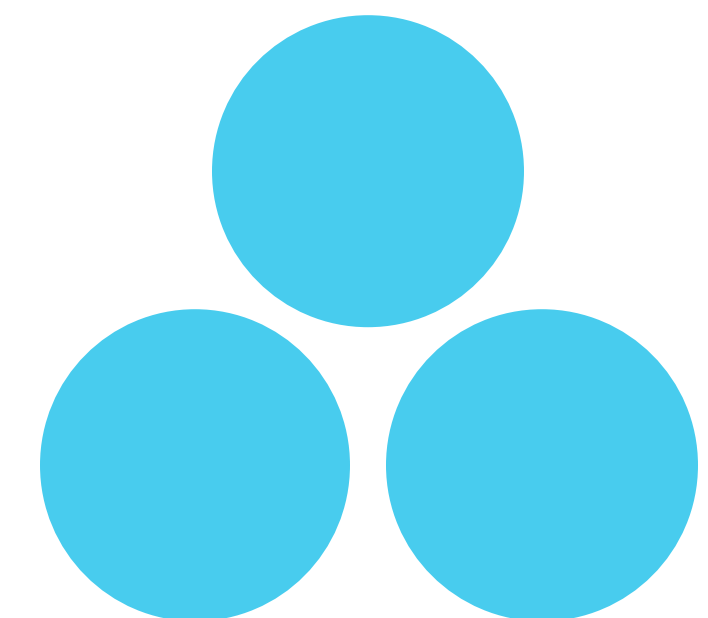
Scenario A



Scenario B



Scenario C

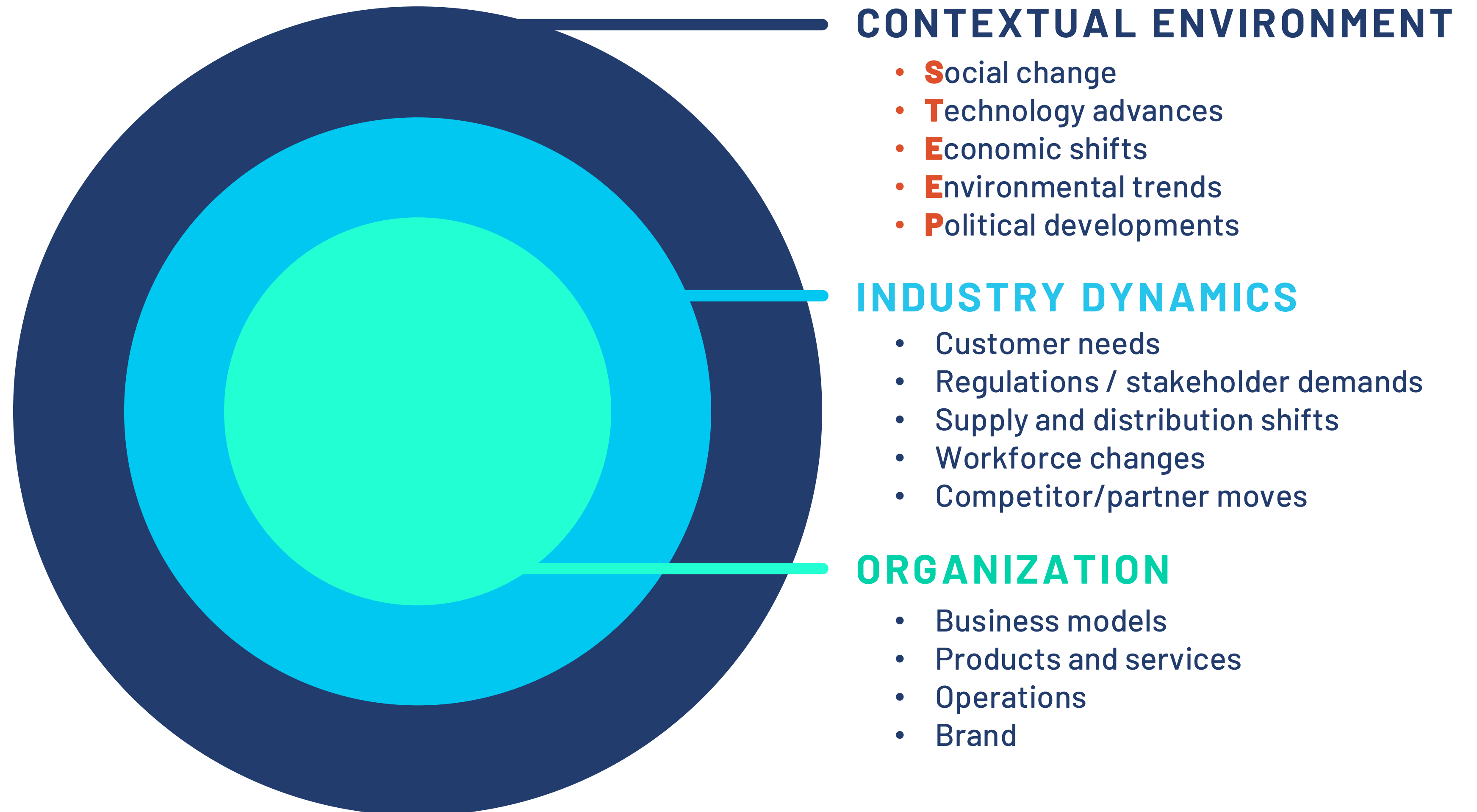






# 1b Use outside-in thinking

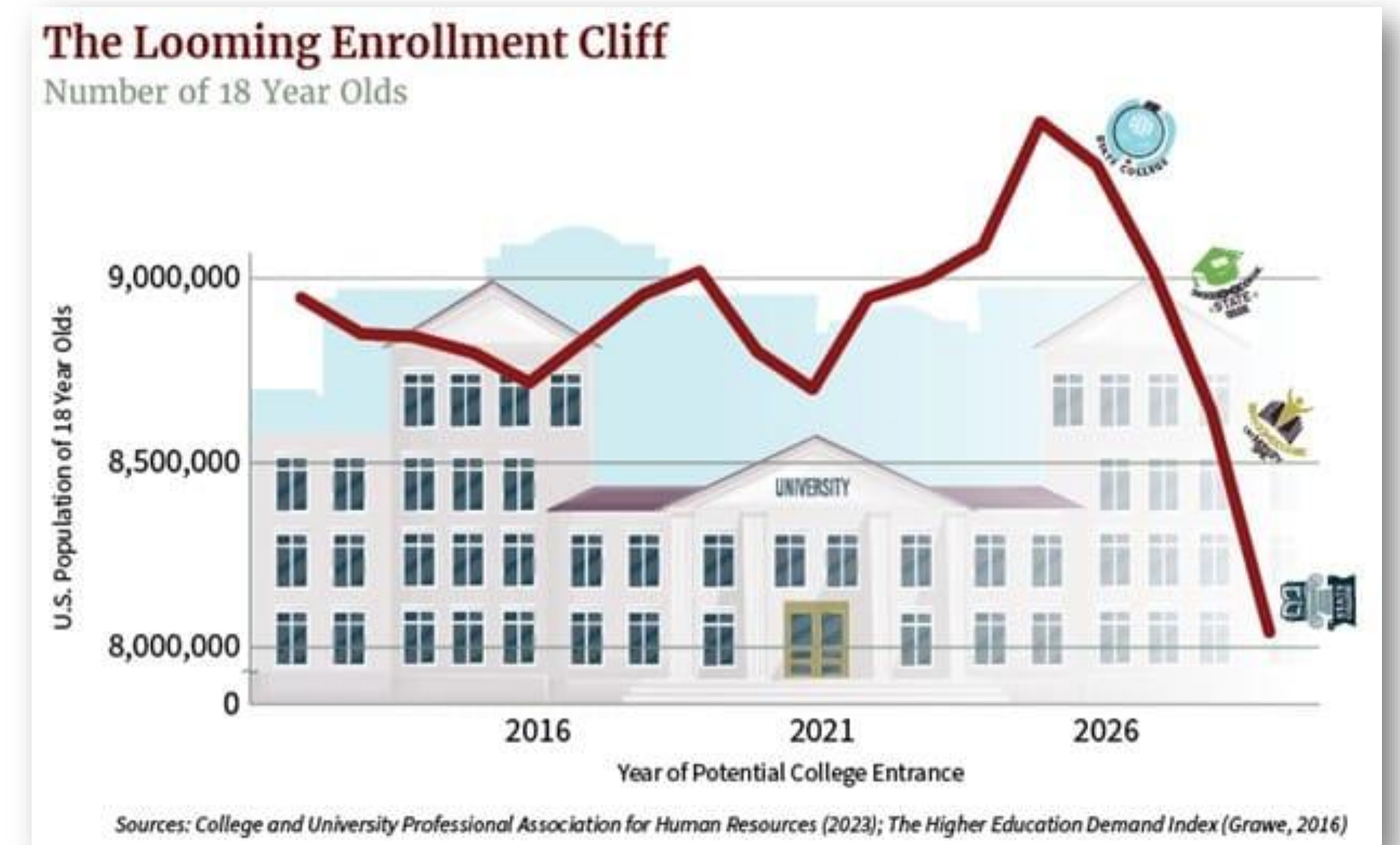
The real sources of change







# 1b Outside-in: Forces of change

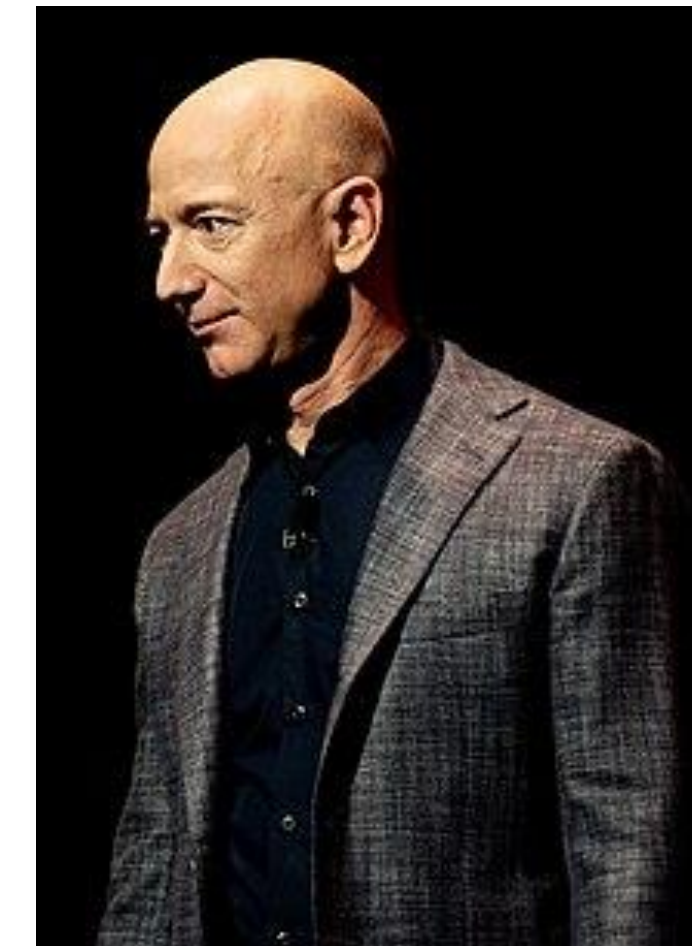
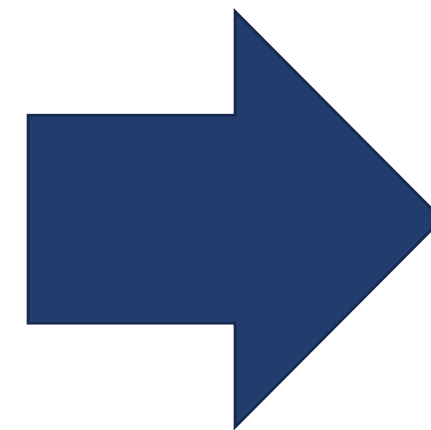
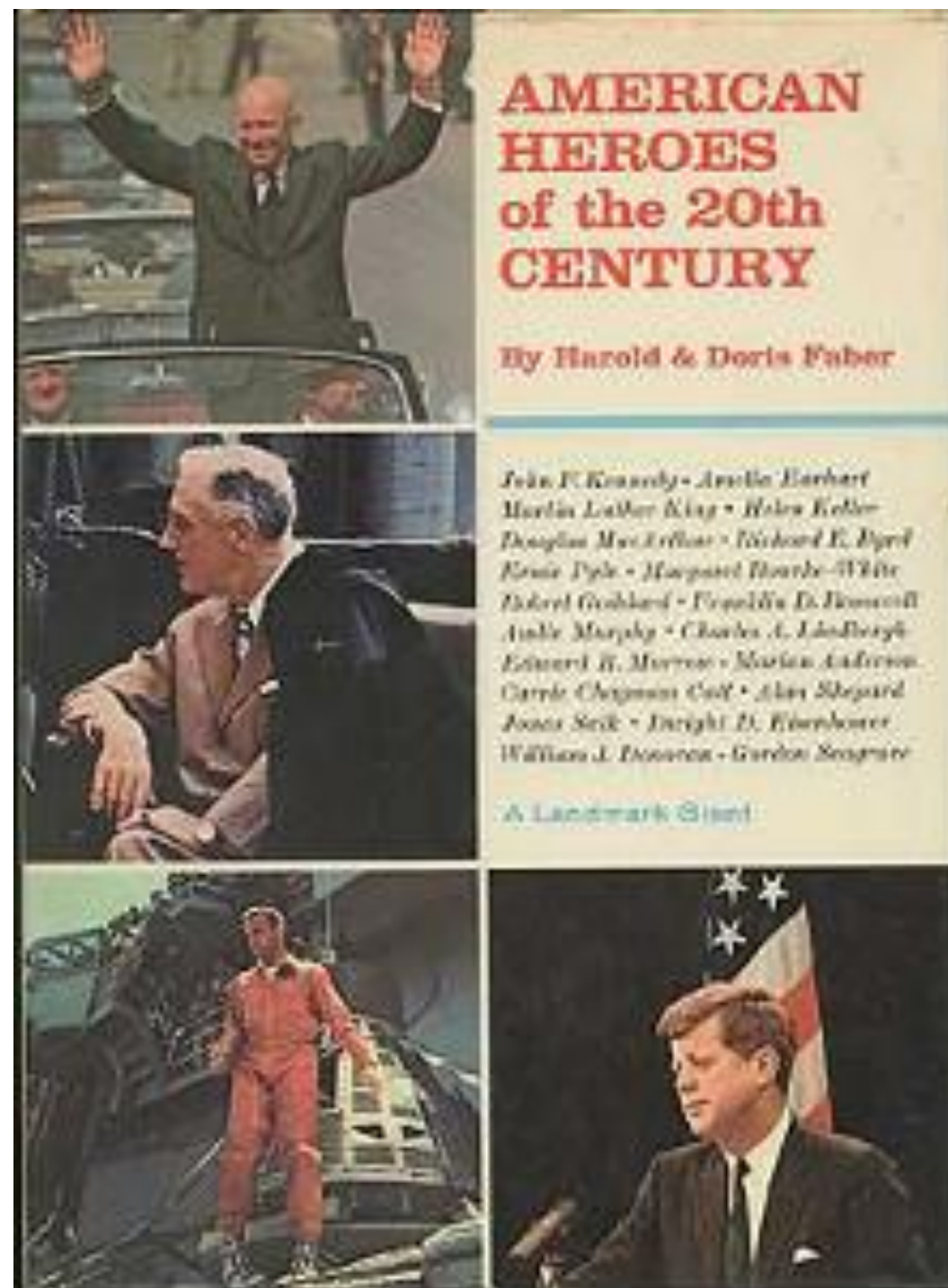






# 1b Outside-in: Forces of change

New heroes and narratives?







# 1c Acknowledge uncertainty

Important, but not  
predictable

NARROW



WIDESPREAD

SHORTAGE



SURPLUS

SLOW



FAST





# 1c Acknowledge uncertainty

WHAT IF...?

Critical uncertainties:  
the building blocks of  
scenarios

NARROW



WIDESPREAD

SHORTAGE



SURPLUS

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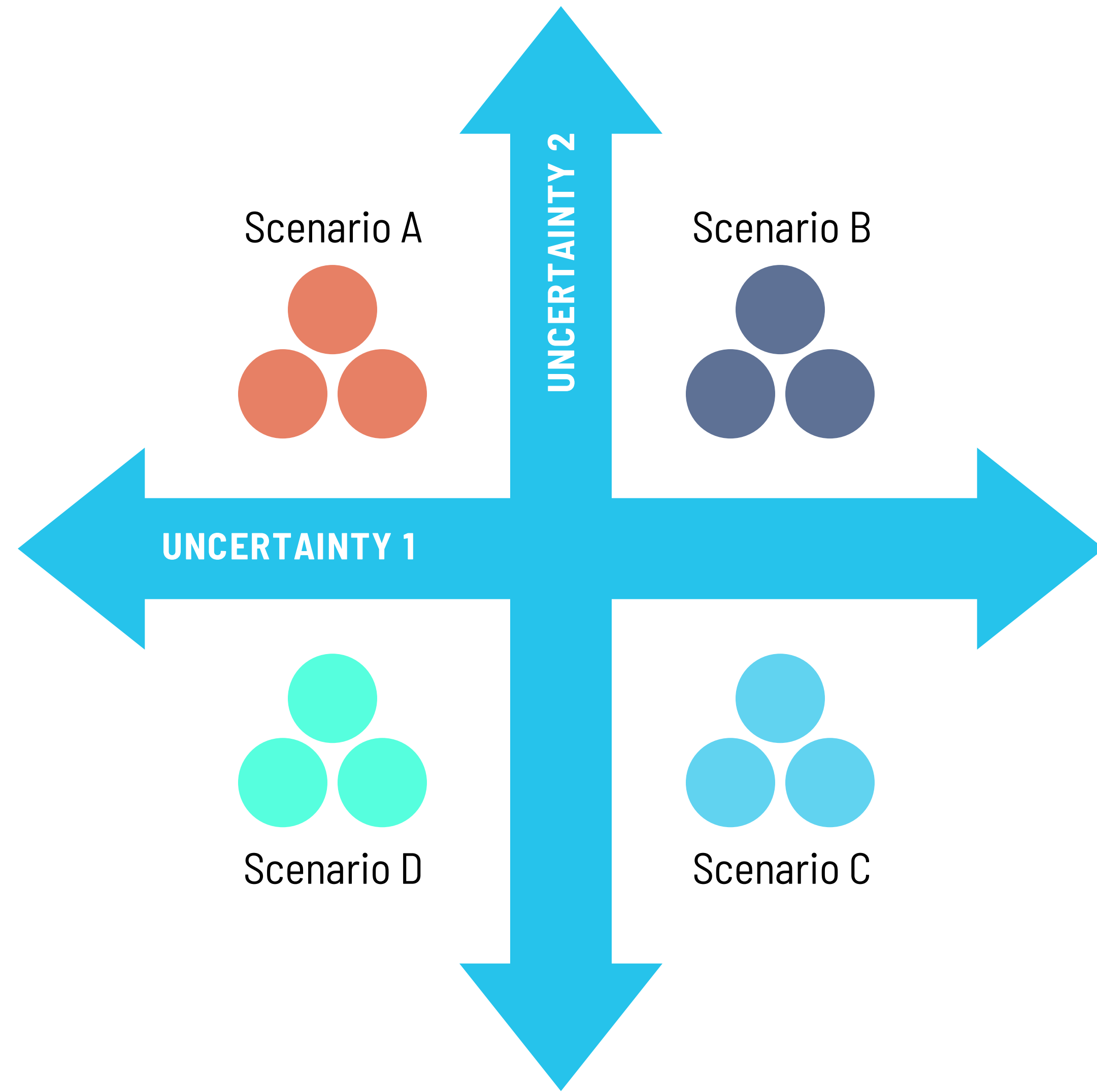




# 1 Scenarios

A map of possible futures

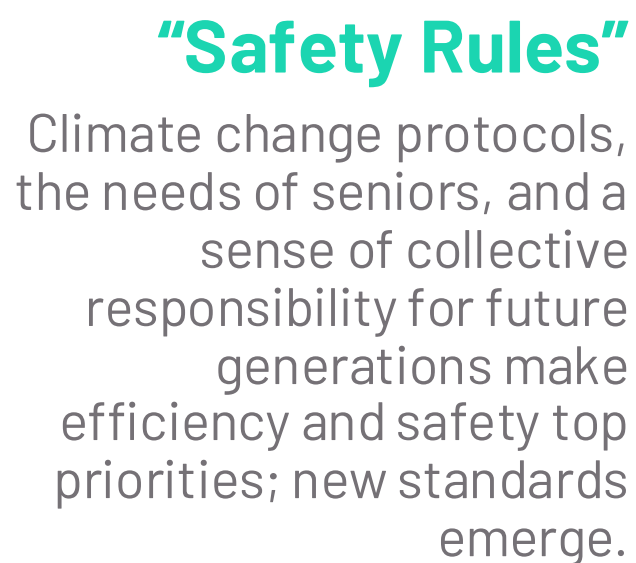
- ✓ **STORIES ABOUT EXTERNAL WORLD AND MARKET**
- ✓ **MULTIPLE AND DIVERGENT**
- ✓ **IMAGINATIVE, BUT PLAUSIBLE**
- ✓ **HOLISTIC/MULTI-DIMENSIONAL**







# Future of Hardware Retail Example



## SHELTER AND SECURITY

## "Scared Simple"

Economic downturn leads to social strife and isolation. Security is a top priority, and simple fixes are the norm.



## U.S. ECONOMY



## LIFESTYLE AND VALUES

## EMPHASIS OF HOME USE



## "Feng Shui"

Facing economic slowdown, communities respond with an inclination for conservation, simple lifestyles, communal and multi-generational living.

## DECLINING/VOLATILE





Time to  
Practice!





# Exploring with Others

**Héctor Colón**

*President & CEO*

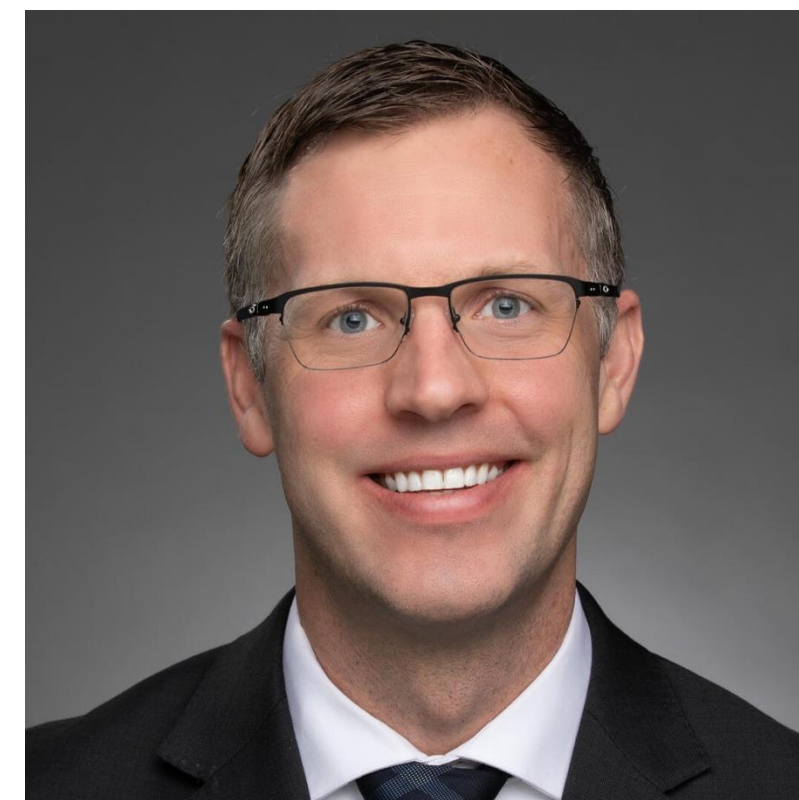
Lutheran Social Services of Wisconsin and Upper Michigan



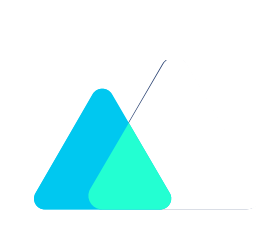
**Nate Schema**

*President & CEO*

Evangelical Lutheran Good Samaritan Society







*The test of a first-rate intelligence is  
the ability to hold two opposed ideas  
in mind at the same time and still  
retain the ability to function.*

- F. Scott Fitzgerald





# 1 Practice

Describing a critical uncertainty

“IN THE NEXT 10 YEARS, WILL...?”

**A** TREND OR ISSUE THAT  
IS UNCERTAIN







# 1 Practice

Describing a critical uncertainty

“IN THE NEXT 10 YEARS, WILL...?”

**A** TREND OR ISSUE THAT  
IS UNCERTAIN

**B** TWO VERY DIFFERENT POTENTIAL  
OUTCOMES...

- plausible..
- today, and within the relevant timeframe







# 1 Practice

Describing a critical uncertainty

“IN THE NEXT 10 YEARS, WILL...?”

**A** TREND OR ISSUE THAT  
IS UNCERTAIN

LOW

ECONOMIC GROWTH

HIGH

**B** TWO VERY DIFFERENT POTENTIAL  
OUTCOMES...

- plausible..
- today, and within the relevant  
timeframe

STABLE AND  
PREDICTABLE

ECONOMIC GROWTH

VOLATILE AND  
UNPREDICTABLE

**C** DIFFERENT WAYS  
OF LOOKING AT IT

LESS EVEN

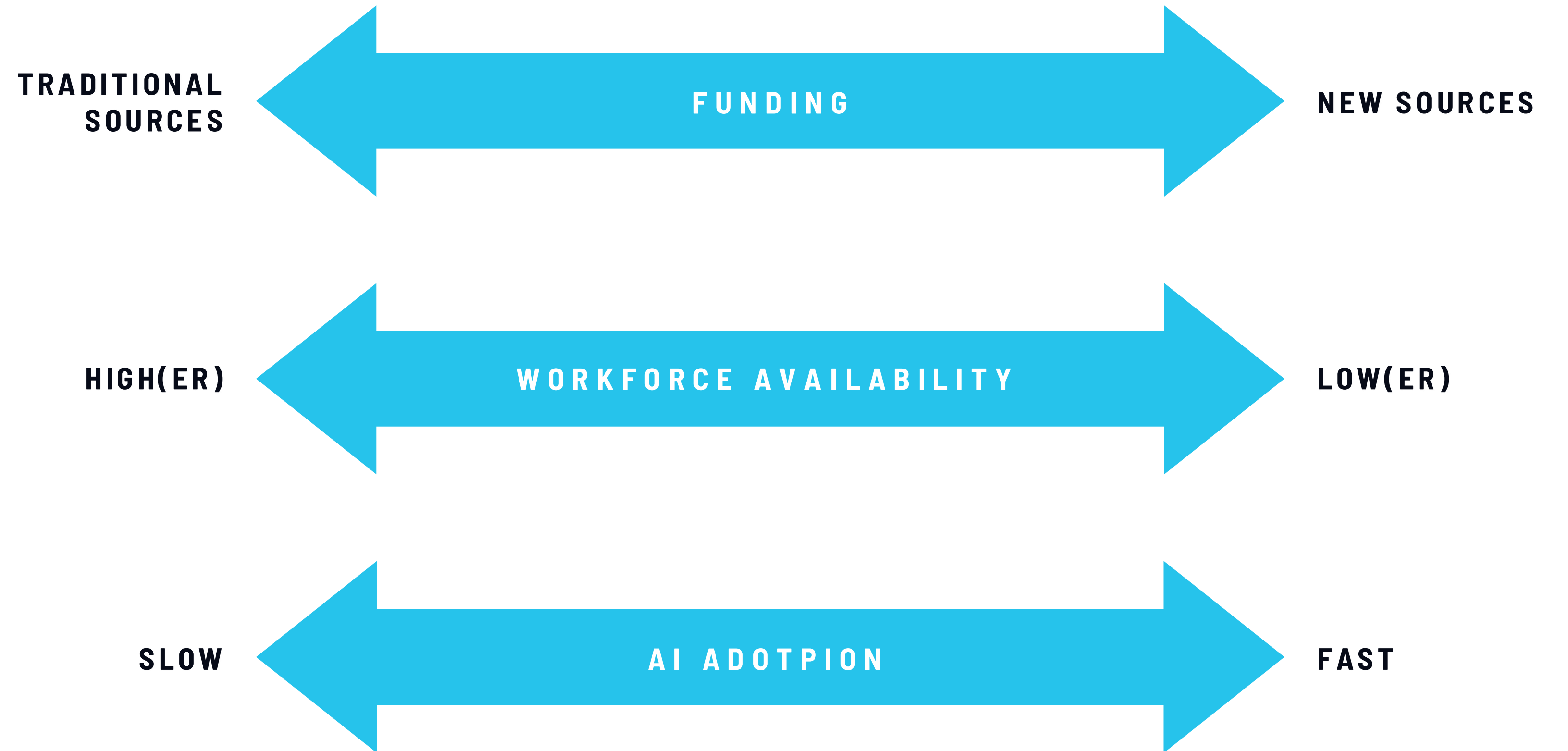
DISTRIBUTION OF ECONOMIC GROWTH

MORE EVEN





# 1 For Discussion



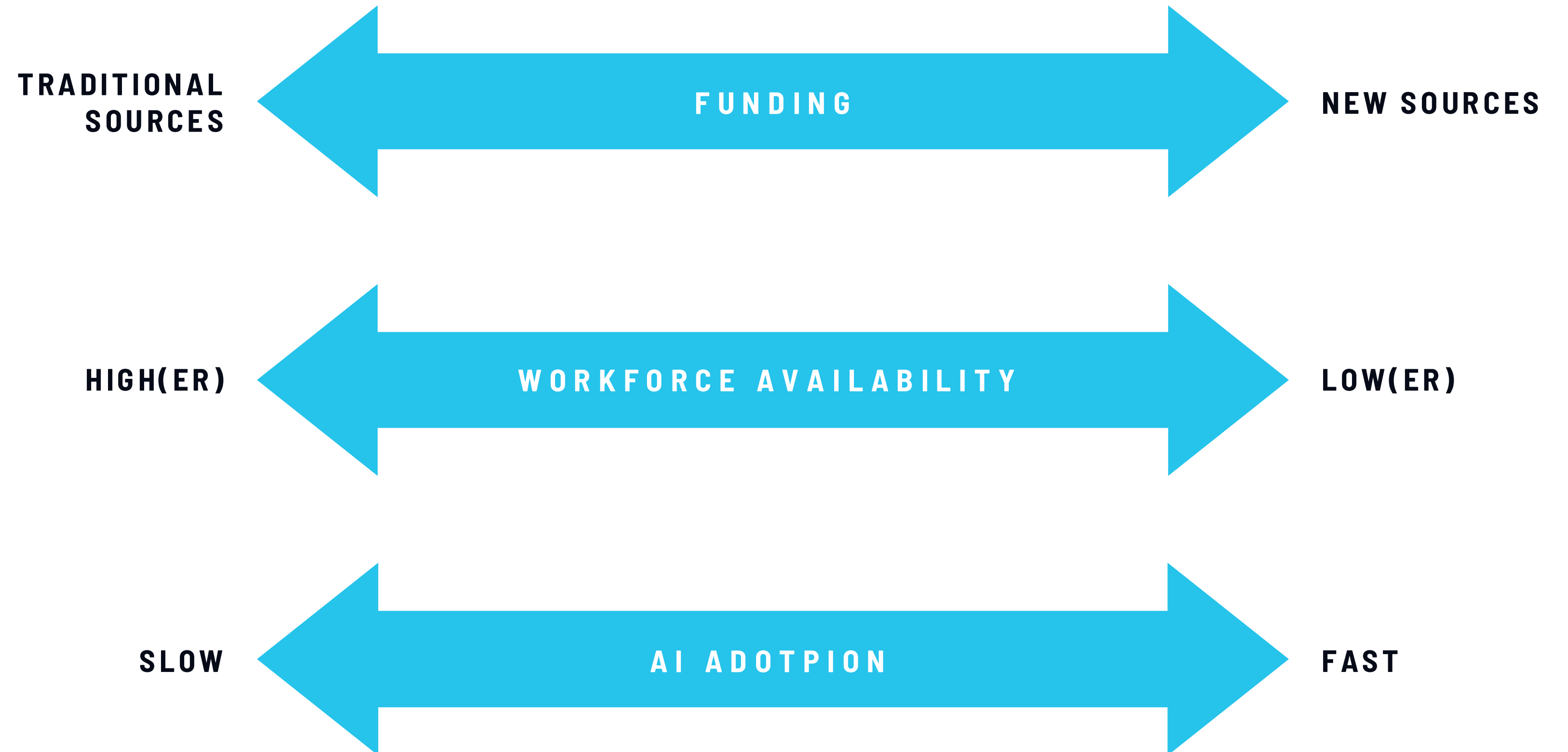


# 1 For Discussion

## AT YOUR TABLE, FOR YOUR ASSIGNED UNCERTAINTY...

- Is this uncertain?
- Why might we end up on one side or the other?
- Why might it matter to your organization which side we end up on?
- Is there a better way to express what is important and uncertain about this issue?

## WHAT ELSE? WHAT'S IMPORTANT BUT MISSING?

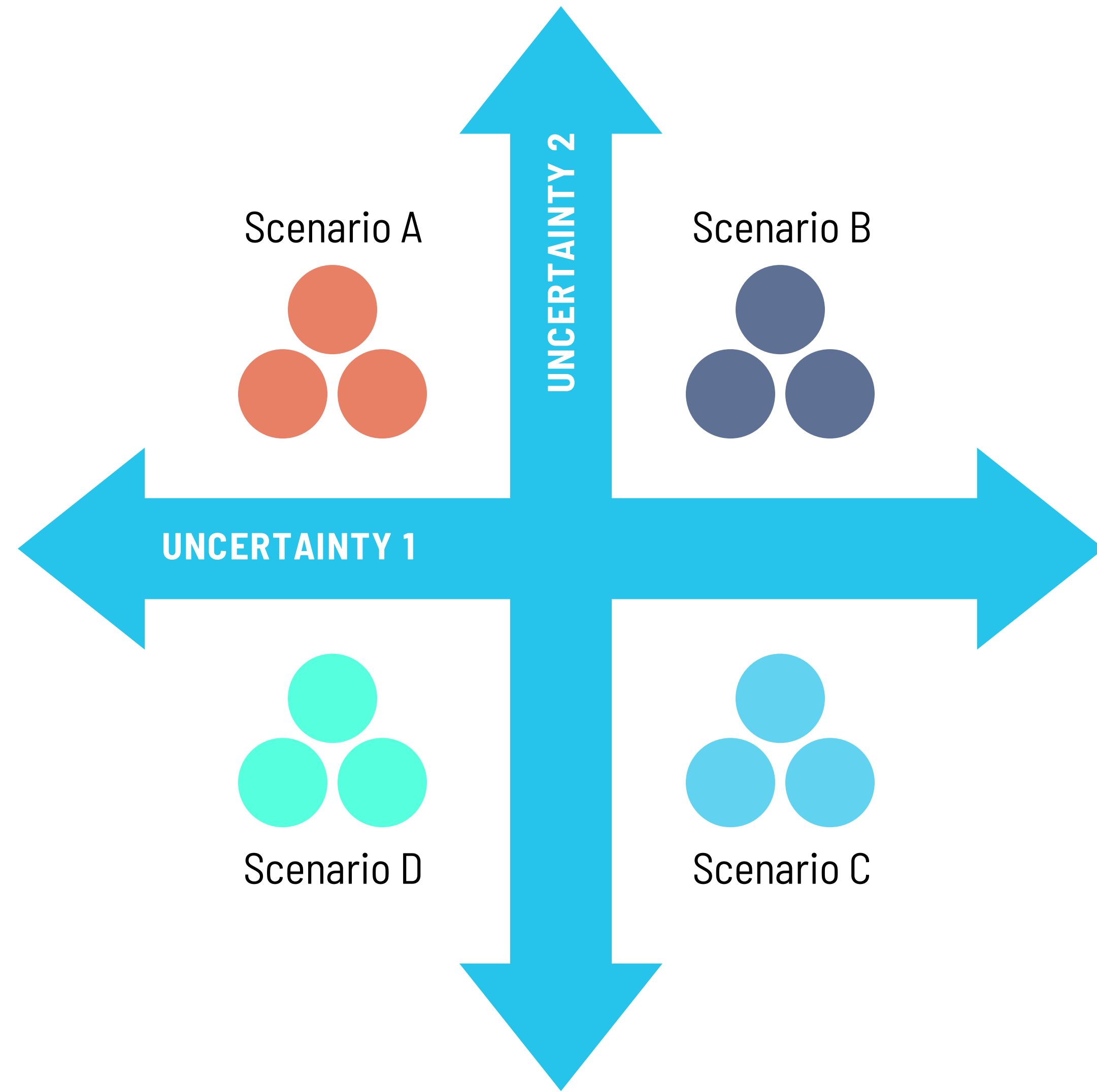






# 1 Tomorrow

*The Future of LSA!*





Day 2





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An approach, in 3 steps

1

Envision new scenarios

2

Rehearse each future

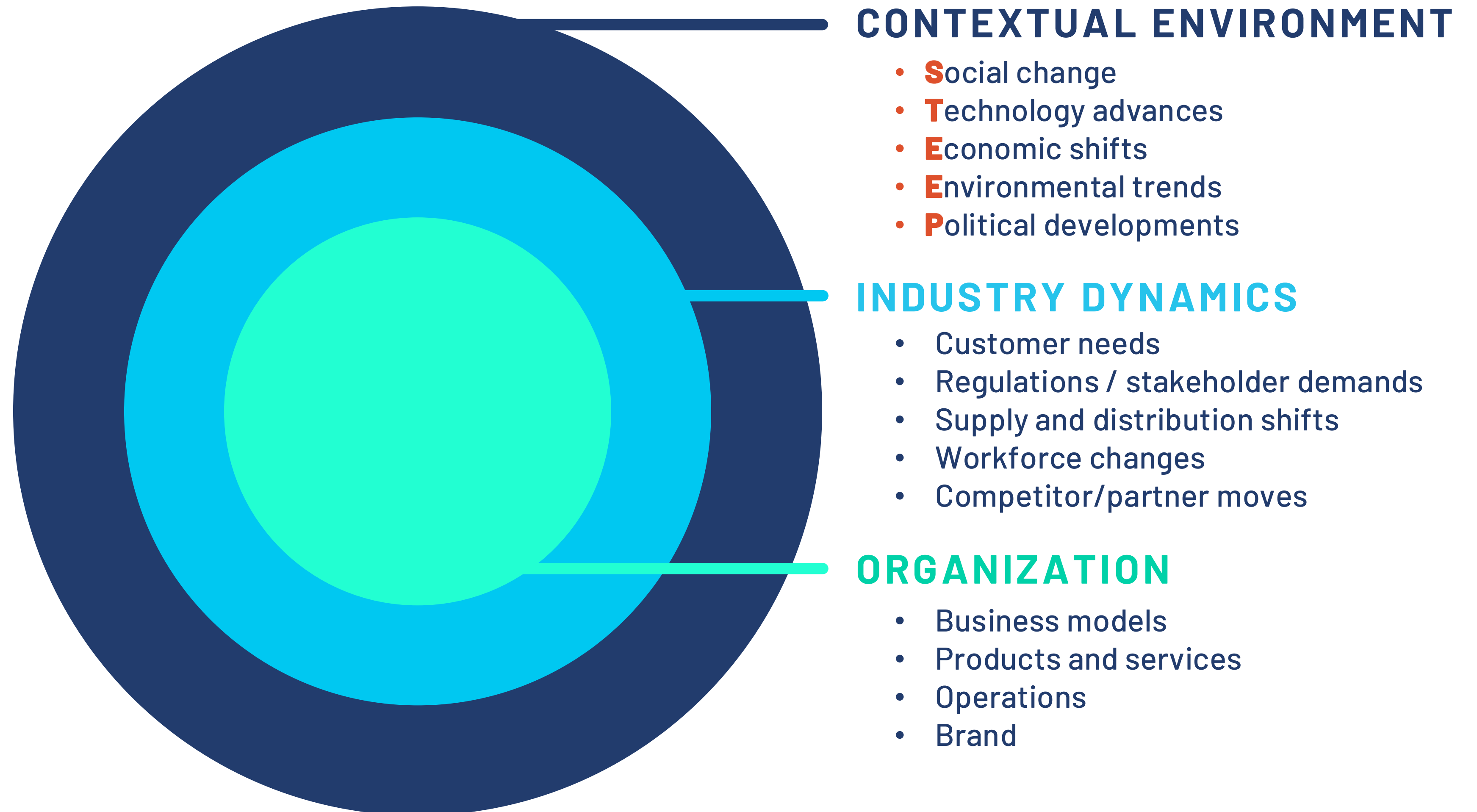
3

Plan for adaptability



# 1b Use outside-in thinking

The real sources of change







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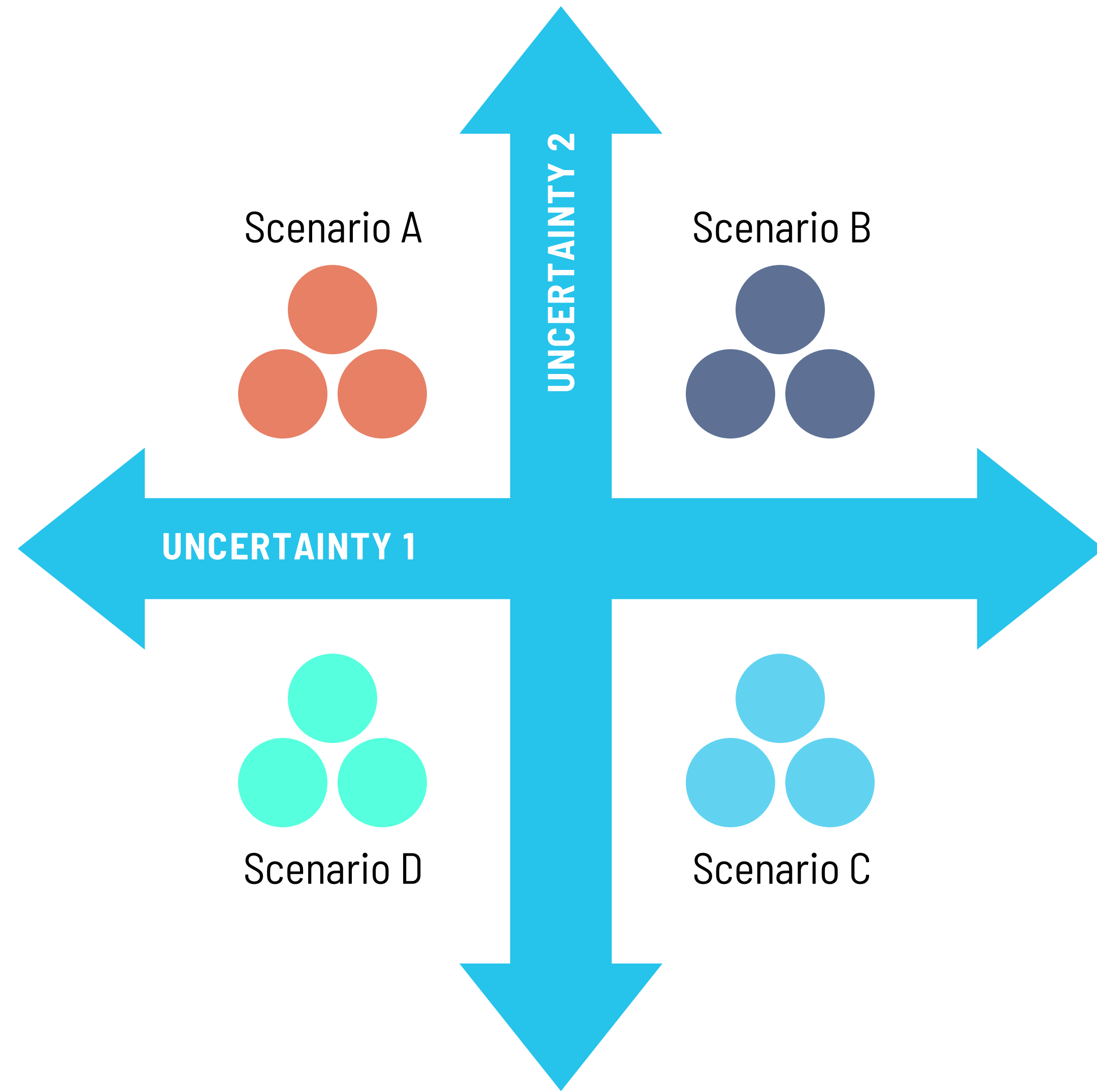
FAST



# 1 Scenarios

A map of possible futures

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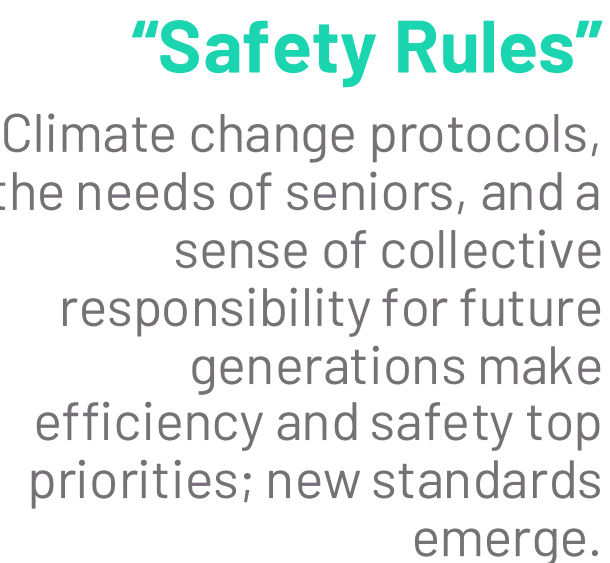
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# Future of Hardware Retail Example



**SHELTER  
AND SECURITY**

## "Scared Simple"

Economic downturn leads to social strife and isolation. Security is a top priority, and simple fixes are the norm.



**GROWING/STABLE**

# U.S. ECONOMY

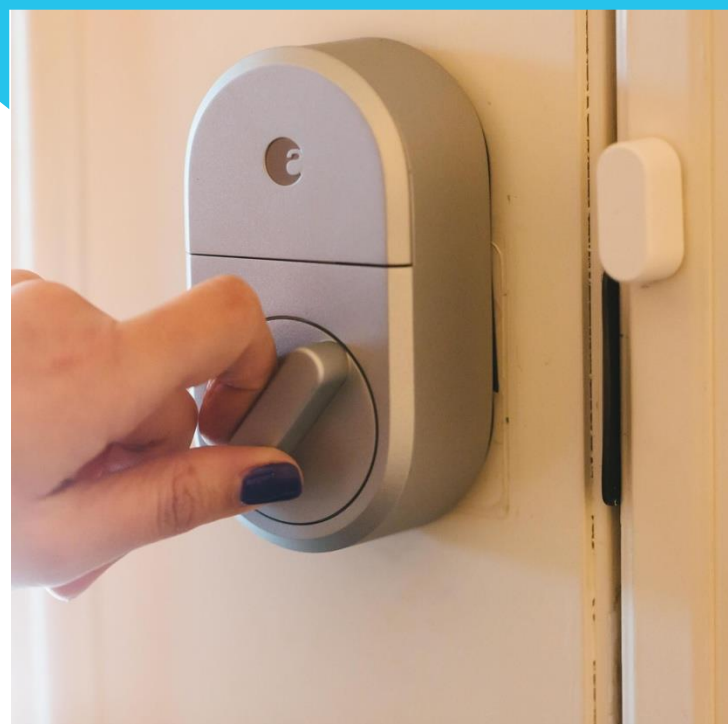


## "Mi Casa es MI Casa"

Technological advancement, open markets and a booming economy allow many to customize, personalize and upgrade their homes in diverse ways.

## LIFESTYLE AND VALUES

## EMPHASIS OF HOME USE



# STATE OF THE



## "Feng Shui"

Facing economic slowdown, communities respond with an inclination for conservation, simple lifestyles, communal and multi-generational living.

## DECLINING/VOLATILE



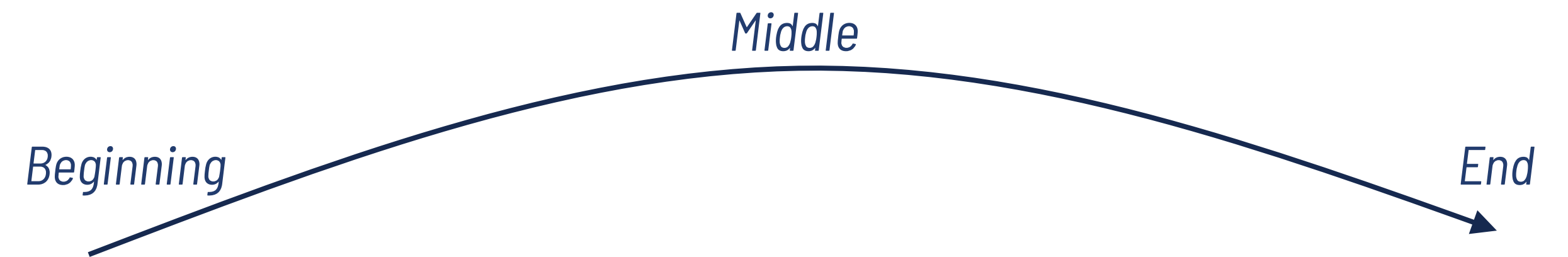
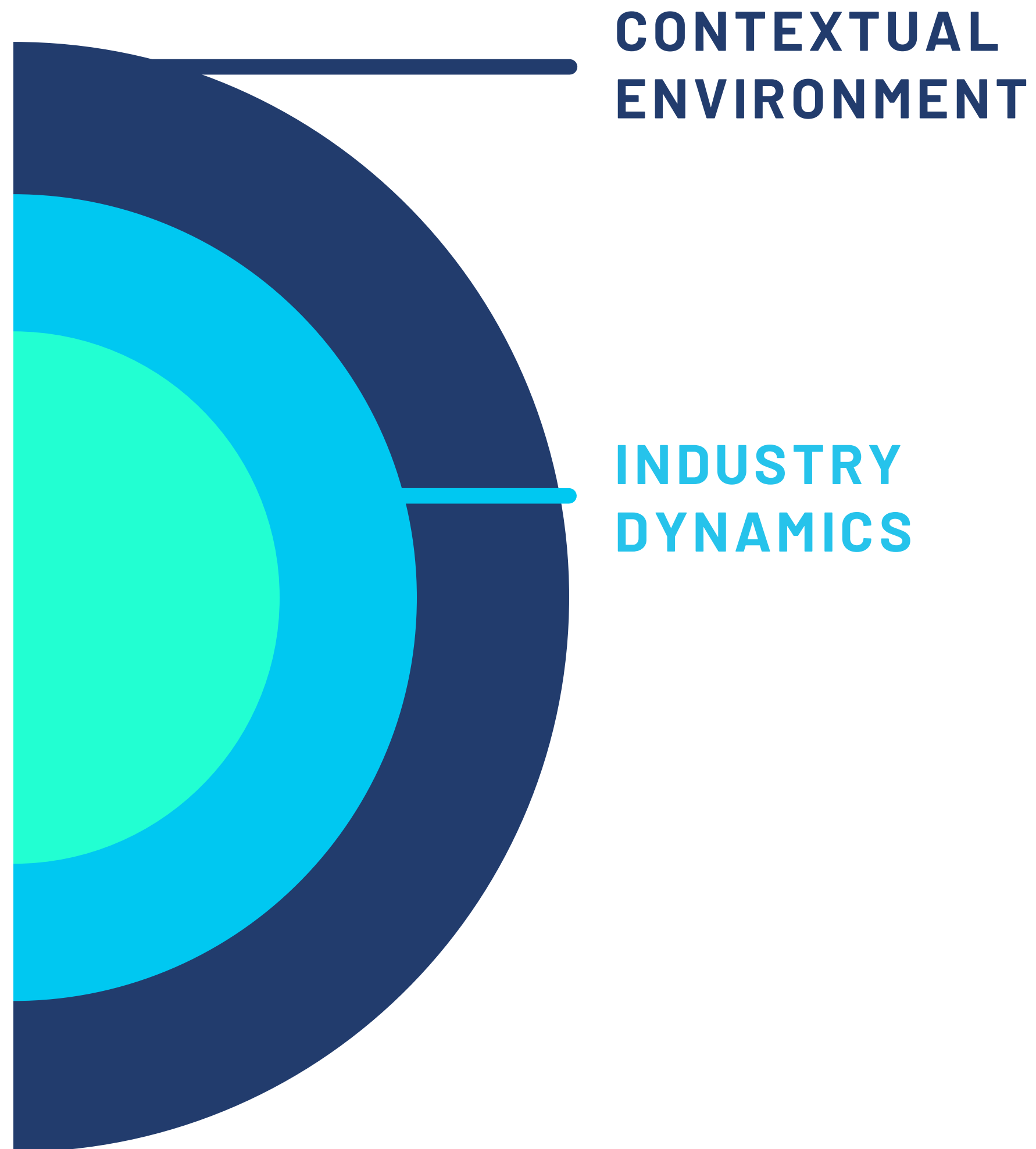


# 1 Detailing scenarios





# 1 Detailing scenarios: narrative arcs



Once upon a time...  
Every day...

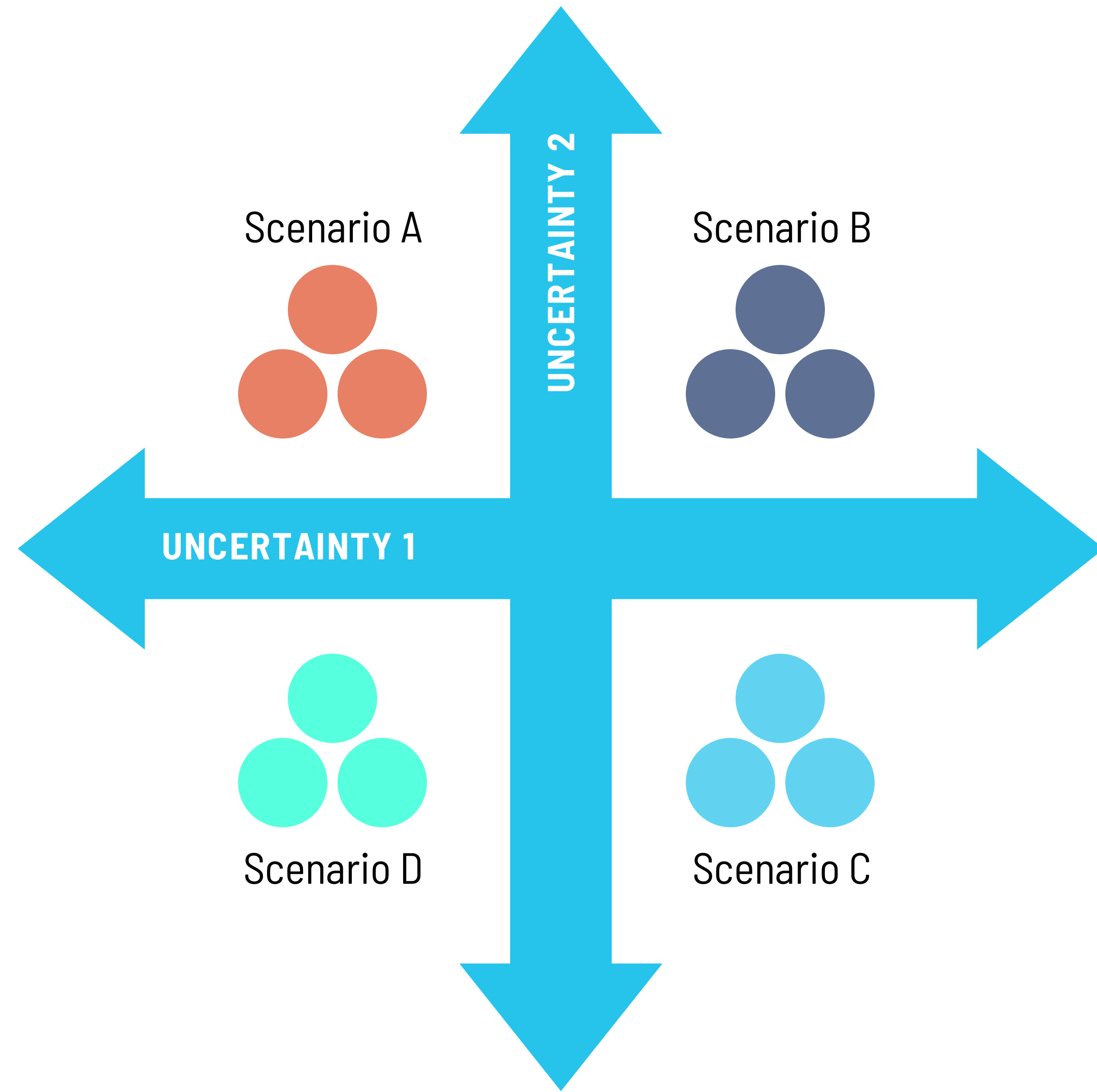
**But, one day...**  
Because of that...  
Because of that...  
Because of that...

**Until, finally...**  
**And, ever since then...**





## 2 Rehearse each future

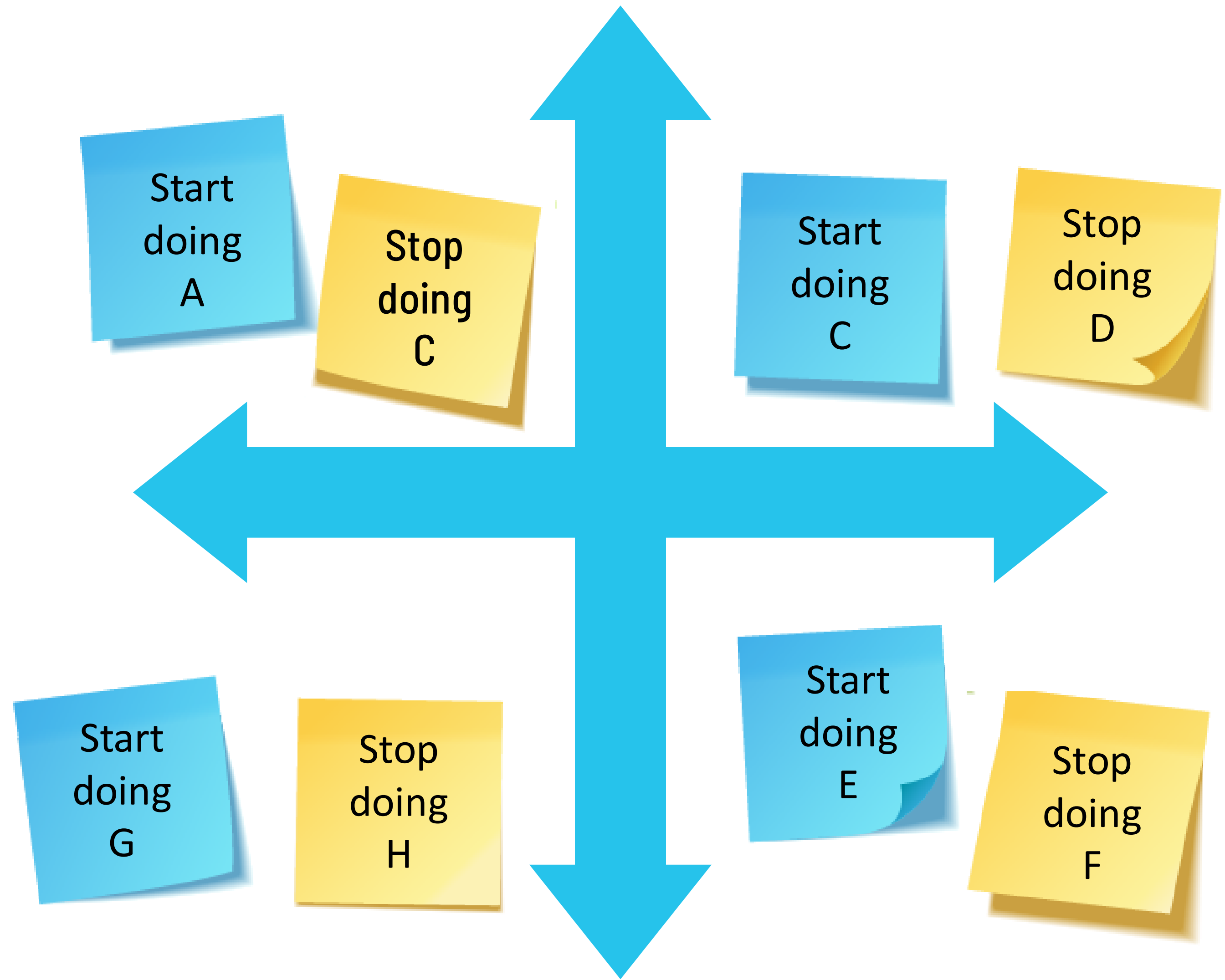






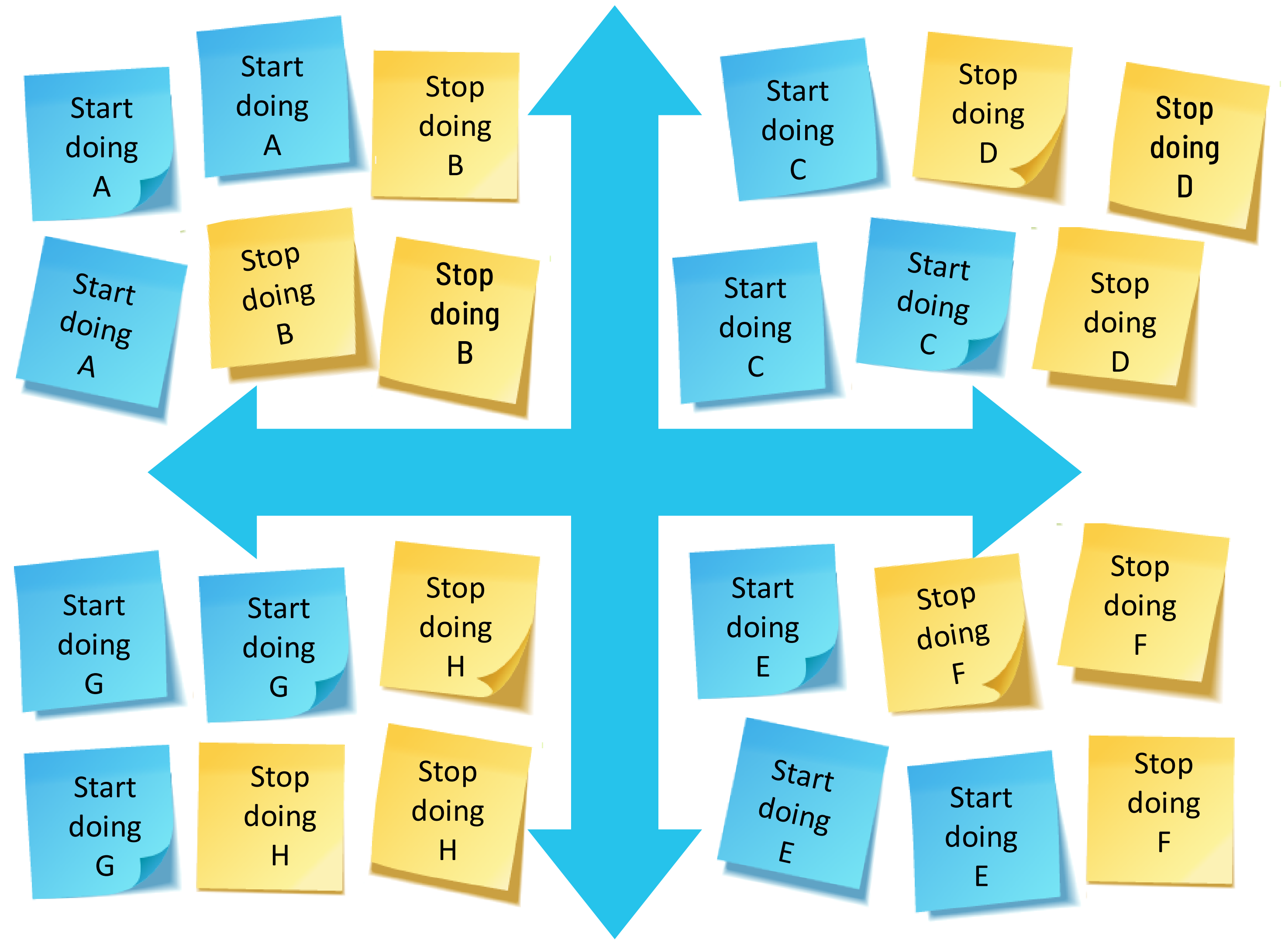


## 2 Rehearse each future





## 2 Build out your options

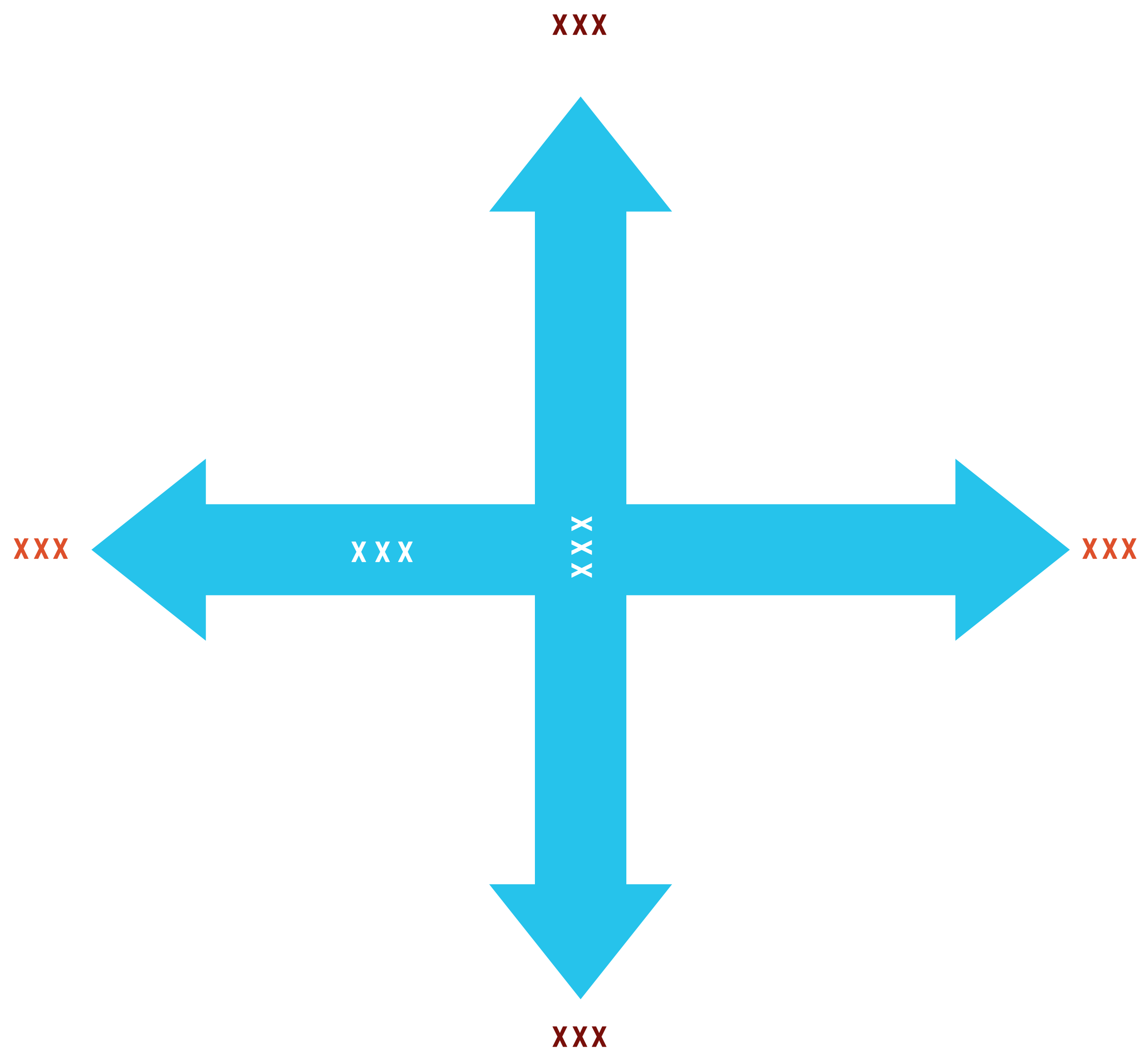






# 2 Practice

## Future of Health and Human Services in 2035





## Future of Health and Human Services in 2035

# 2 Practice

**A**

### WHY WOULD THIS SCENARIO HAPPEN IN THE FIRST PLACE?

- Force that would accelerate it (STEEP)
- Barrier that might be removed

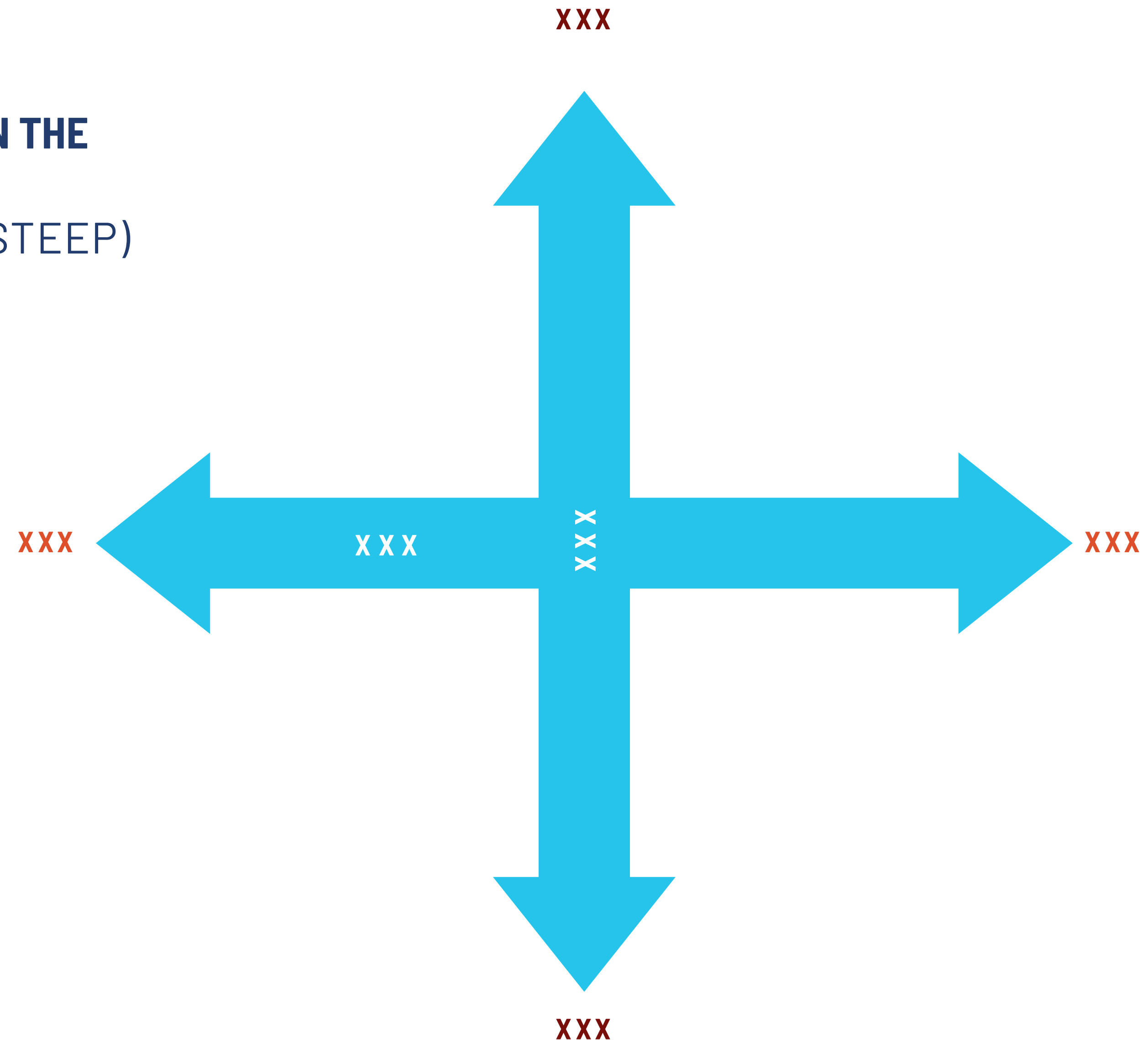
**B**

### WHAT ELSE MIGHT HAPPEN RELEVANT TO HHS?

- Nature of demand
- Regulations, policy
- Funding/reimbursement
- Workforce and other resources
- New entrants, areas of most innovation

**C**

### HOW MIGHT ORGANIZATIONS LIKE YOURS RESPOND?







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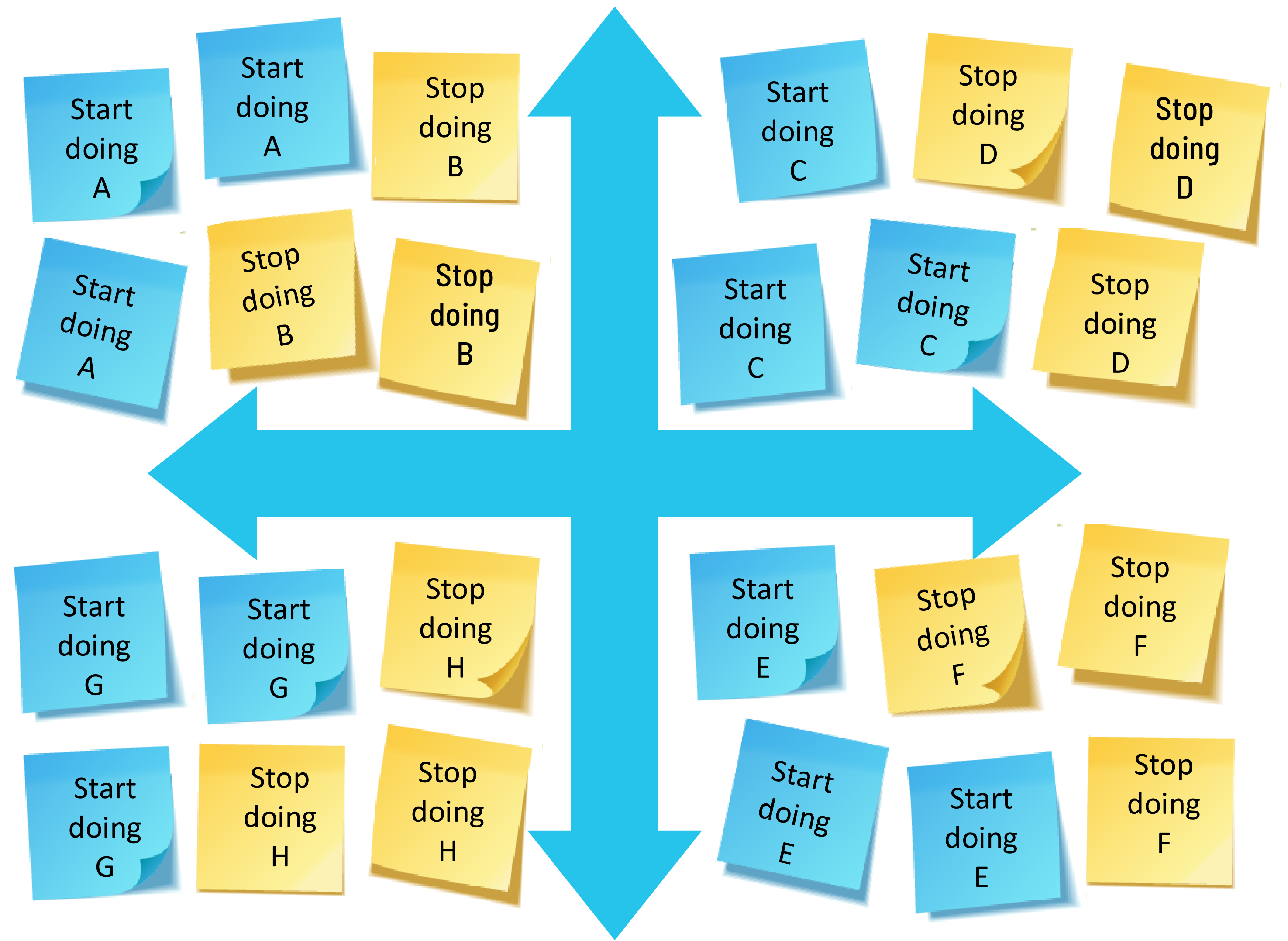
Plan for adaptability







# 3 Priority?





# 3 Prioritize

Questions to ask:

- A

HOW LIKELY IS THE SCENARIO

X
- B

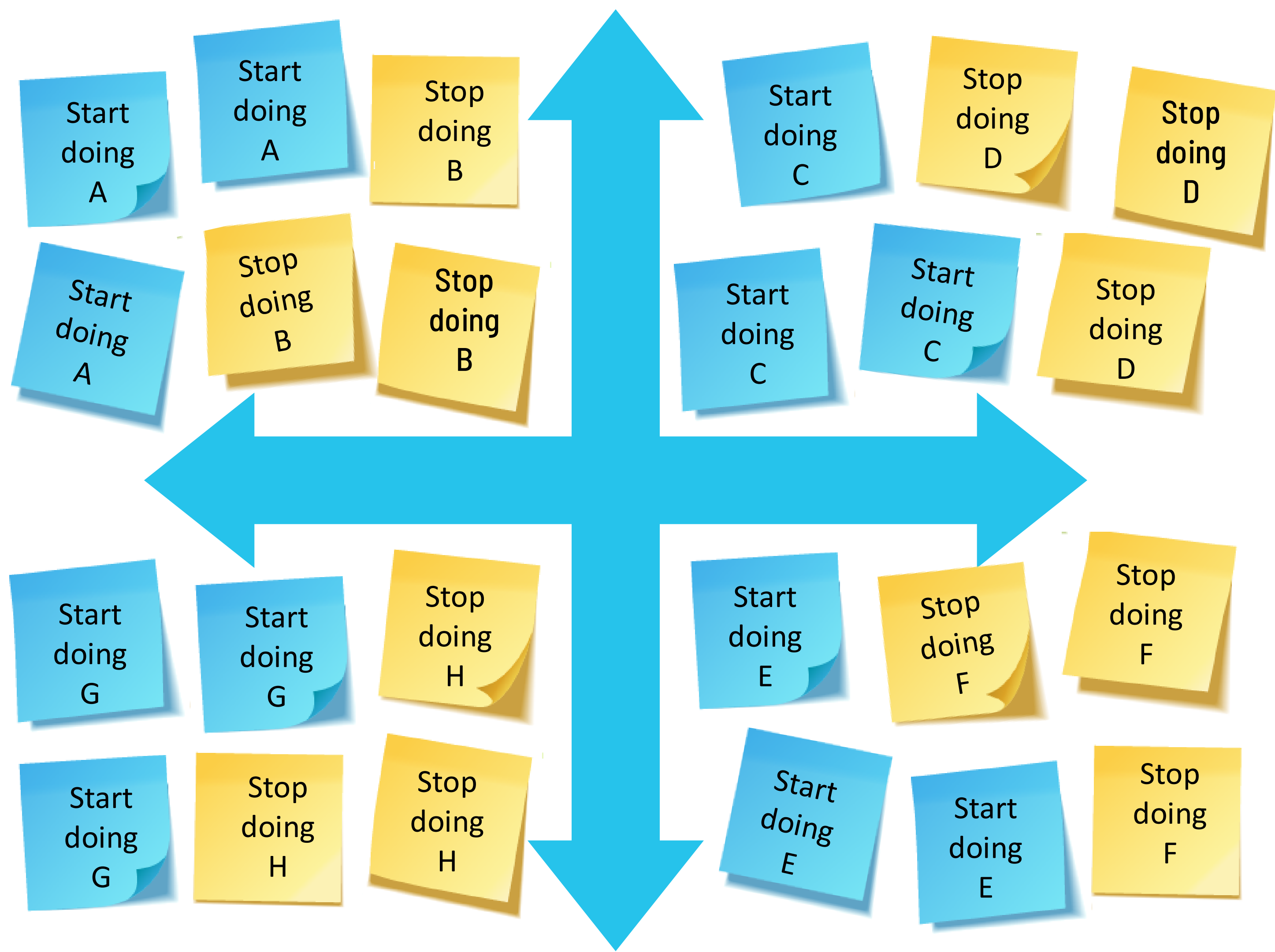
WHAT IS THE ORDER OF MAGNITUDE IMPACT THE OPTION WOULD HAVE ON THE BUSINESS?

X
- C

HOW PREPARED ARE YOU FOR THIS?

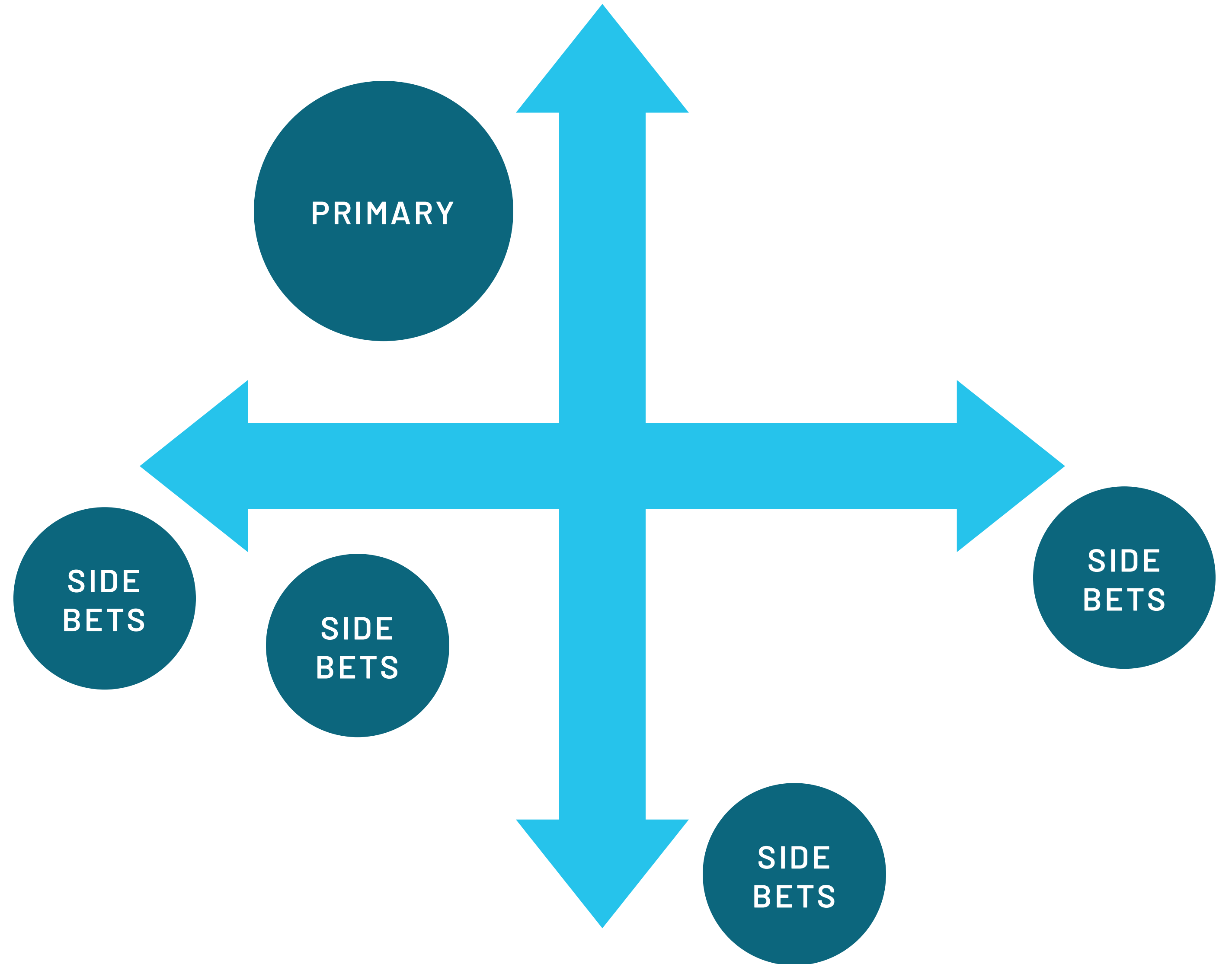
=

HOW MUCH TIME AND INVESTMENT SHOULD YOU BE ALLOCATING TO THIS?





# 3 Allocate





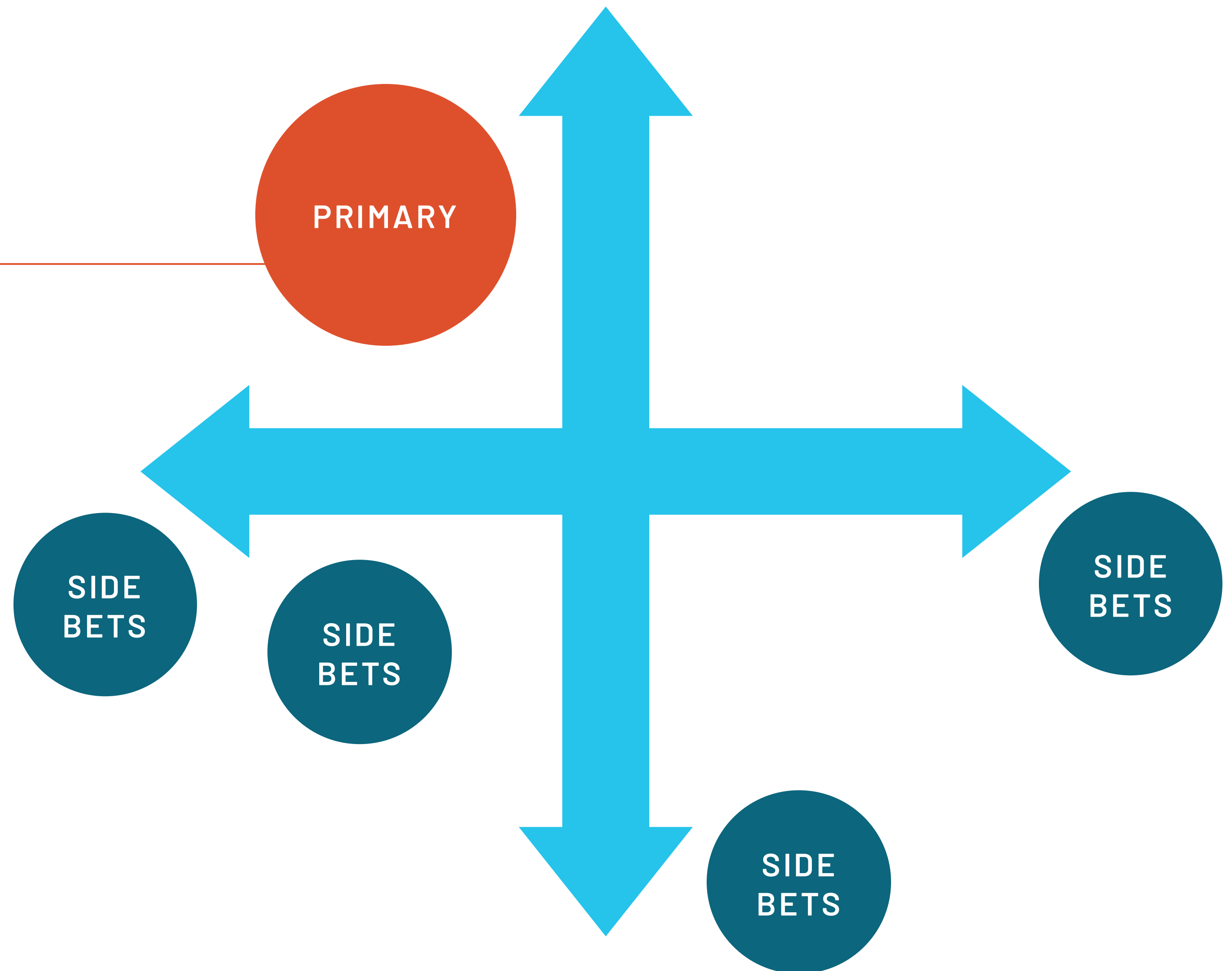


# 3 Allocate

HIGHLY LIKELY OR FAST APPROACHING

HIGH IMPACT

GETS MOST TIME AND MONEY





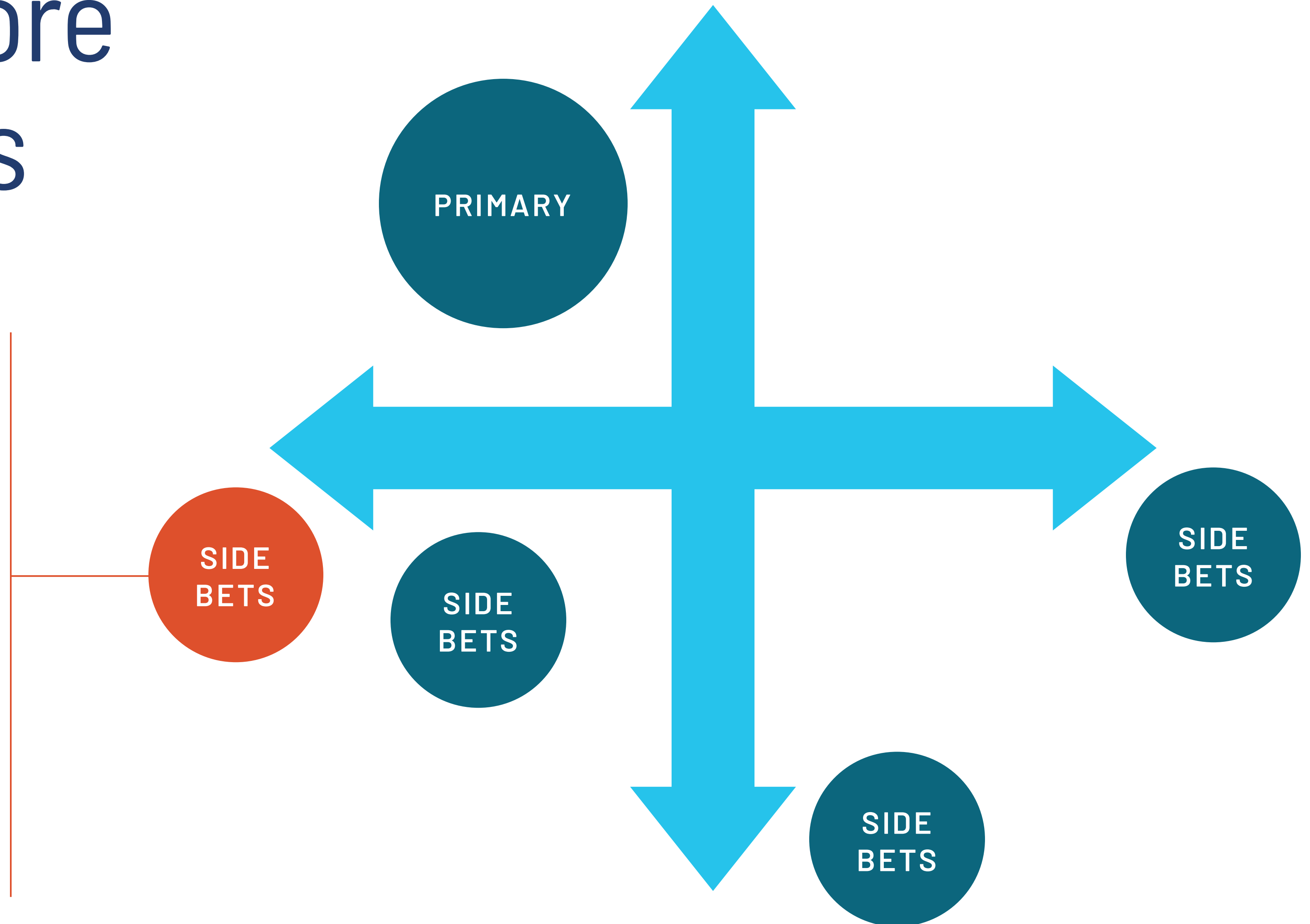
# 3 Defining core and side bets

CREATE CONTINGENCY PLAN  
("PLAYBOOK")

PARTNER(S) TO SHARE THE LOAD/RISK  
(E.G. JV, VENTURE INVESTMENT)

INVEST DIRECTLY, IN A SMALL WAY  
(E.G. INNOVATION, INSURANCE)

BREAK LARGE INITIATIVE  
INTO SMALLER COMMITMENTS





# Navigating the future

An approach, in ~~3~~ steps

**4. Monitor  
and Repeat**

1

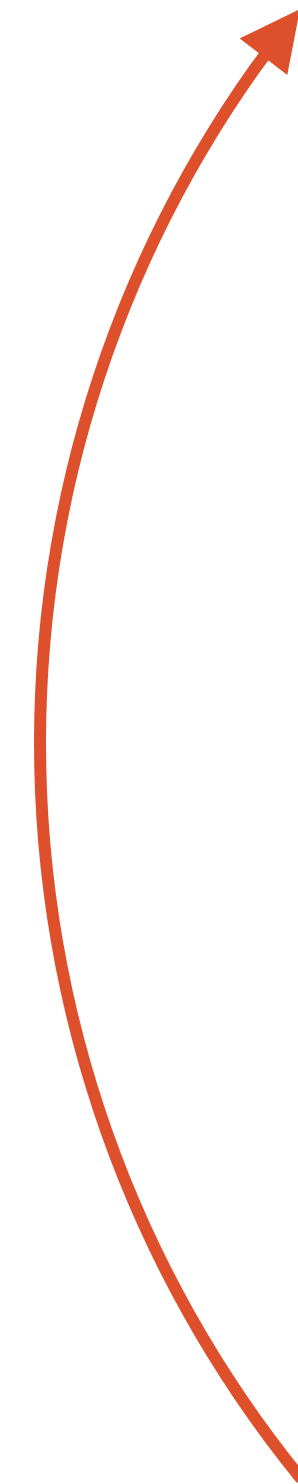
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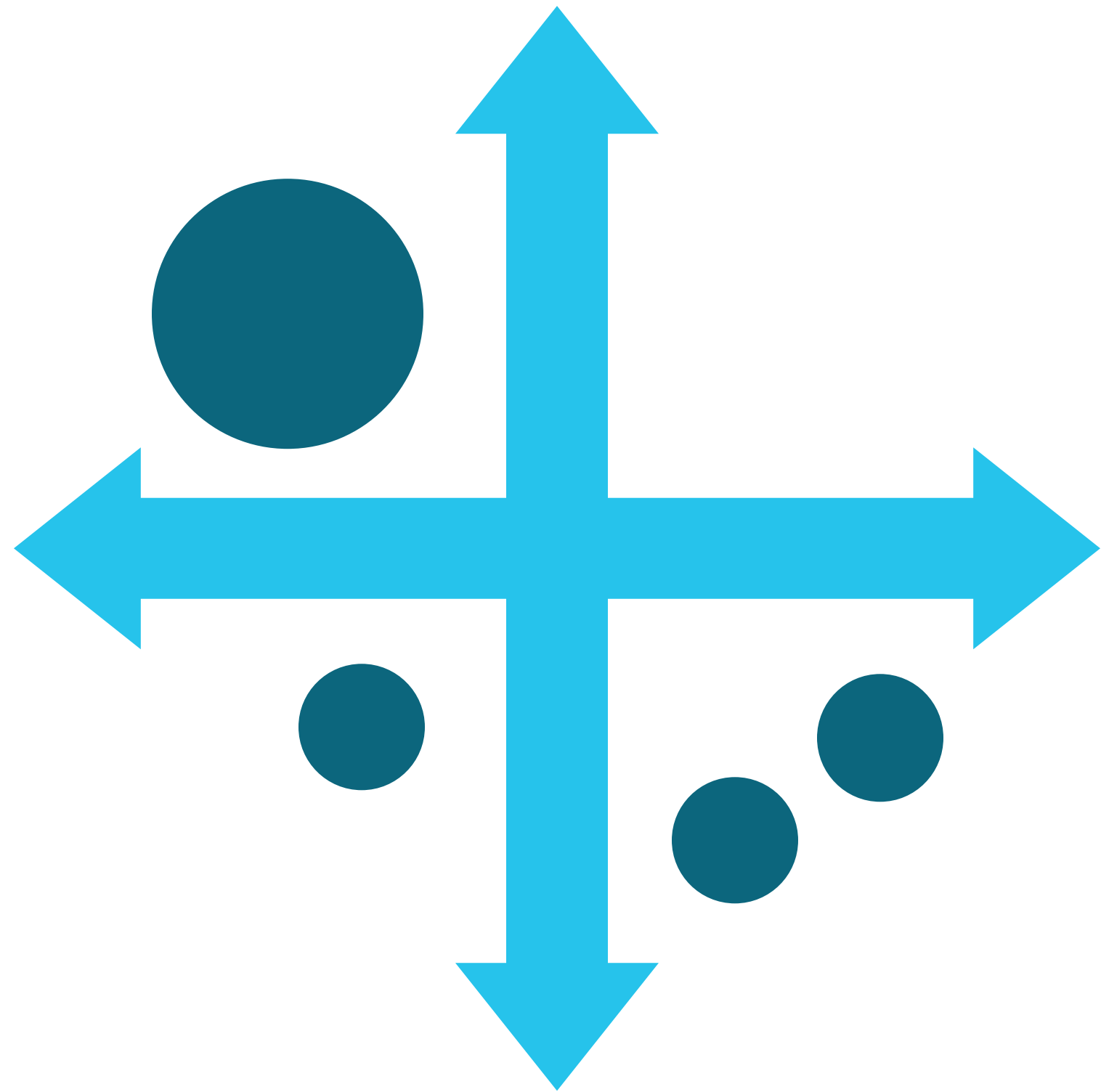






# 4 Adapting to change

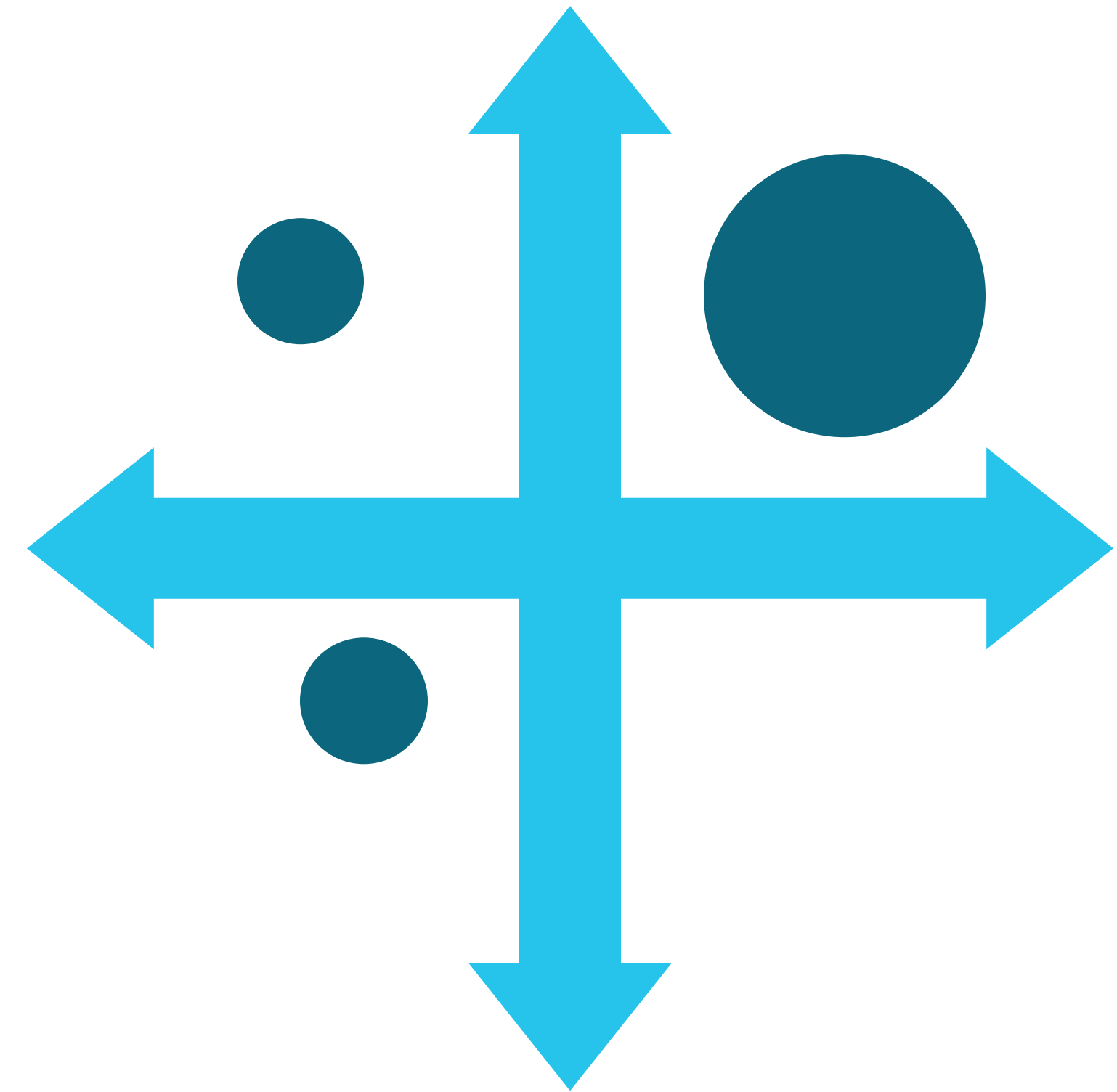
**INITIAL BETS**



TIME AND INSIGHTS

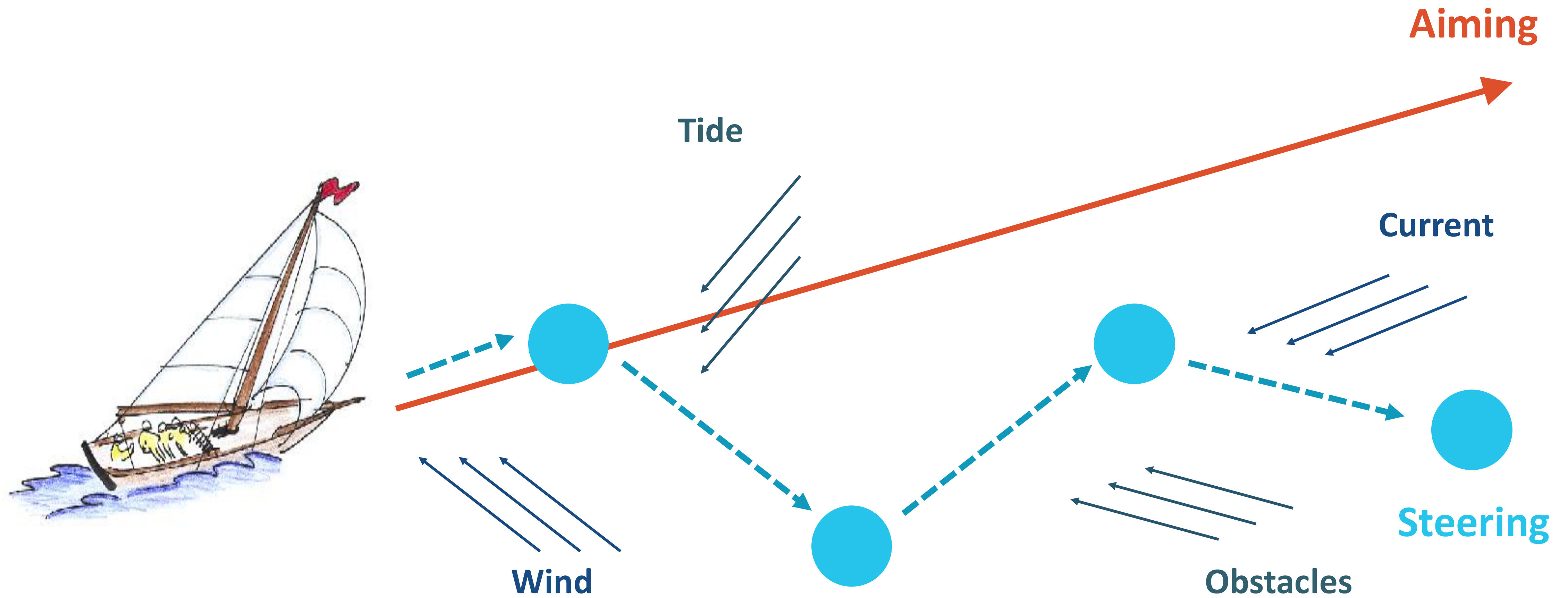


**NEW BETS**





# 4 Steering vs aiming





# Navigating the future

An approach, in 4 steps

**4. Monitor  
and Repeat**

**1**

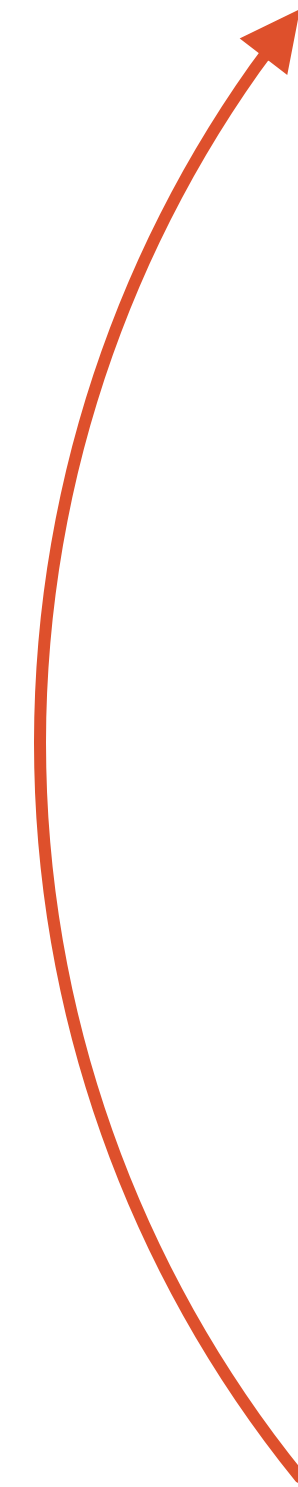
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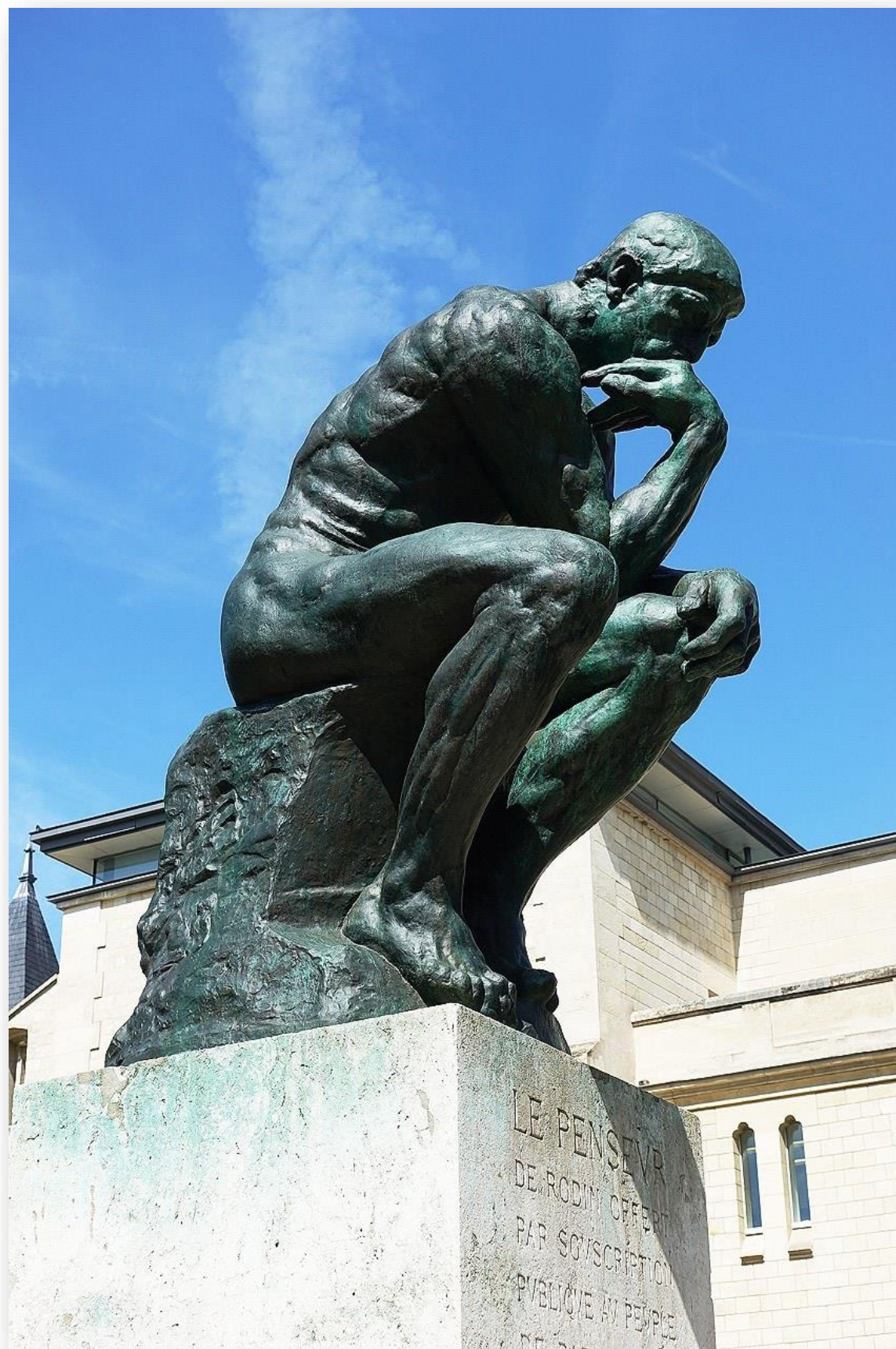
Plan for adaptability







# Parting thoughts



*One thing I heard during this session  
that I want to share with others*

*Who I might involve*





# May you reach your desired shores!







# Thank you!

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MATTRANEN.COM