



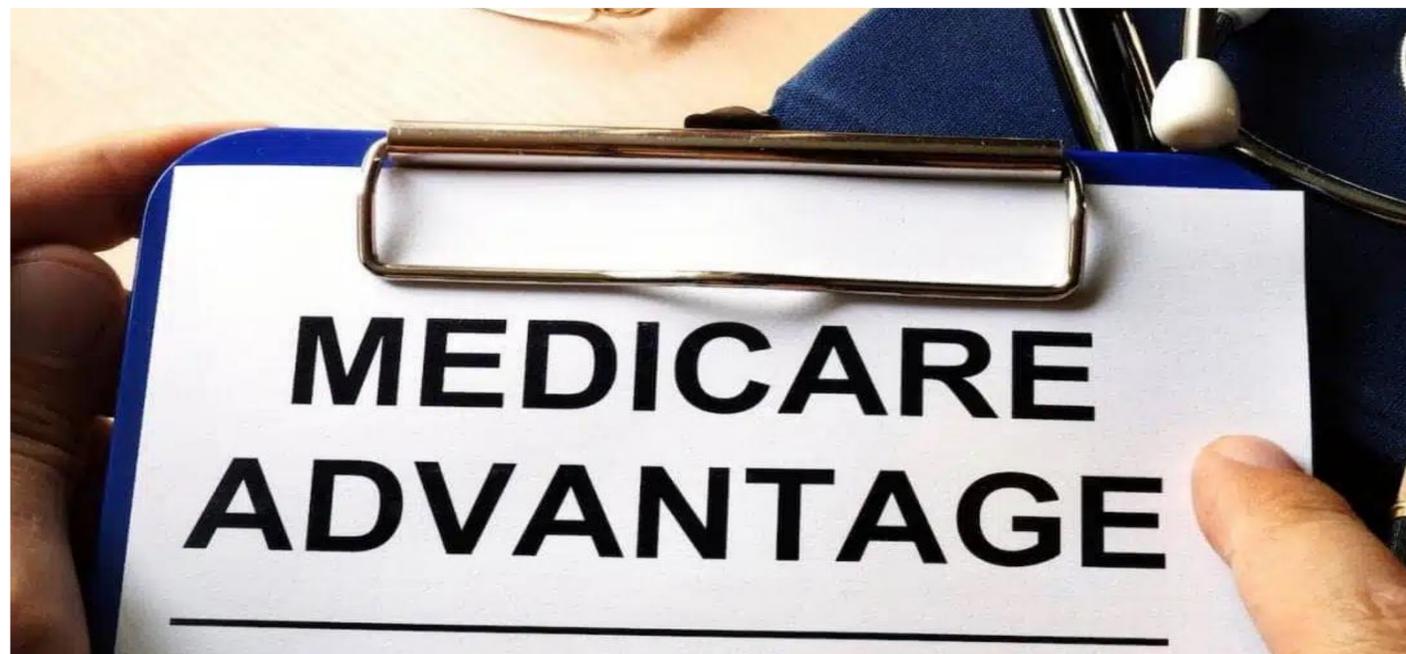
Navigating Change and Uncertainty

LUTHERAN SERVICES IN AMERICA

MATT RANEN

JAN 2024

The times they are a-changin'



Imagining structural change



1436



Imagining structural change



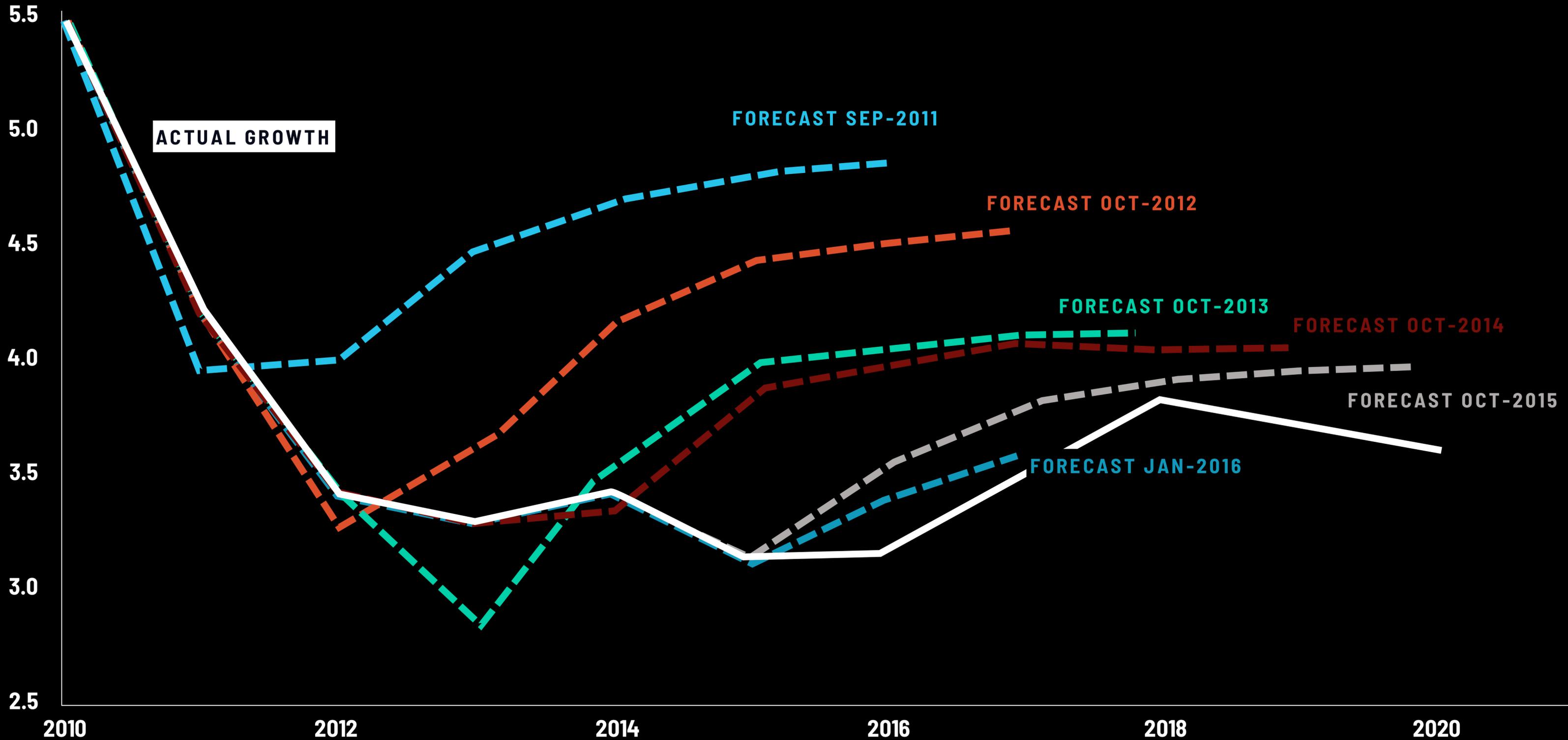
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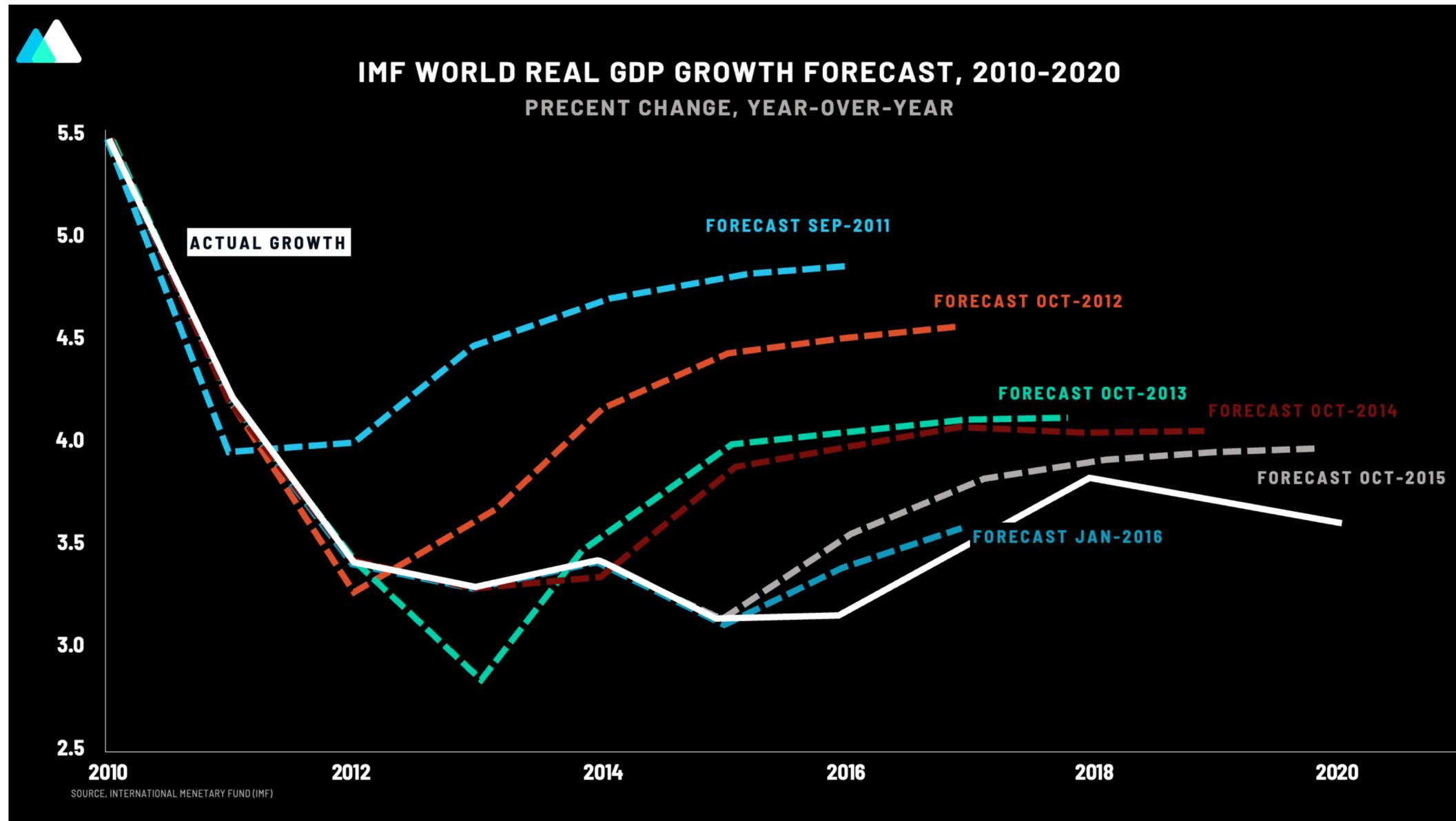
IMF WORLD REAL GDP GROWTH FORECAST, 2010-2020

PERCENT CHANGE, YEAR-OVER-YEAR



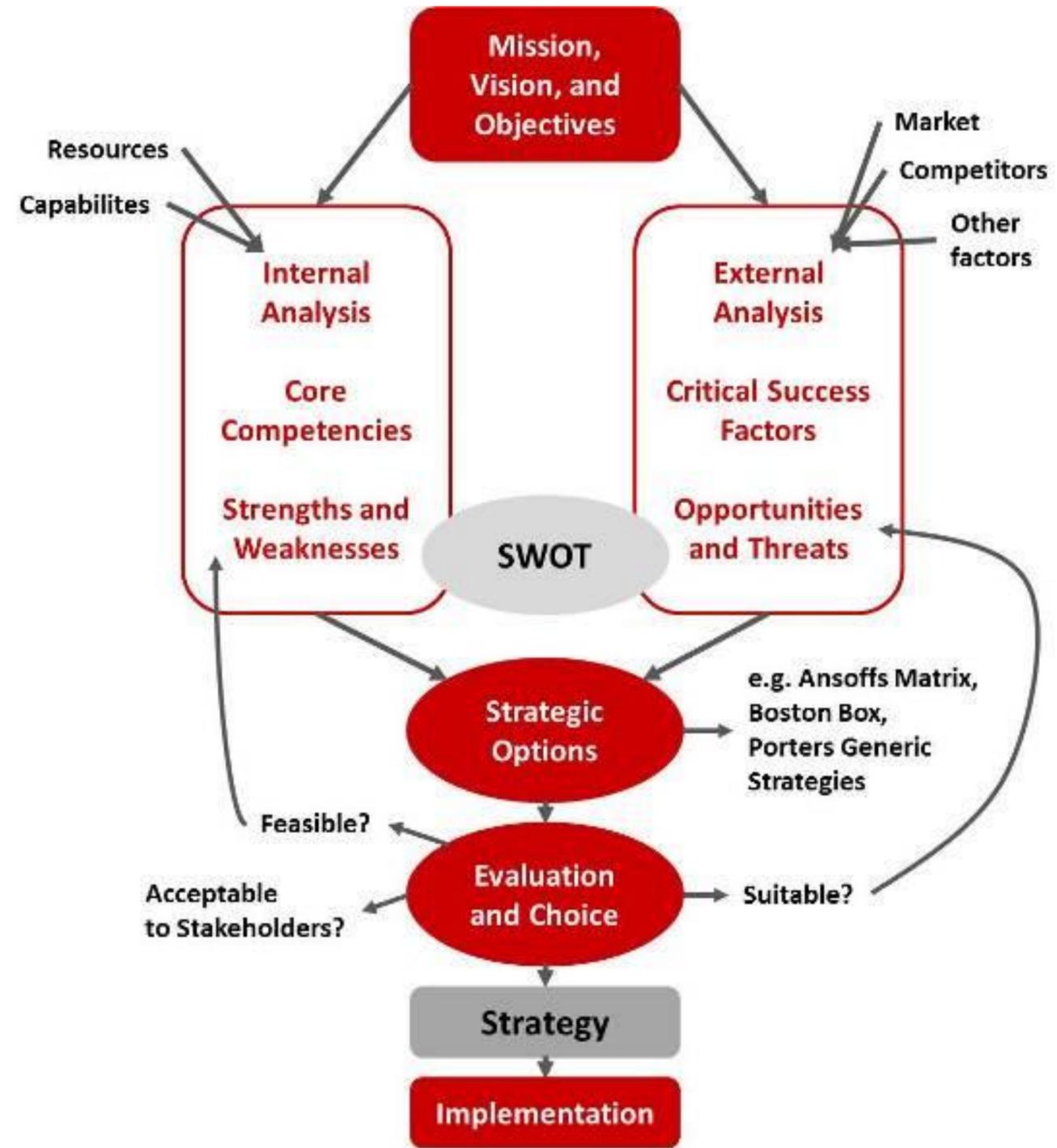
The future is uncertain!

(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

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

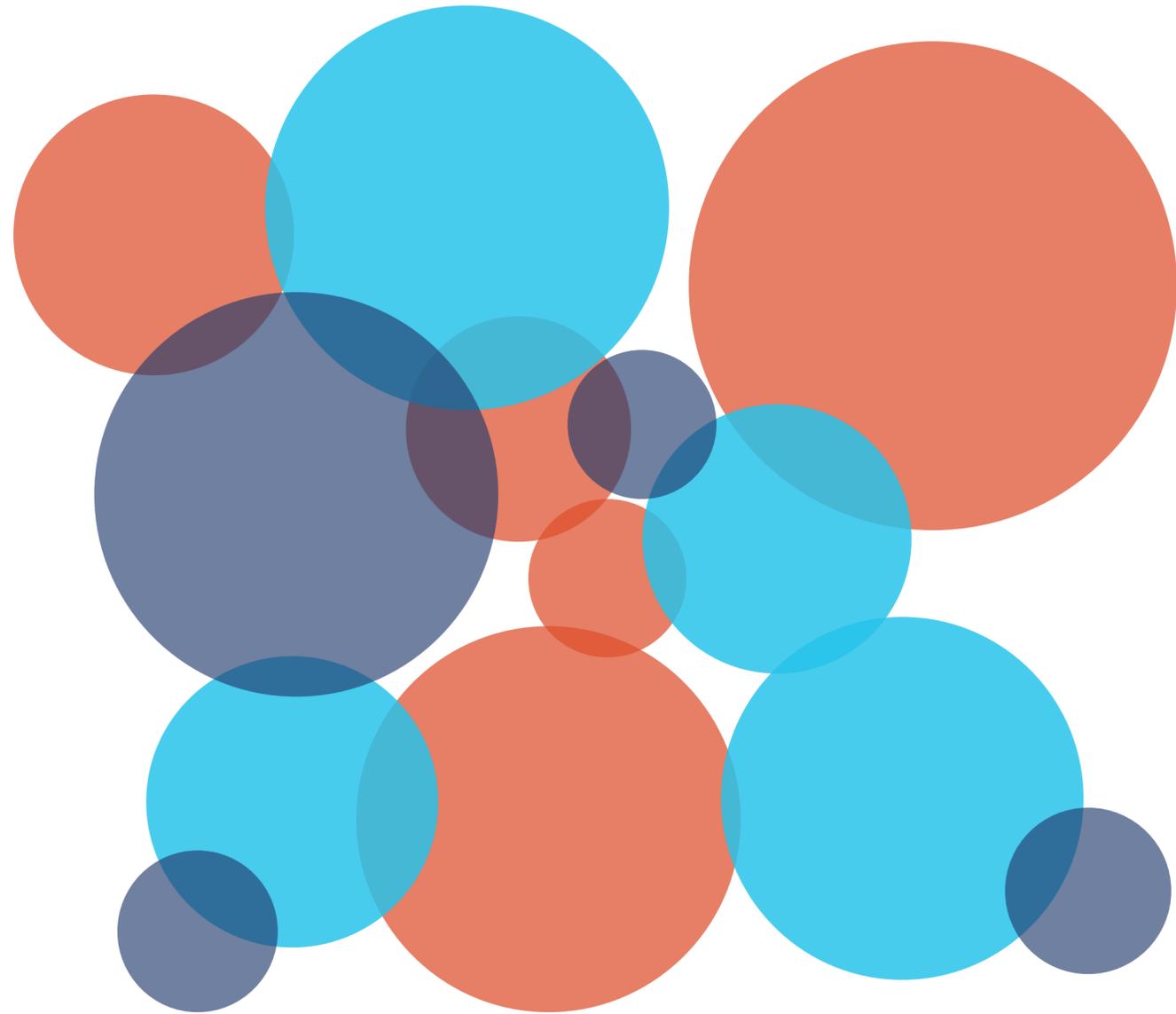
1 Envision new scenarios

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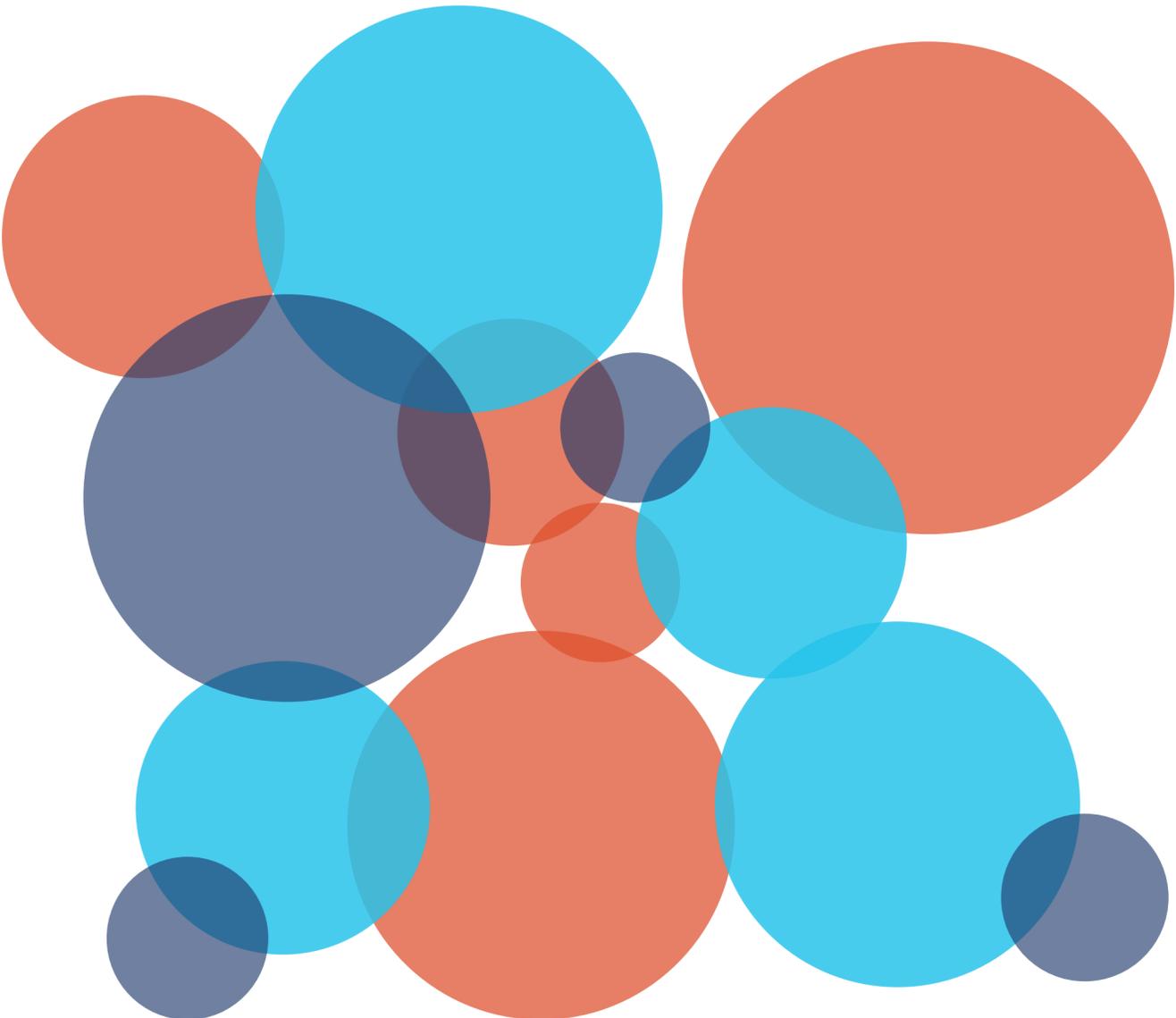
1a Think systems, not just trends



Observed trends and events



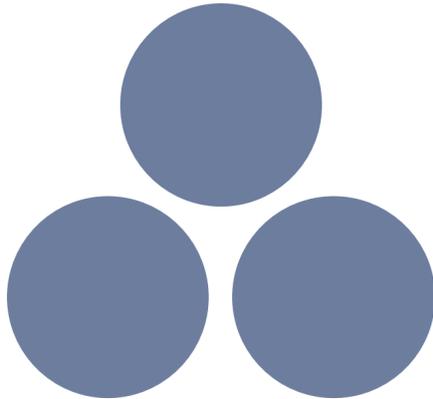
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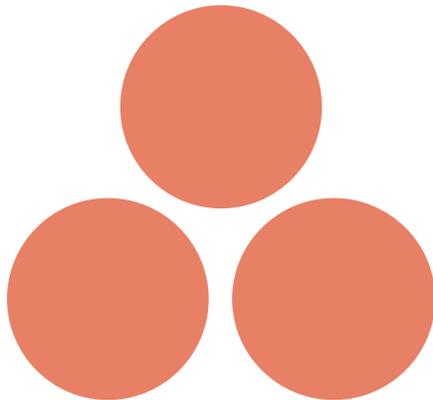
Observed trends and events

SCENARIO THINKING

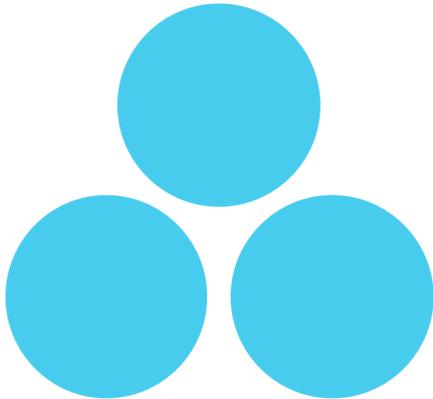
Scenario A



Scenario B



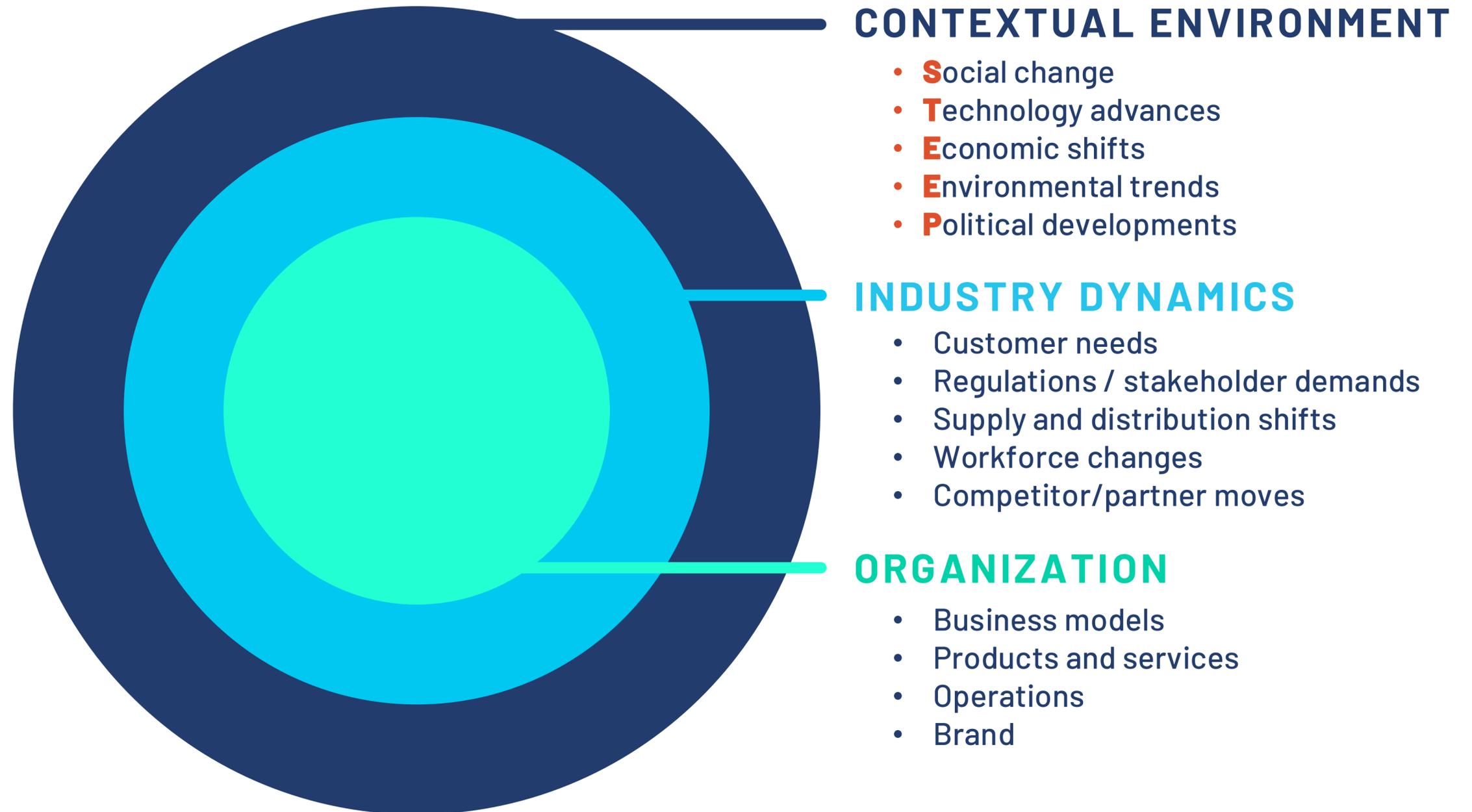
Scenario C





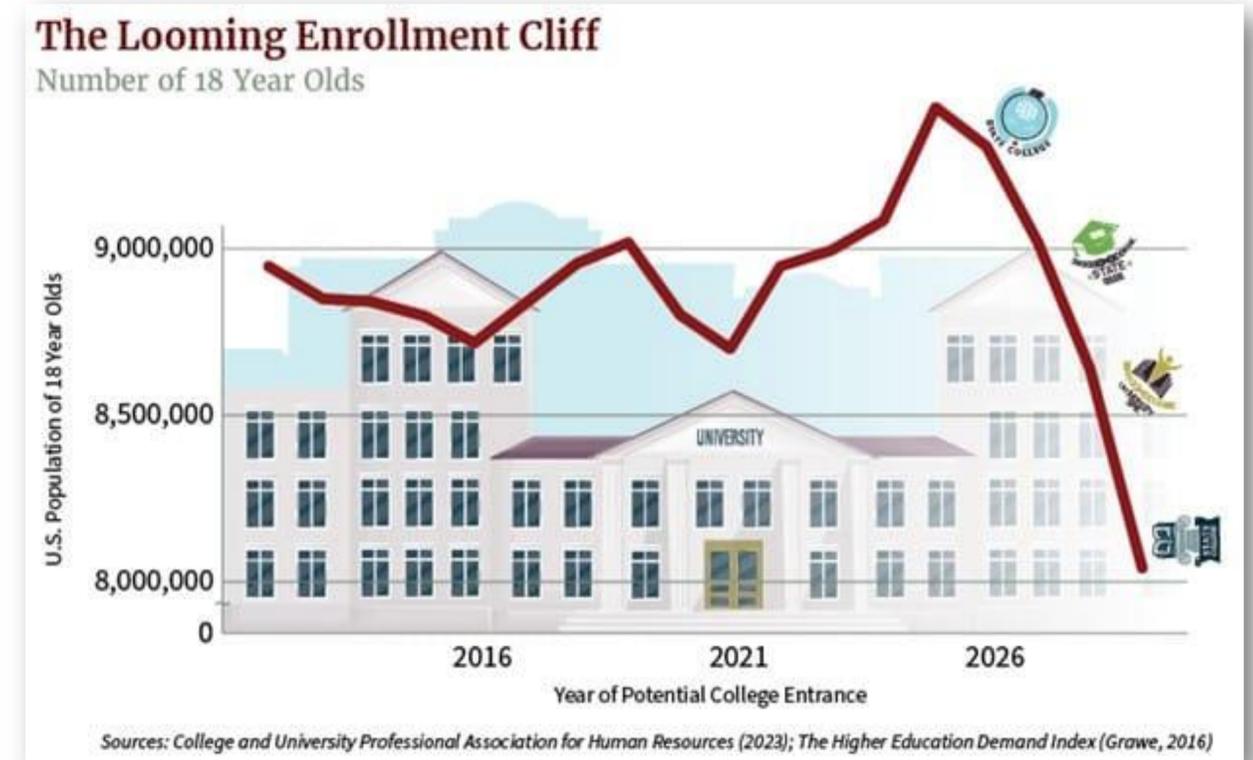
1b Use outside-in thinking

The real sources of change





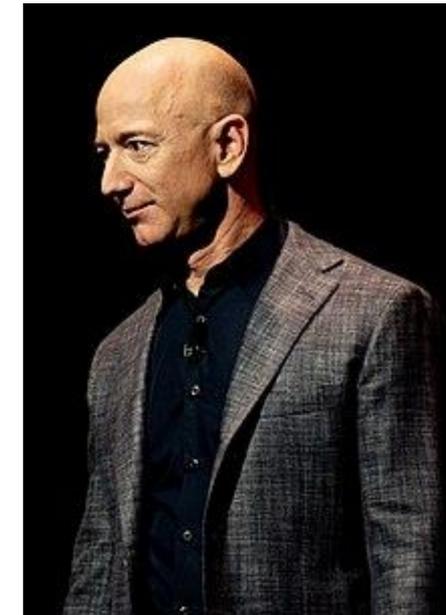
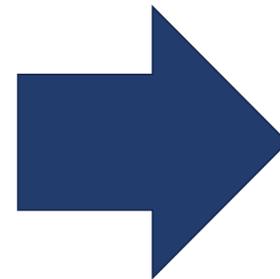
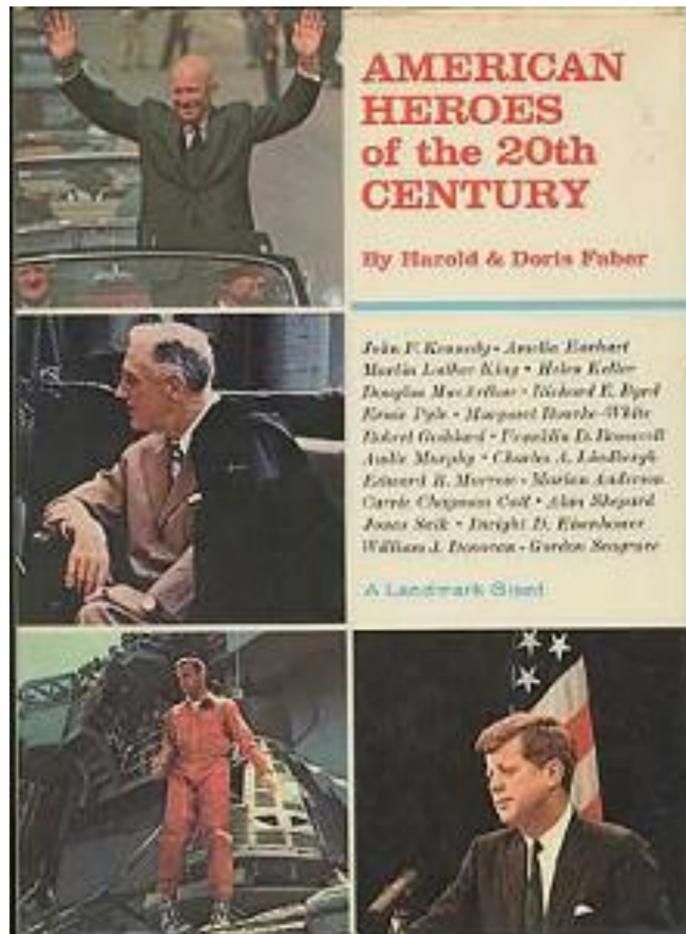
1b Outside-in: Forces of change





1b Outside-in: Forces of change

New heroes and narratives?





1c Acknowledge uncertainty

Important, but not predictable





1c Acknowledge uncertainty

WHAT IF...?

Critical uncertainties:
the building blocks of
scenarios

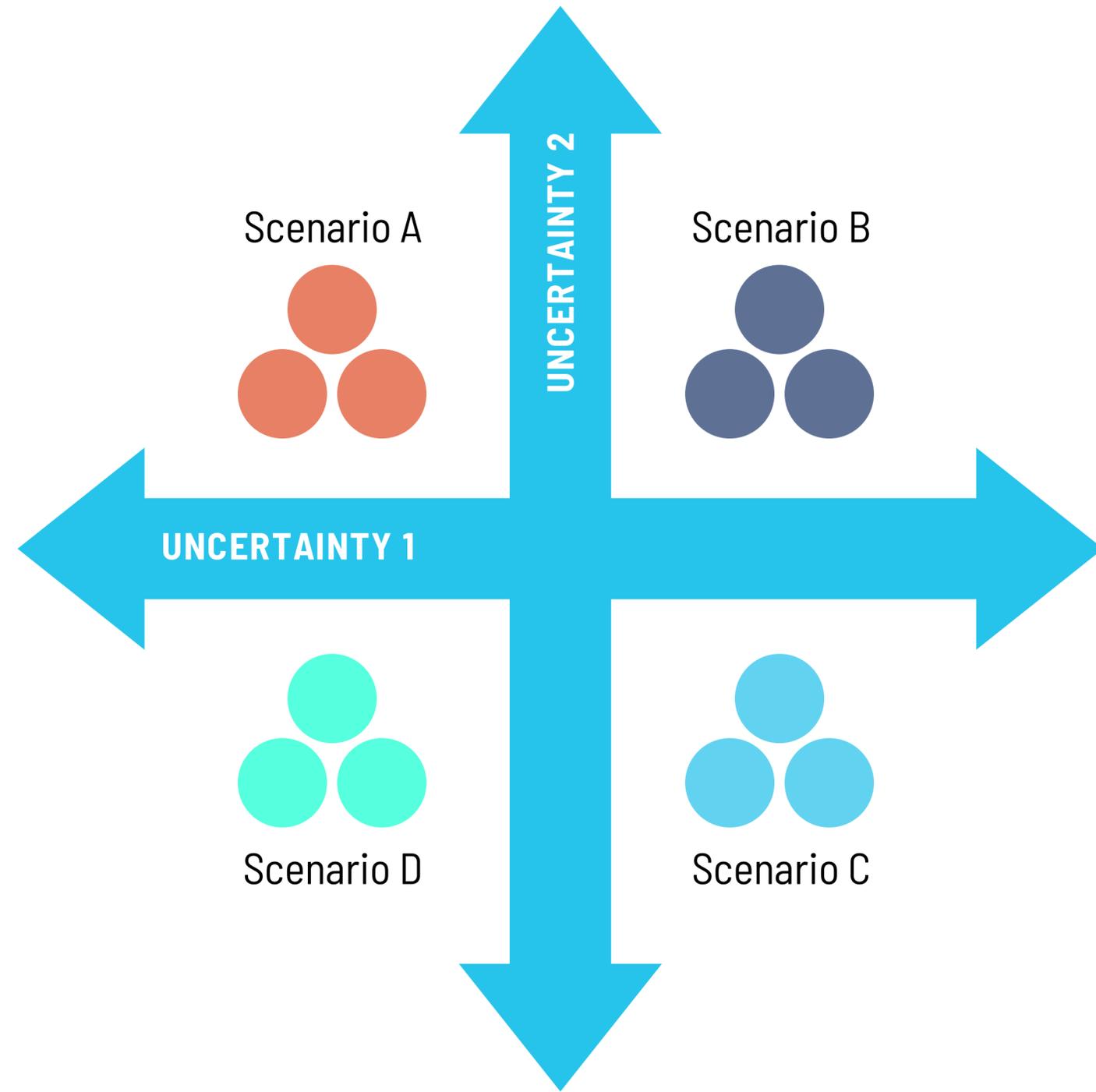




1 Scenarios

A map of possible futures

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





1 Scenarios

Future of Hardware Retail Example

THE FUTURE OF HARDWARE RETAILING

SYNTHESIZE: Narrative for "Safety Rules"

DESCRIPTIVE PHRASES: High-tech Unique, Designer-everything

THE WORLD

	"SAFETY RULES"	"MI CASA ES MI CASA"	"FENG SHUI"	"SCARED SIMPLE"
THE WORLD	Renewed urbanism Global and regional standards Manufacturers go direct to retail Local emphasis on efficiency and public safety	New affinity groups Patchwork city planning and regulations Fashion orientation Immigration Global sourcing	Shared service models "Tribes" gain importance Local sourcing, local services	Rolling blackouts and brownouts Contractor business declines Domestic production of goods Urban decay
HOMES	Accessibility and ergonomics Lower carbon footprint per home Explaining/navigating regulation for home owners	Architect entrepreneurs, modern craftsmen The smart home, upgradeable home Experiential design, ornamentation Build up of remote areas, suburbs	Space maximization (e.g. Murphy beds) Gardening as civic duty Social network/ community-based DIY Public spaces	Security Less municipal service = more DIY Hidden elites Self-sufficiency Decorative and functional, rather than structural
HARDWARE	Uptick in DIY Plug 'n' play, standard products Holistic, life-cycle oriented products Certified materials Service based competition On-line sales and marketing	Competition from electronic retailers Niche fashion retailers, customization Product fads Experiential shopping Strong contractor market	Neighborhood/ home-grown competition Fragmentation and specialization (e.g. gardening, home decor) Decline of big box Local products	Upgrades vs. new purchases Contractor market declines High trust required for services Quality and longevity over image

13

"Safety Rules"

Climate change protocols, the needs of seniors, and a sense of collective responsibility for future generations make efficiency and safety top priorities; new standards emerge.



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.

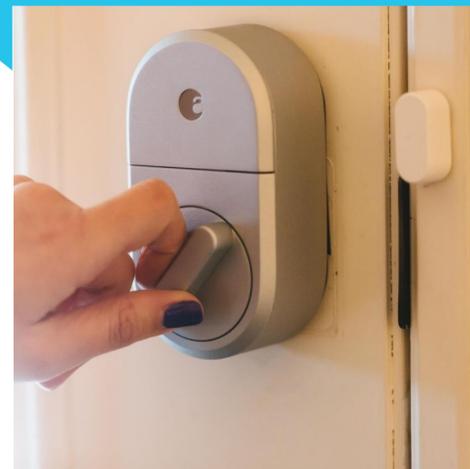
SHELTER AND SECURITY

EMPHASIS OF HOME USE

LIFESTYLE AND VALUES

"Scared Simple"

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



STATE OF THE



"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

A TREND OR ISSUE THAT
IS UNCERTAIN

“IN THE NEXT 10 YEARS, WILL...?”





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

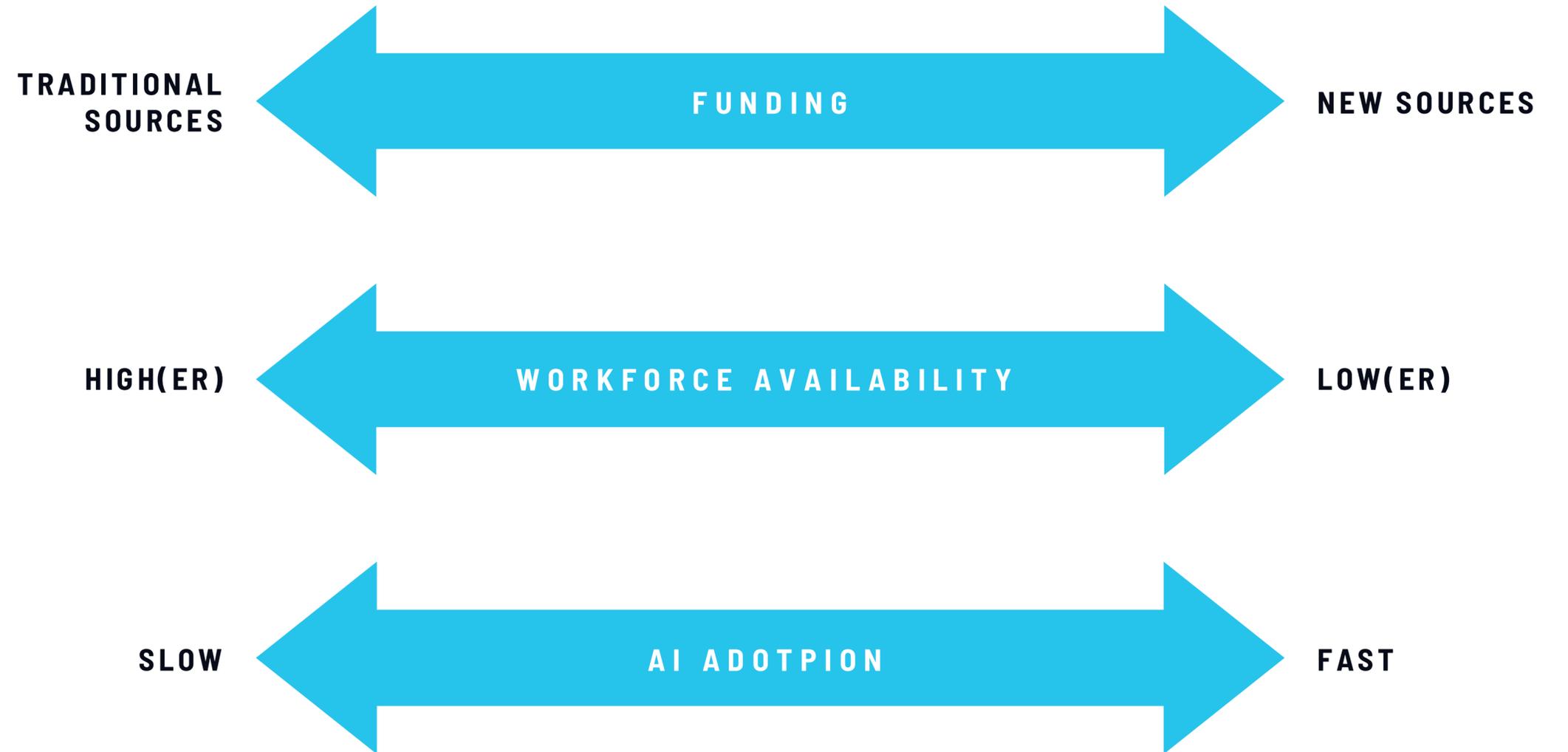
LESS EVEN

DISTRIBUTION OF ECONOMIC GROWTH

MORE EVEN



1 For Discussion



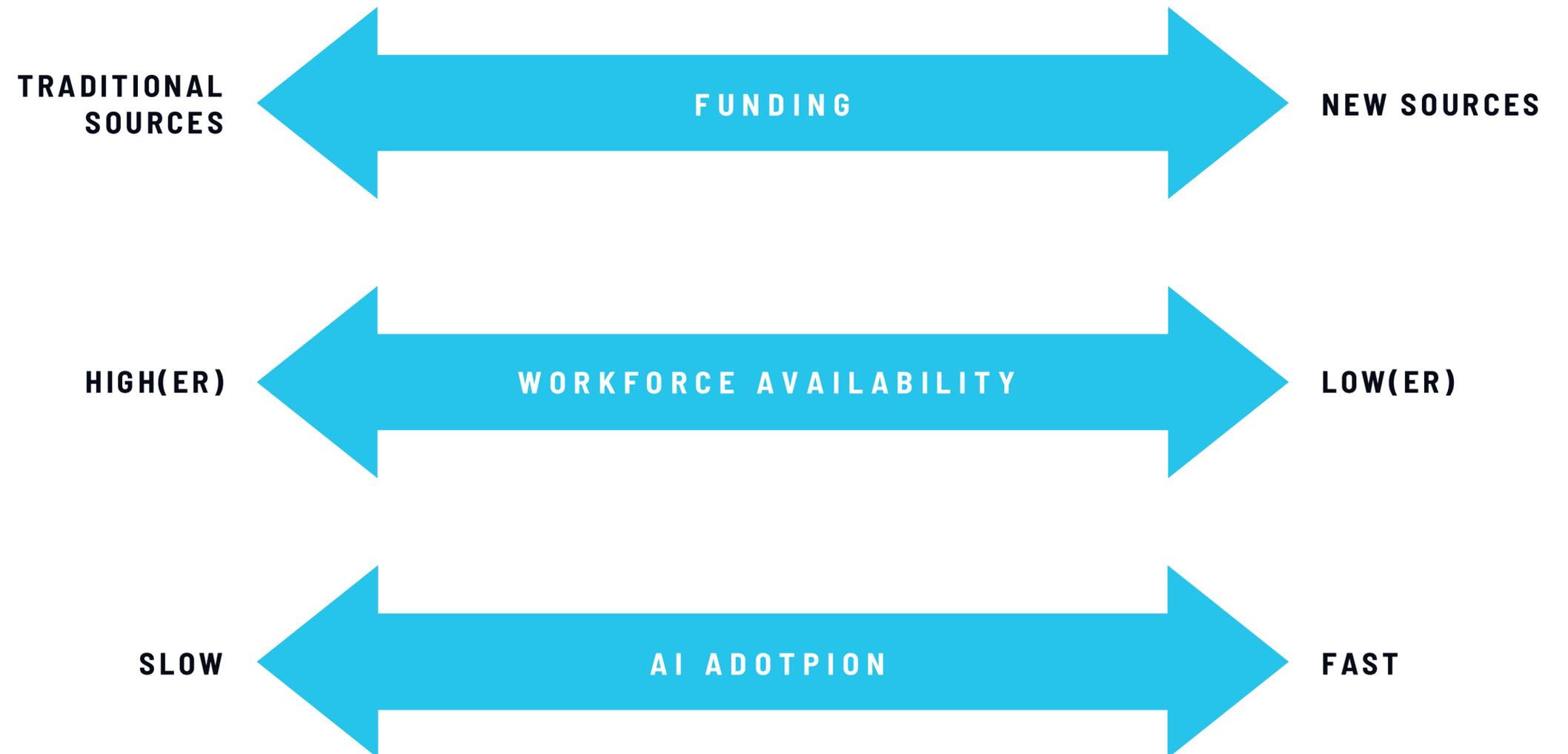


1 For Discussion

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?

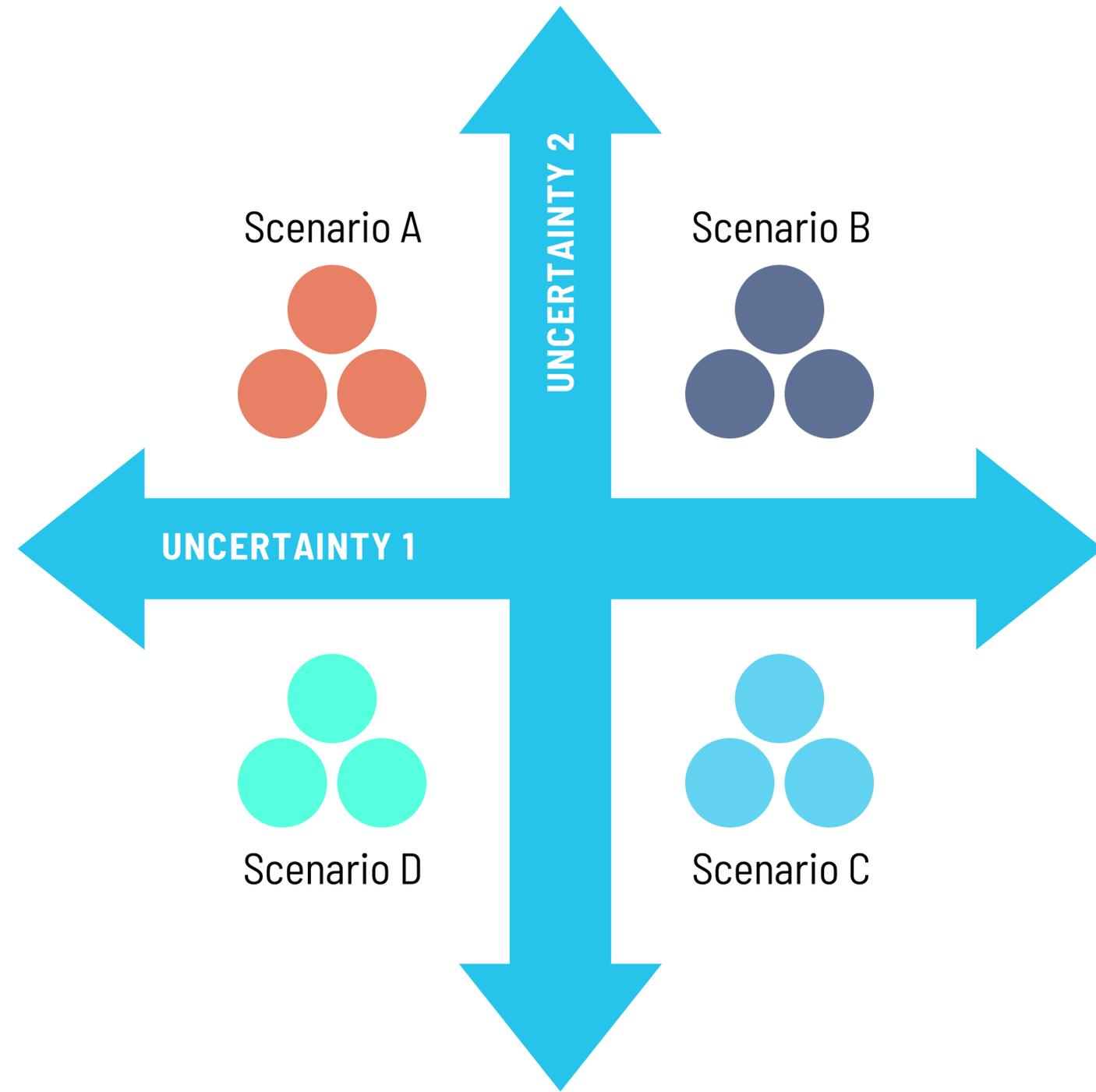
WHAT ELSE? WHAT'S IMPORTANT BUT MISSING?





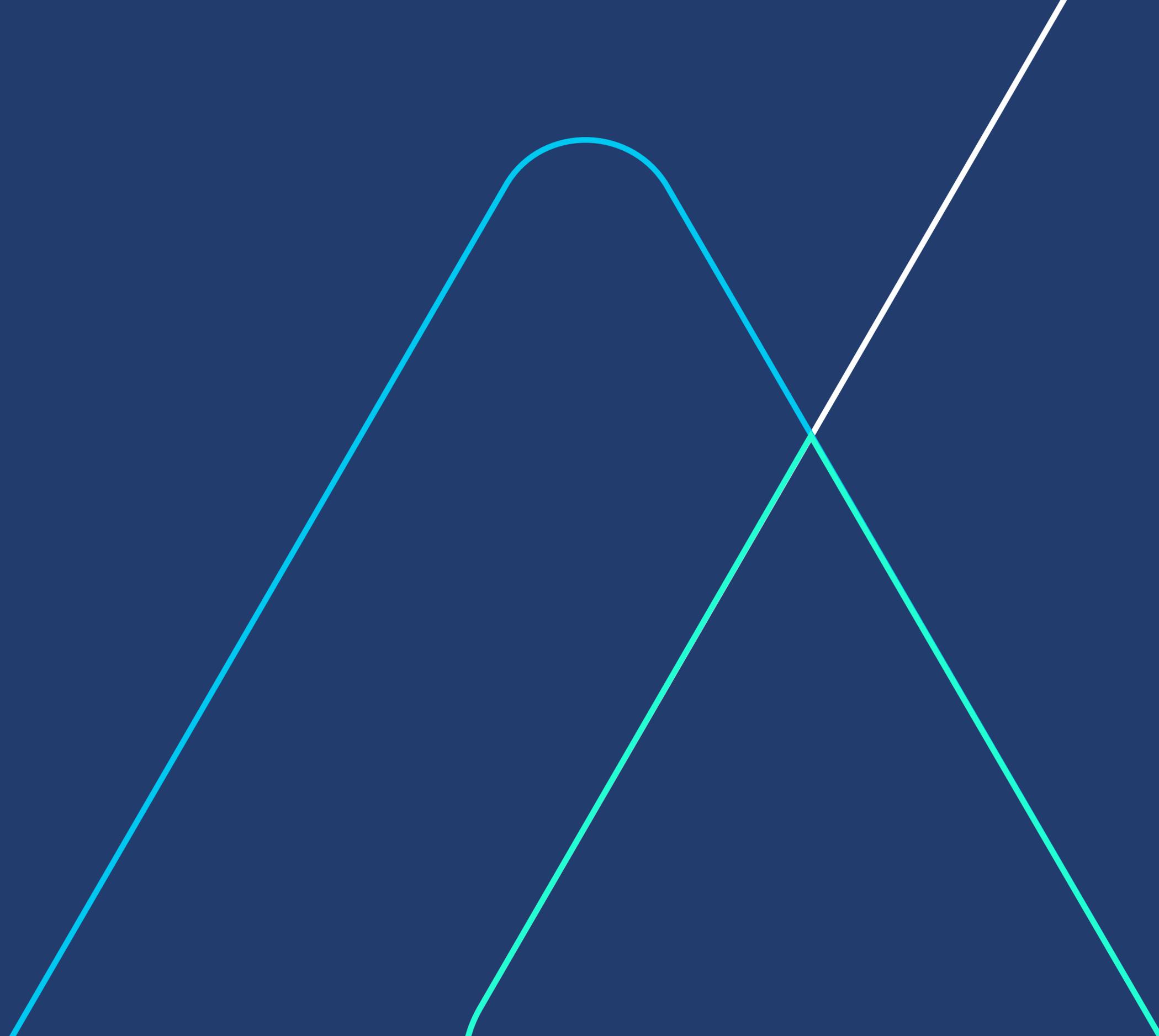
1 Tomorrow

The Future of LSA!





Day 2





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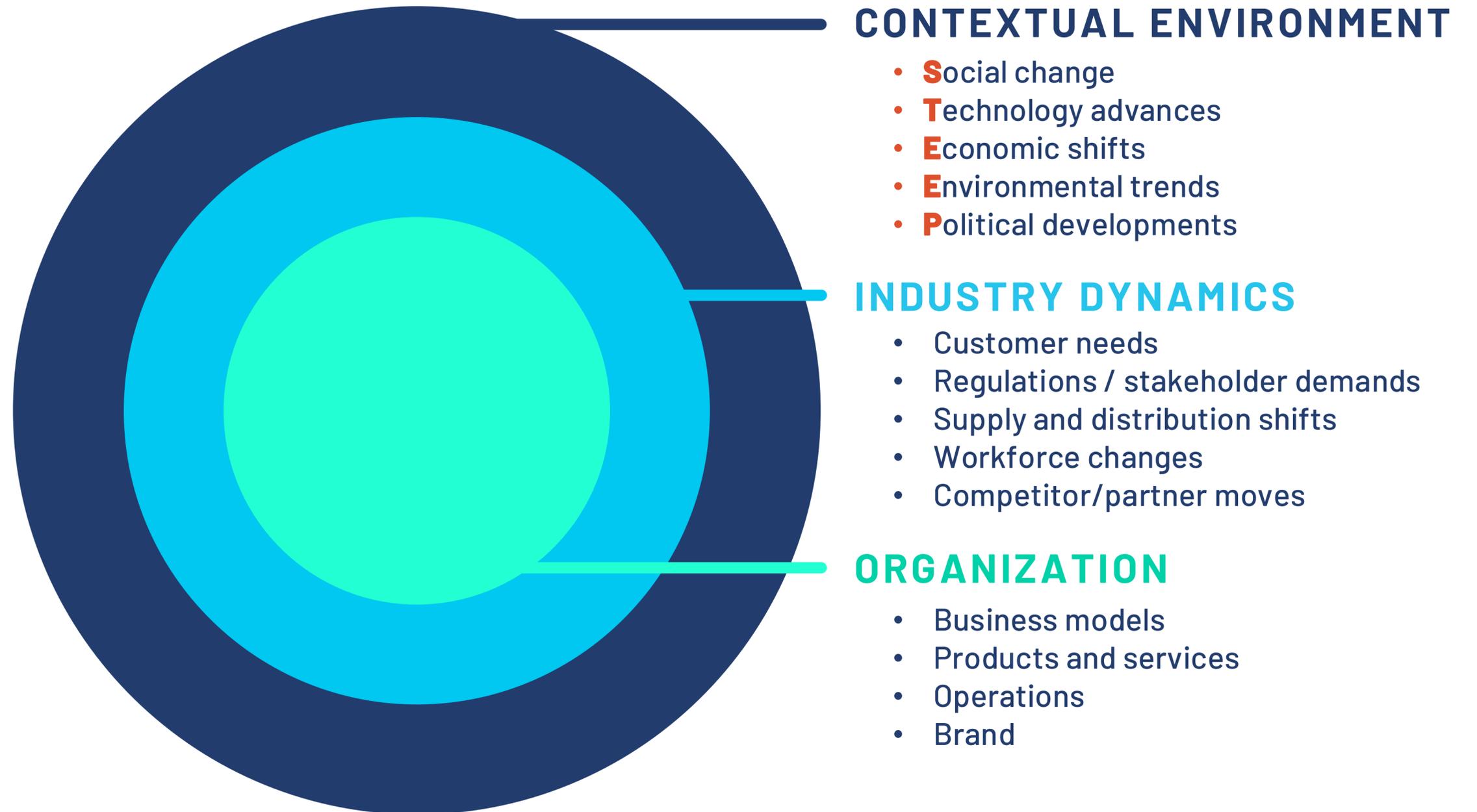
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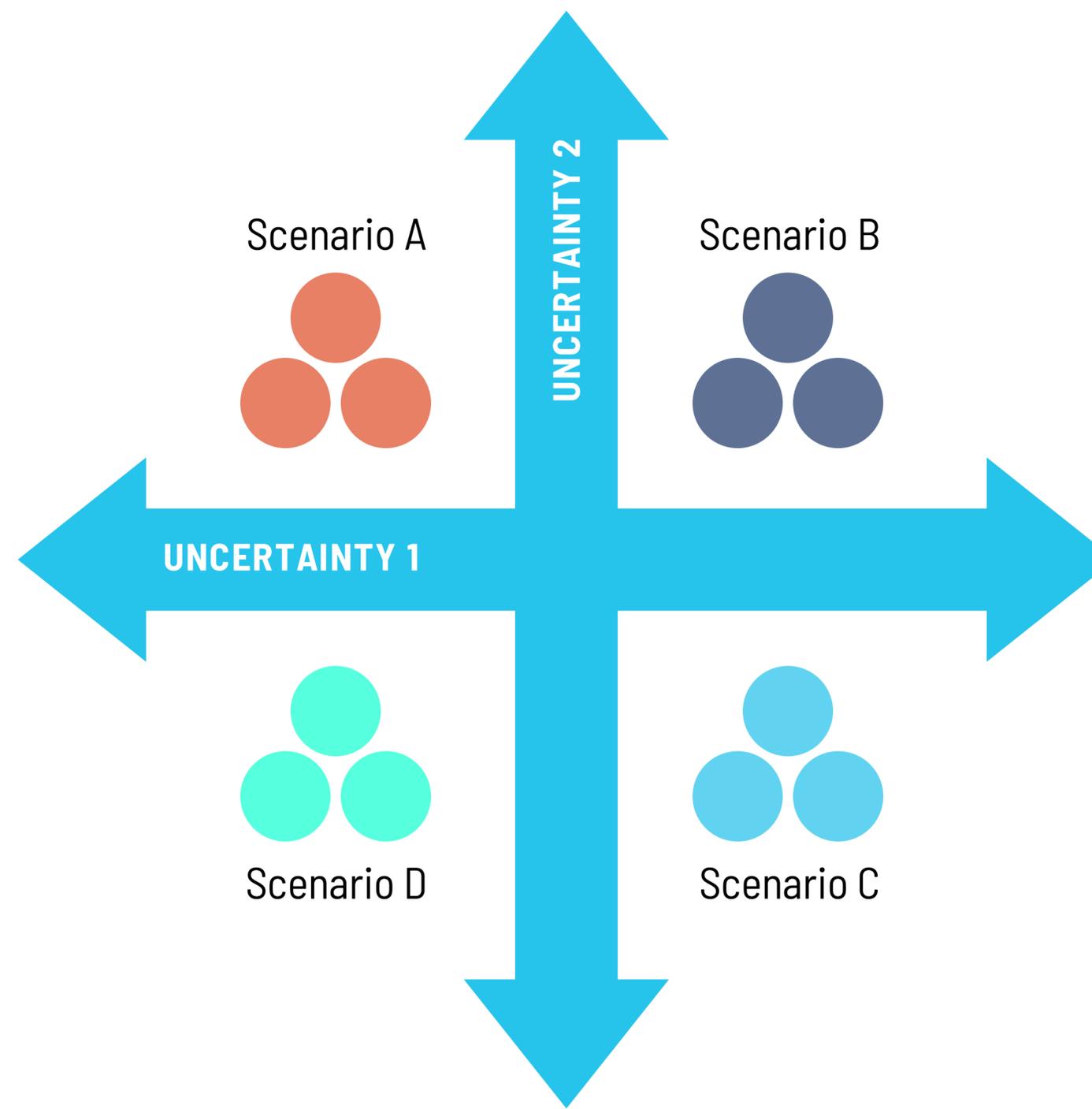




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2

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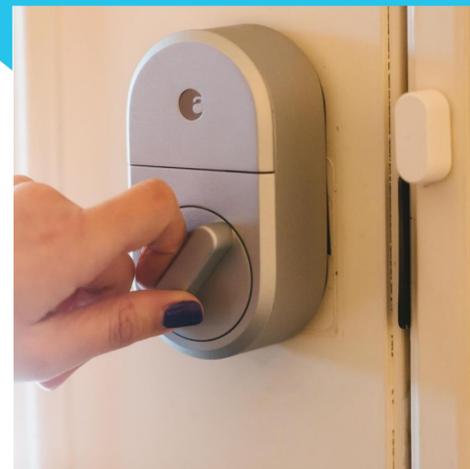
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Facing economic slowdown, communities respond with an inclination for conservation, simple lifestyles, communal and multi-generational living.

DECLINING/VOLATILE



1 Detailing scenarios



CONTEXTUAL ENVIRONMENT (“WHY WOULD THIS HAPPEN?”)

- **S**ocial change
- **T**echnology advances
- **E**conomic shifts
- **E**nvironmental trends
- **P**olitical developments

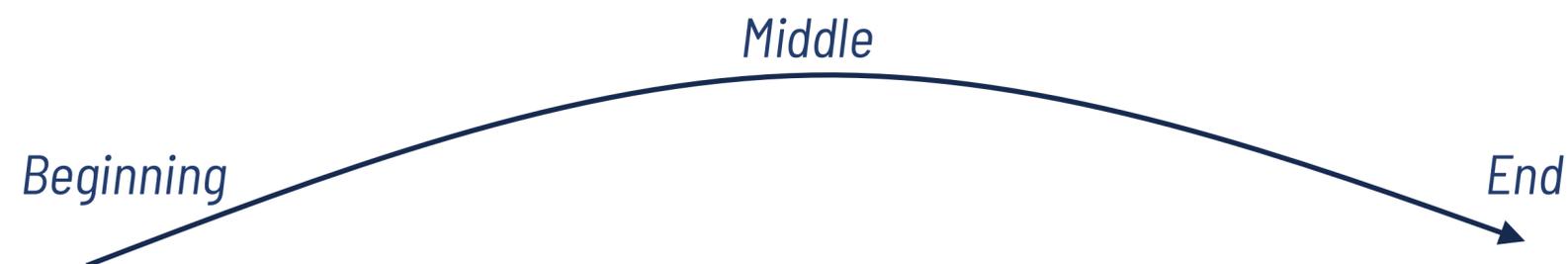
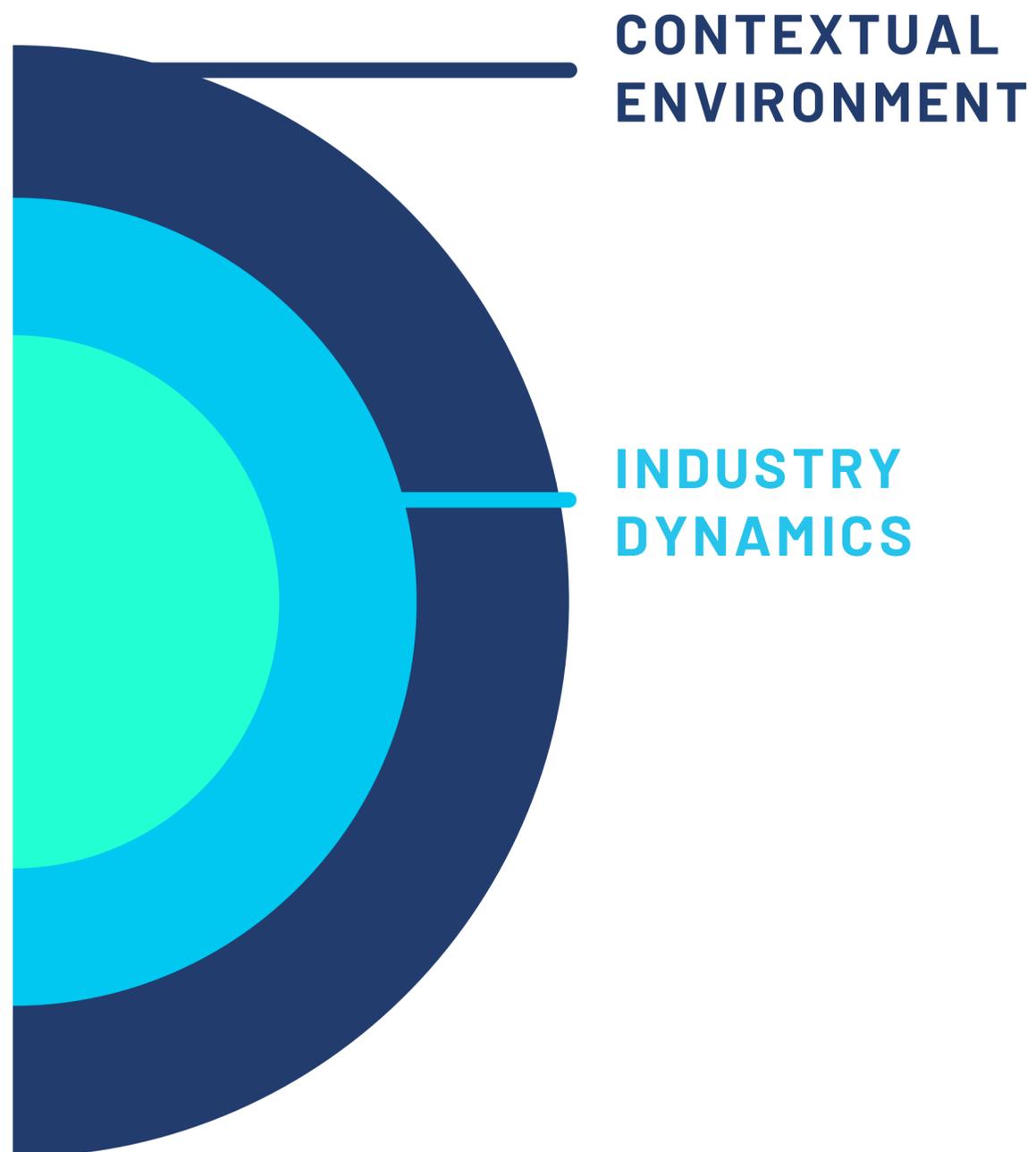
INDUSTRY DYNAMICS (“WHAT ELSE WOULD HAPPEN?”)

- Customer needs
- Regulations / stakeholder demands
- Supply and distribution shifts
- Workforce changes
- Competitor/partner moves

- Housing costs
- In-home care technology
- Medicare
- Etc.



1 Detailing scenarios: narrative arcs



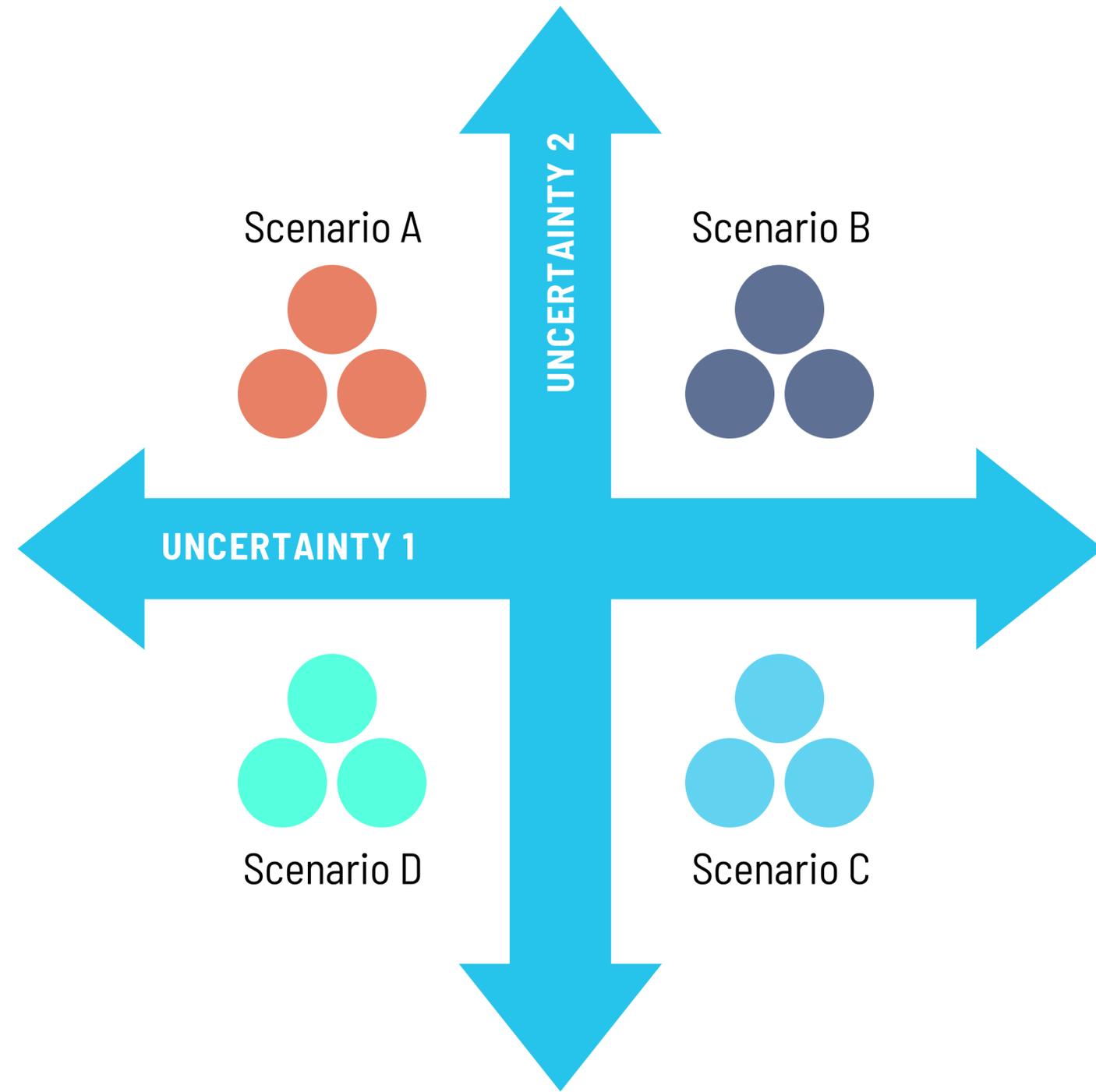
Once upon a time...
Every day...

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

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



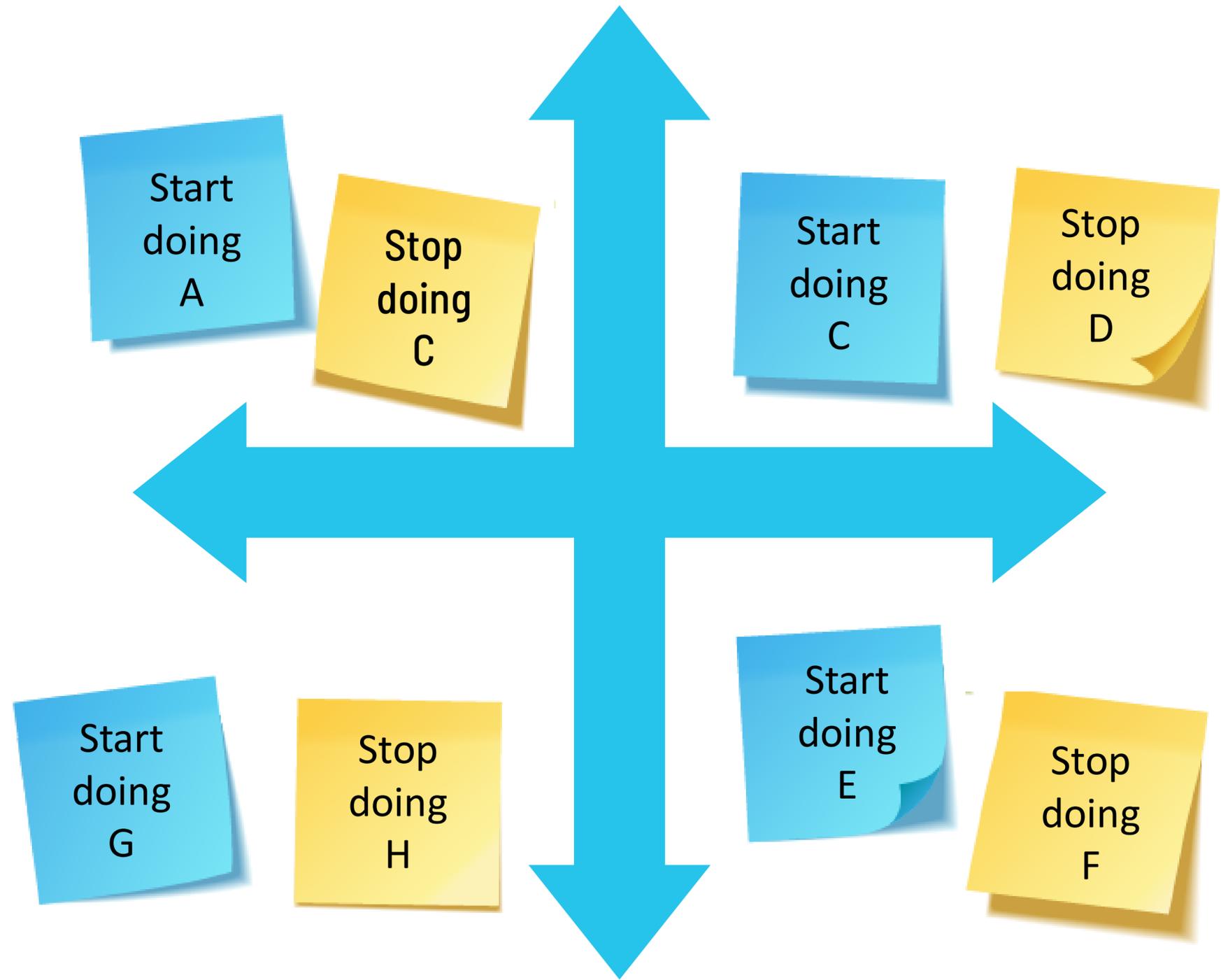
2 Rehearse each future





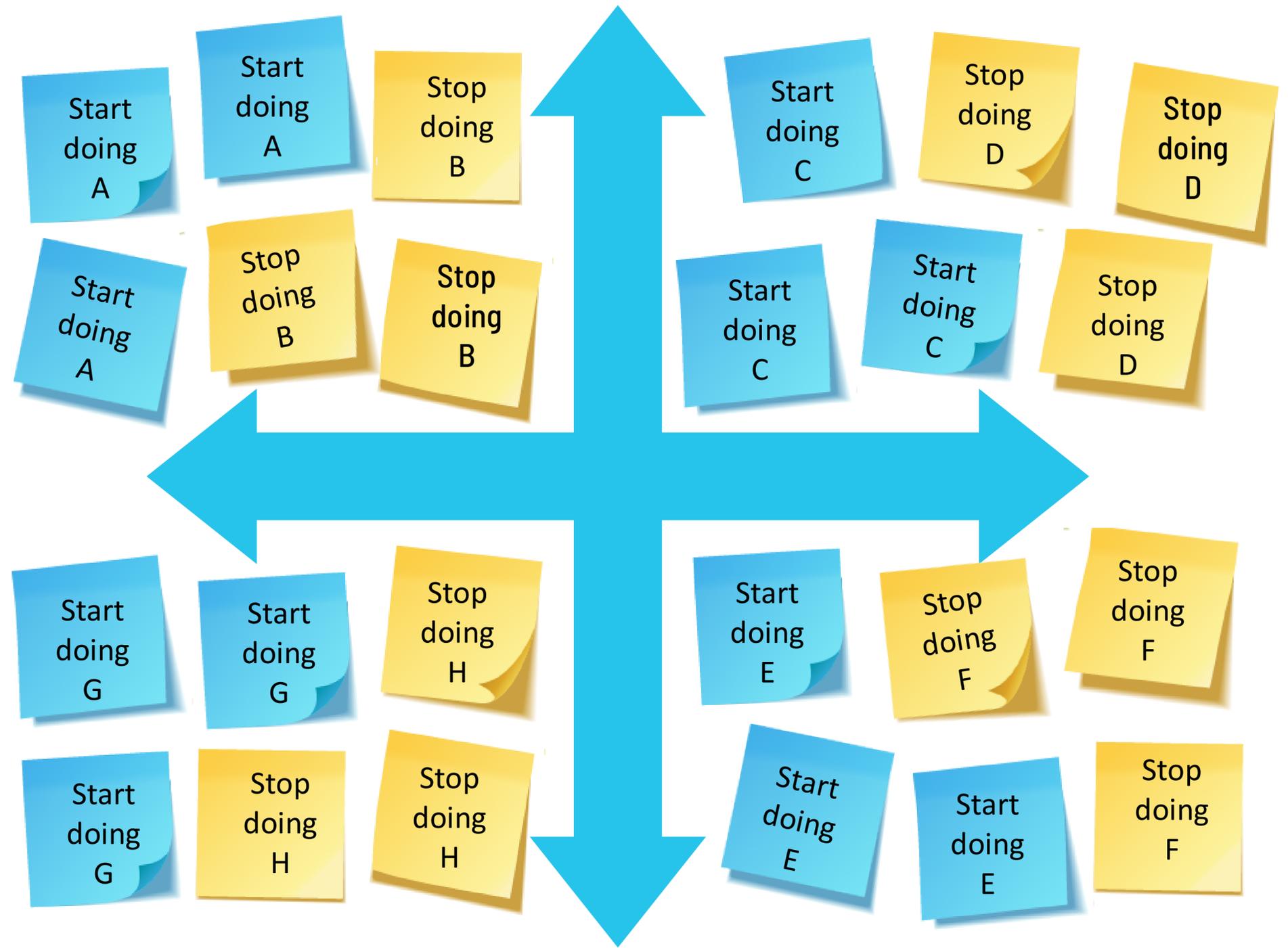


2 Rehearse each future





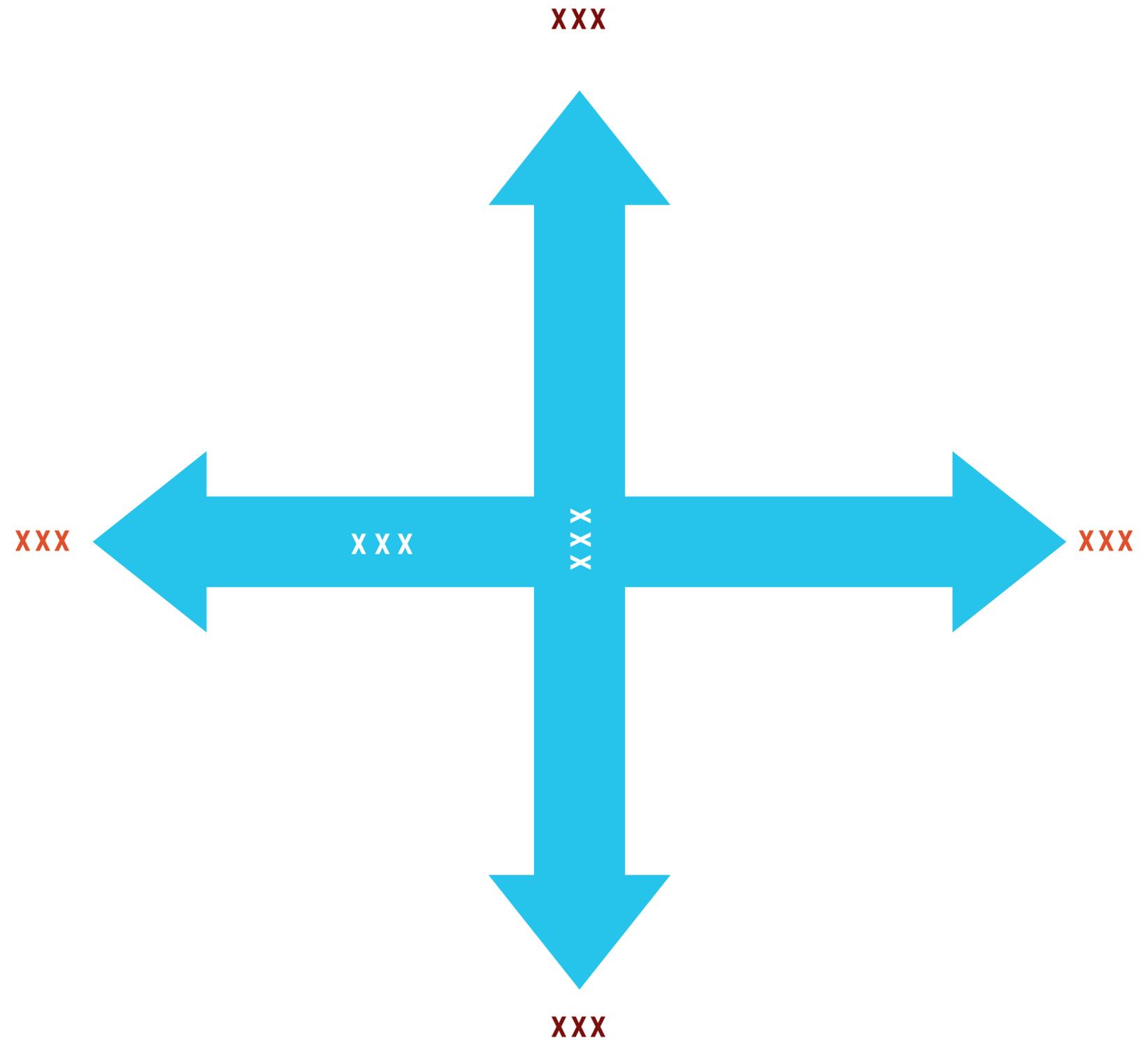
2 Build out your options





2 Practice

Future of Health and Human Services in 2035





Future of Health and Human Services in 2035

2 Practice

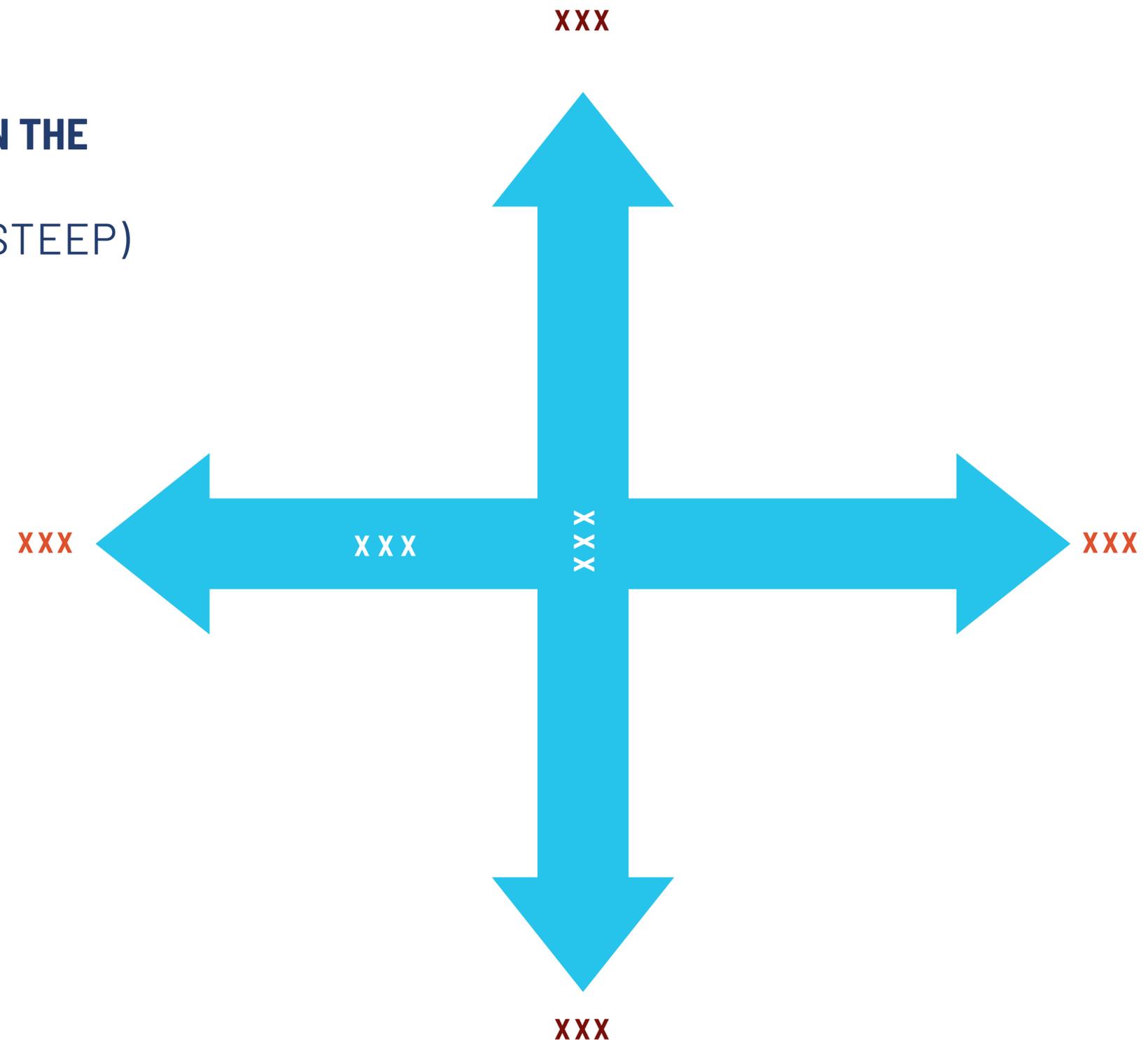
A WHY WOULD THIS SCENARIO HAPPEN IN THE FIRST PLACE?

- 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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Navigating the future

An approach, in 3 steps

1

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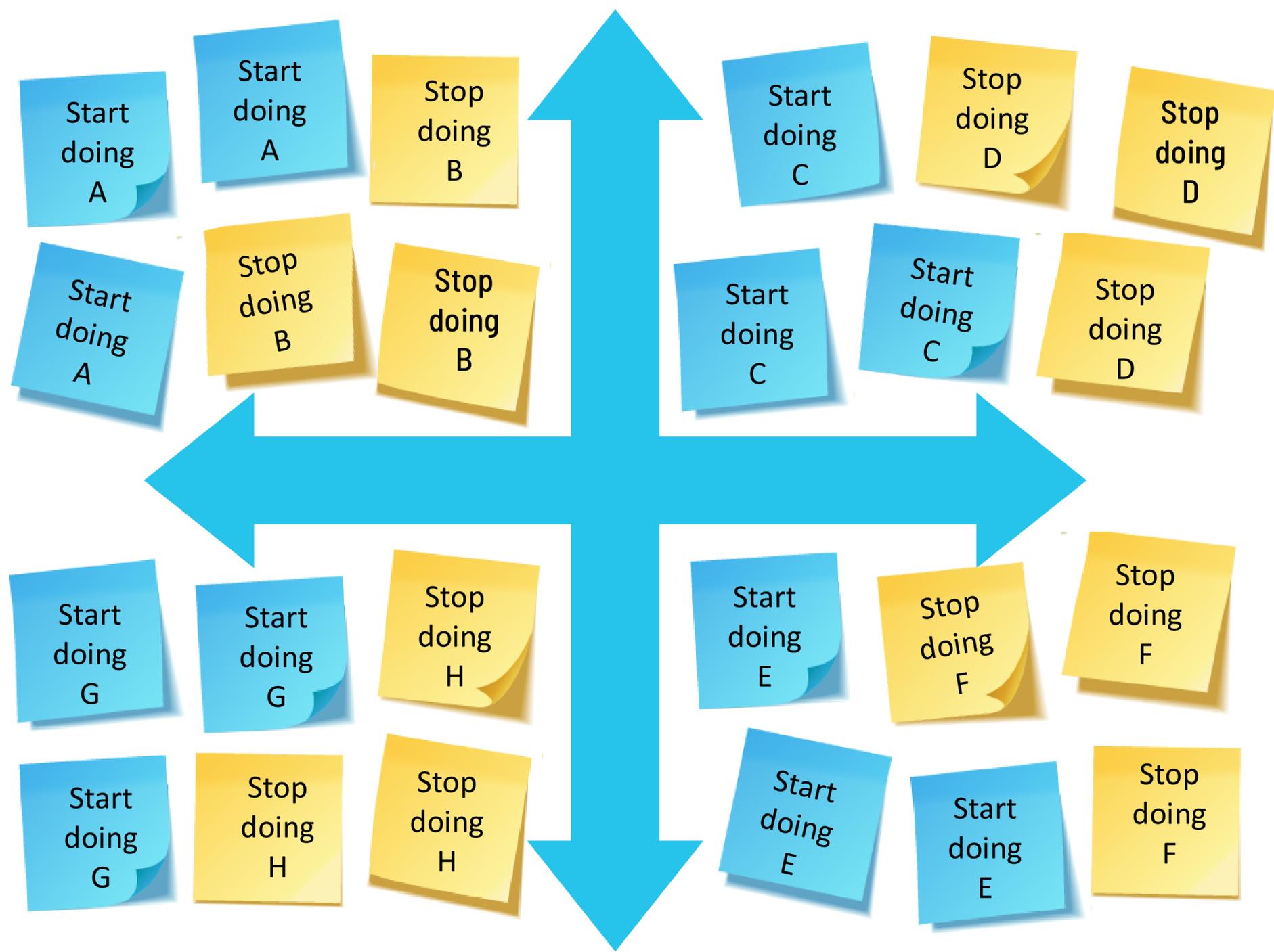
3

Plan for adaptability





3 Priority?





3 Prioritize

Questions to ask:

A HOW LIKELY IS THE SCENARIO

X

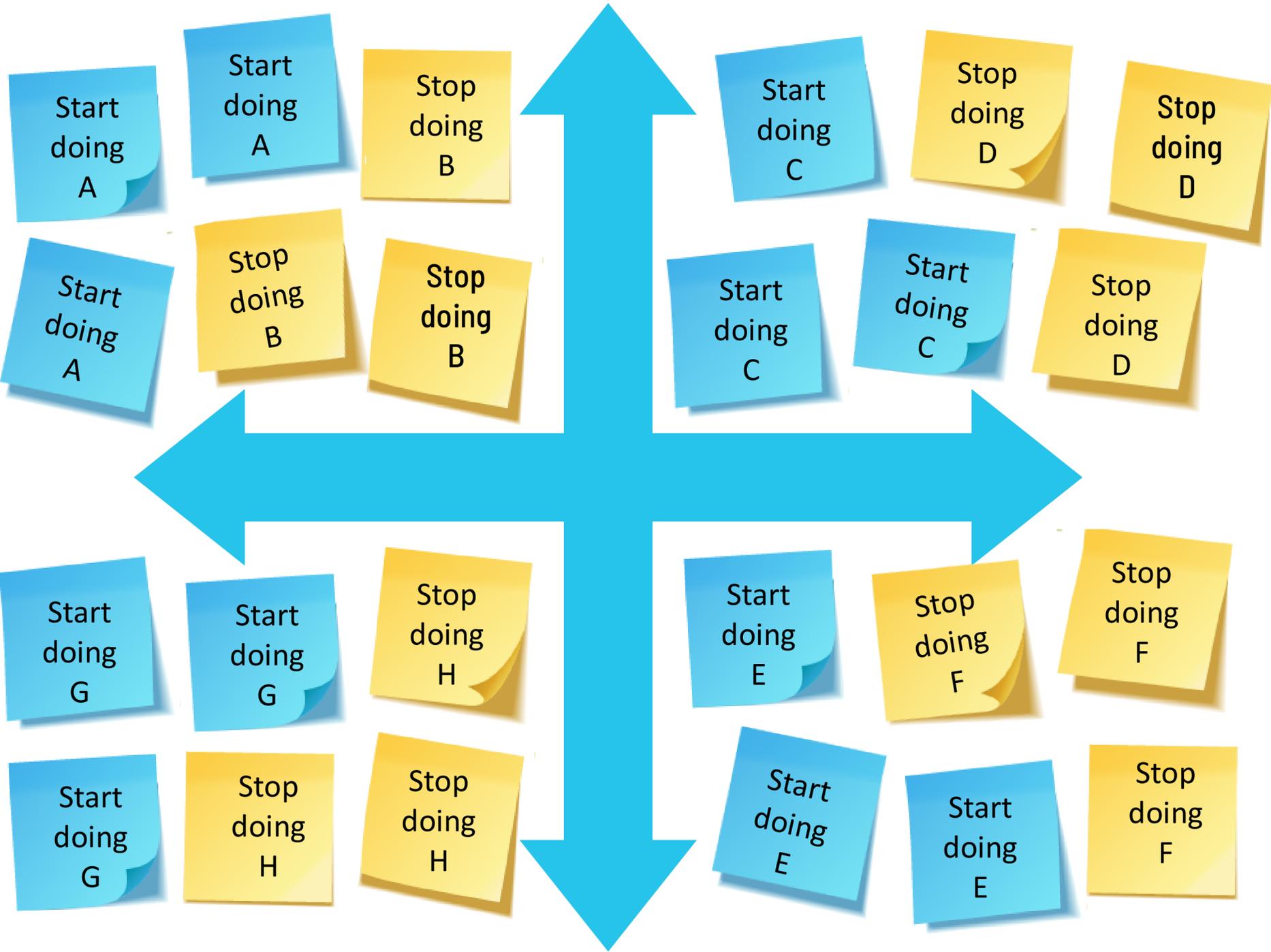
B WHAT IS THE ORDER OF MAGNITUDE IMPACT THE OPTION WOULD HAVE ON THE BUSINESS?

X

C HOW PREPARED ARE YOU FOR THIS?

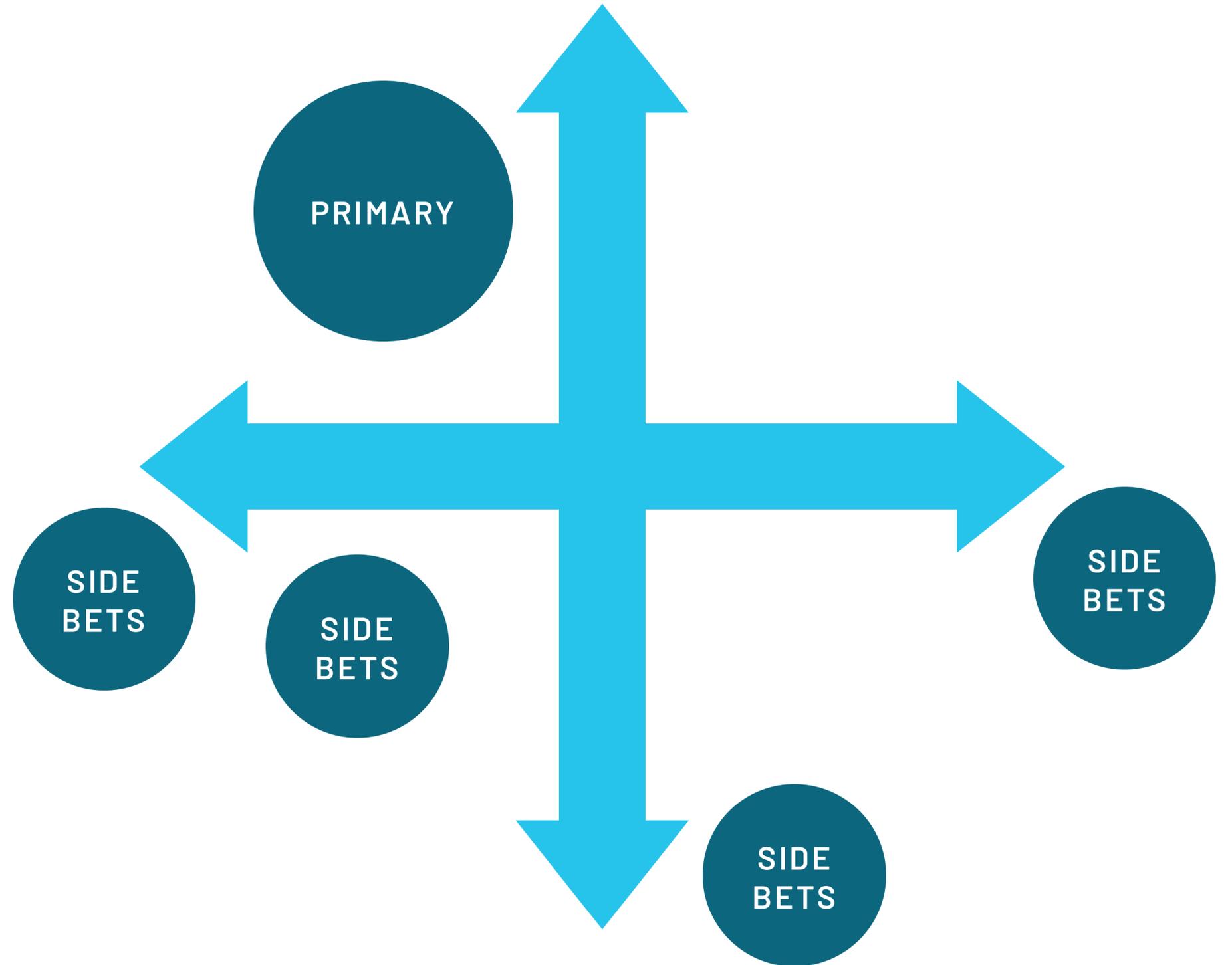
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HOW MUCH TIME AND INVESTMENT SHOULD YOU BE ALLOCATING TO THIS?





3 Allocate



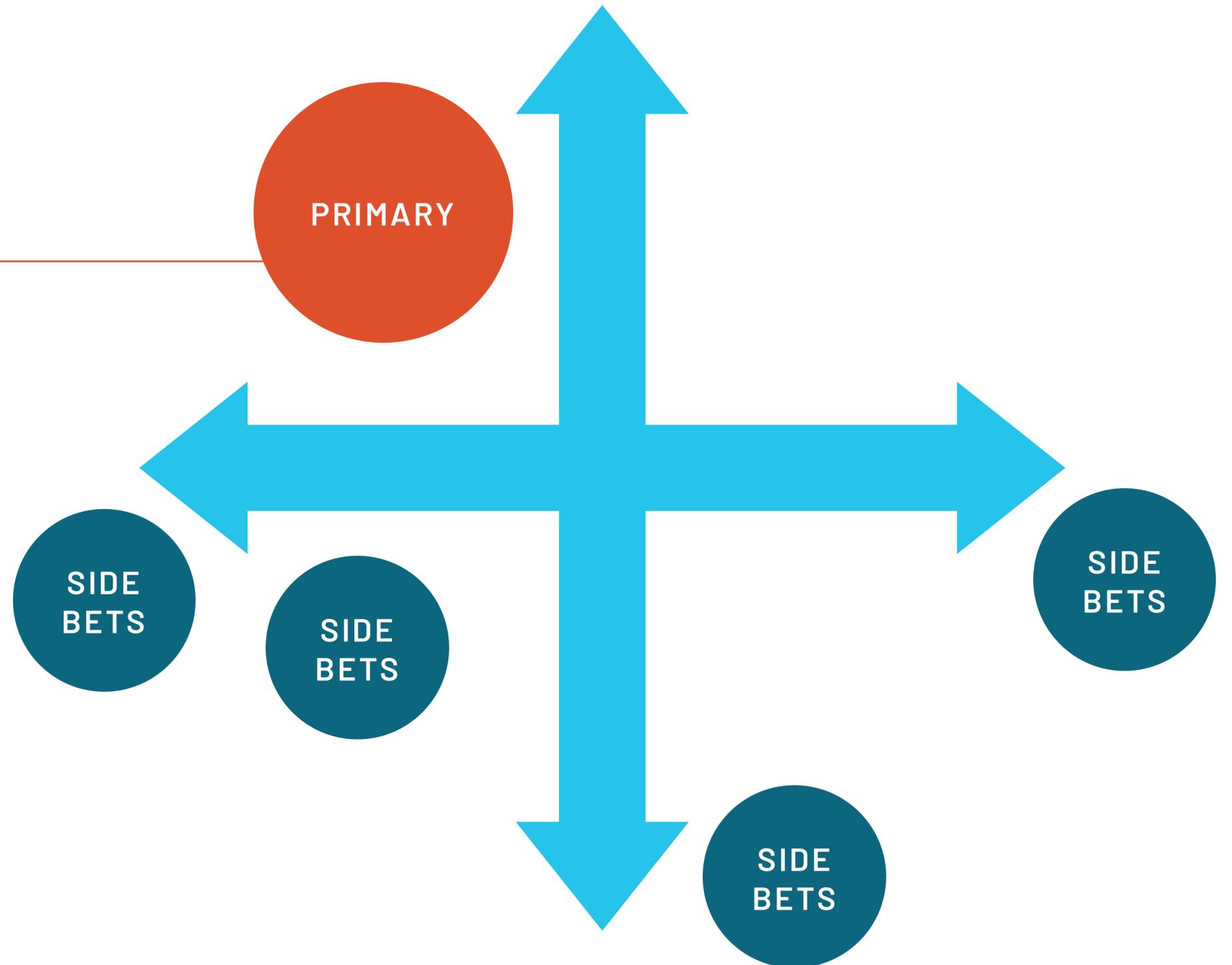


3 Allocate

HIGHLY LIKELY OR FAST APPROACHING

HIGH IMPACT

GETS MOST TIME AND MONEY





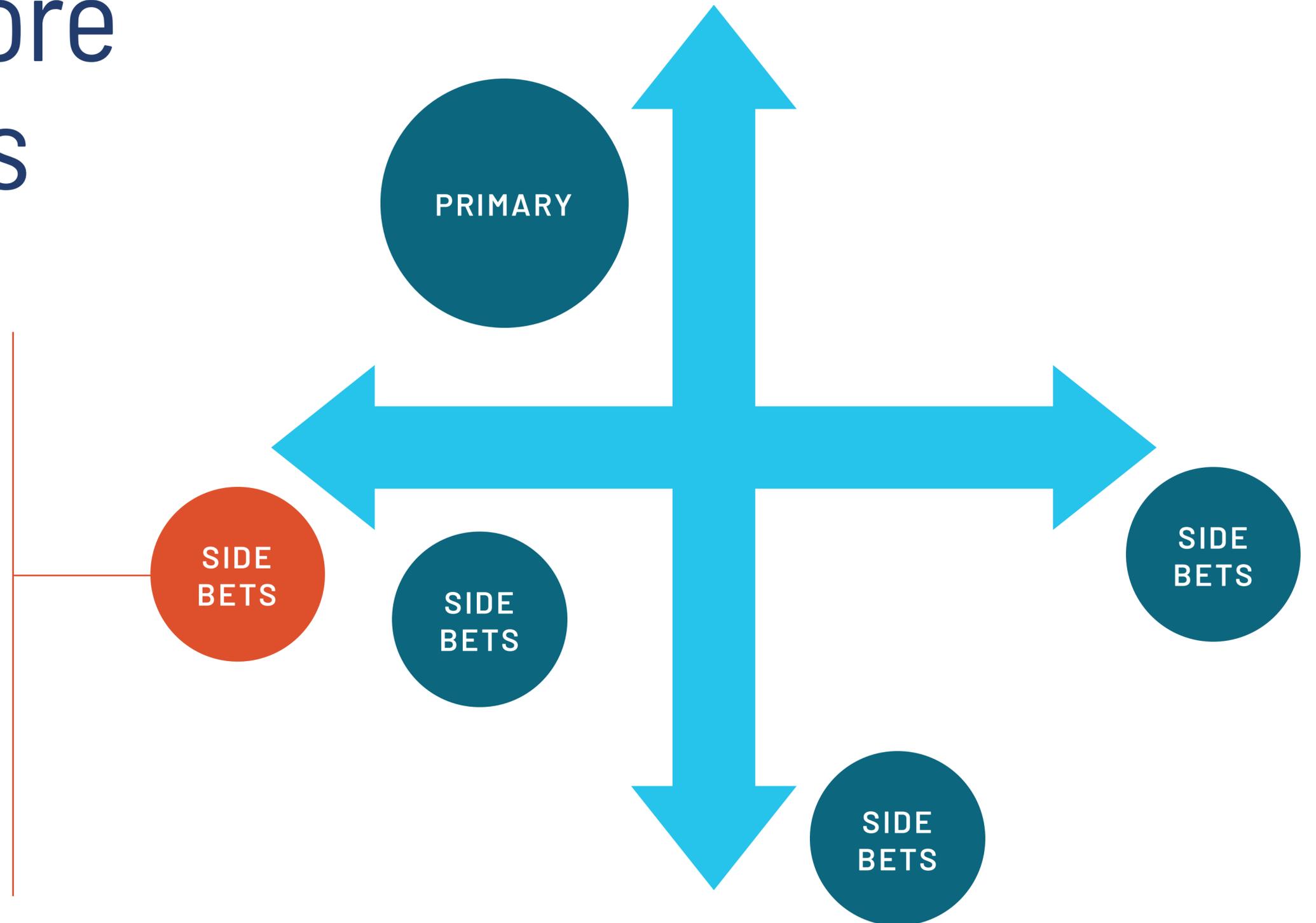
3 Defining core and side bets

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

Envision new scenarios

2

Rehearse each future

3

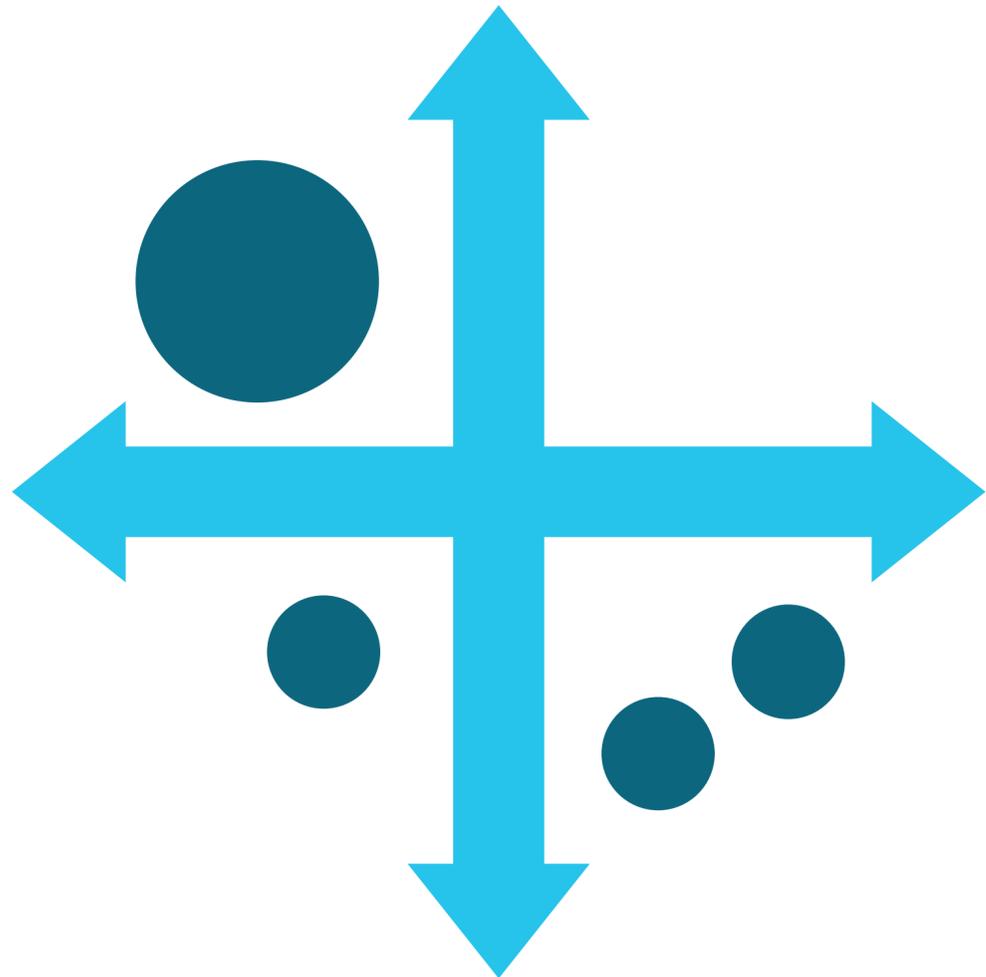
Plan for adaptability





4 Adapting to change

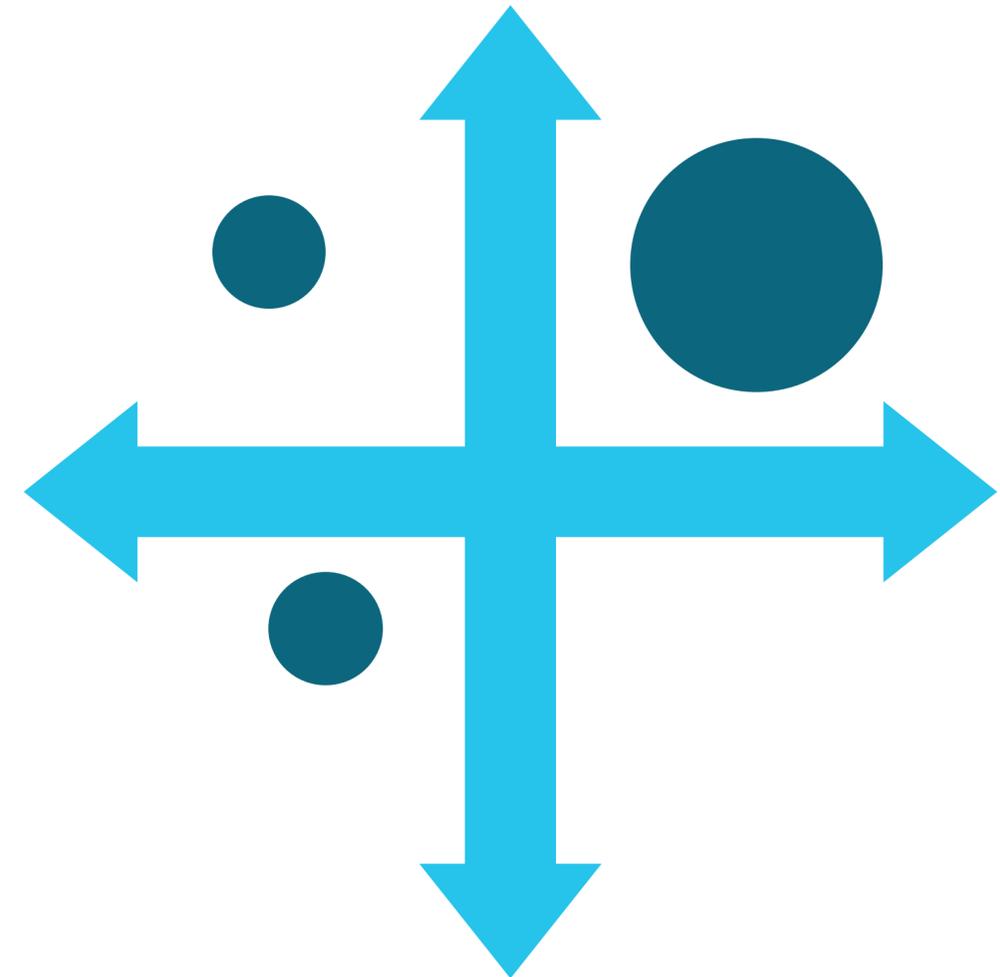
INITIAL BETS



TIME AND INSIGHTS

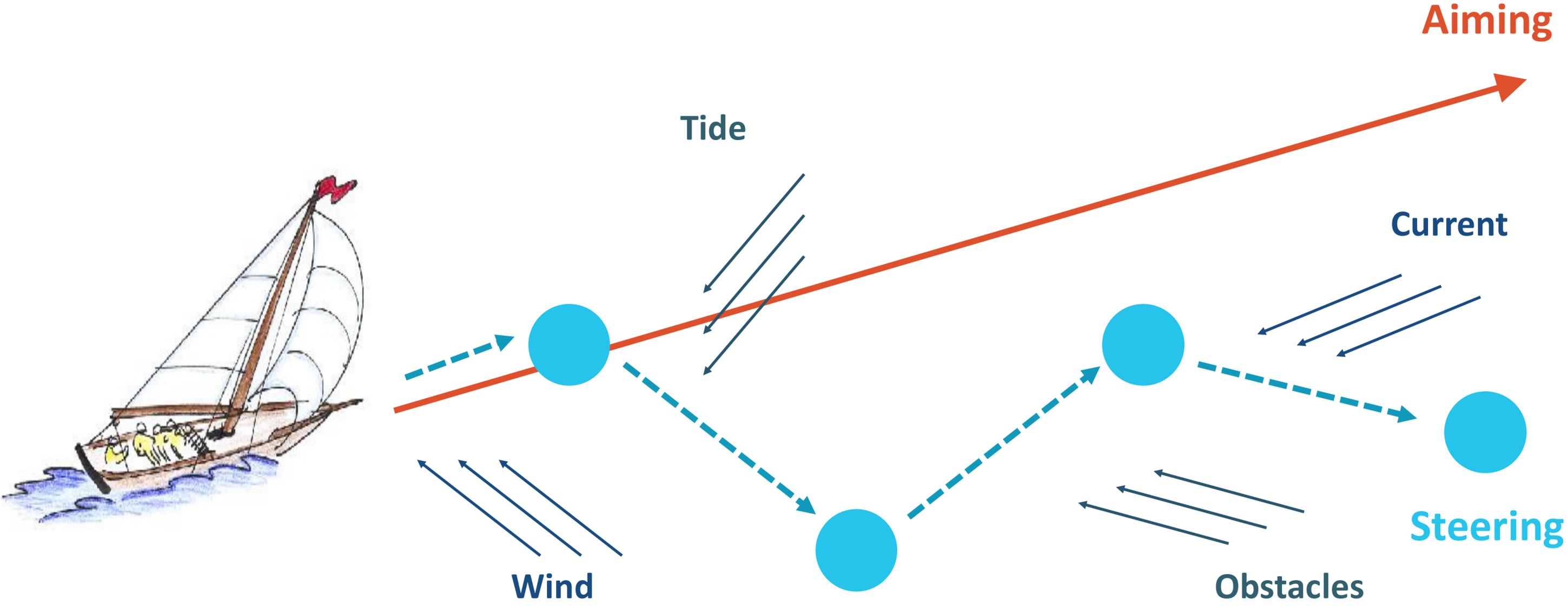


NEW BETS





4 Steering vs aiming

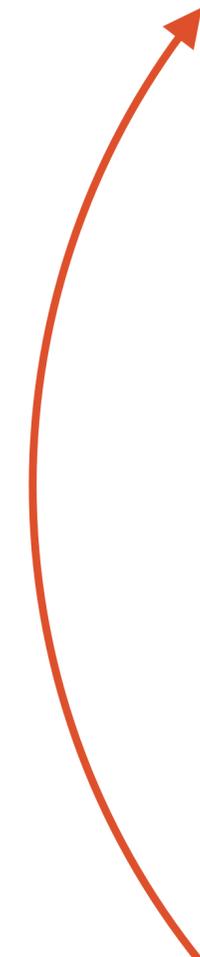




Navigating the future

An approach, in 4 steps

**4. Monitor
and Repeat**



1

Envision new scenarios

2

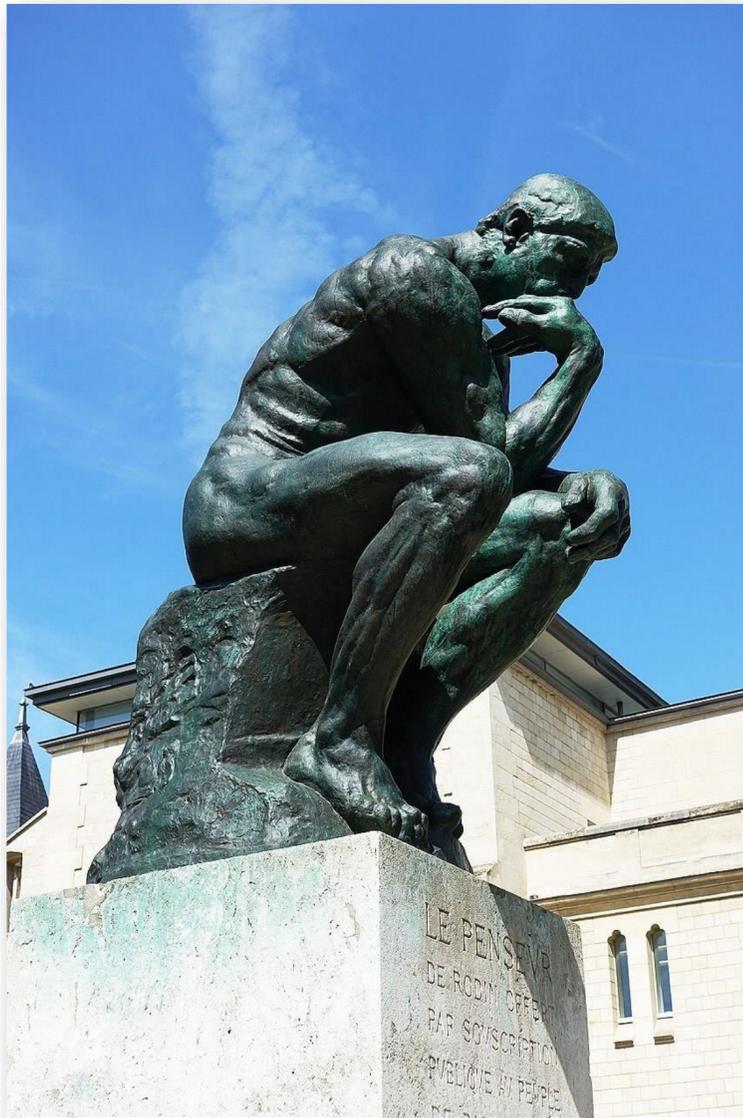
Rehearse each future

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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!

MATT RANEN
SCENARIO PLANNING AND STRATEGY

MATT@MATTRANEN.COM
MATTRANEN.COM