COURSE 2

FORECASTING SKILLS

INSTITUTE FOR THE FUTURE

FUTURES THINKING

taught by Institute for the Future with **Jane McGonigal**

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FORECASTING SKILLS

Our default tendency is to believe that the future will be largely like the present. But this is rarely true. For a majority of people, the future comes as a surprise – or even a shock. With strong forecasting skills you can overcome this bias and become better prepared to adapt and benefit from change.

In this course, you'll learn how to turn groups of signals into compelling forecasts. Forecasts are evidence-based, but often surprising, visions of the future. They can help you illuminate new possibilities and opportunities—for yourself, for your company, or for any community you want to inspire. We'll show you exactly how it's done: Leading futurists from the Institute from the Future will share with you the forecasts they're most excited about right now and walk you through the key steps they took to create them.

You'll also practice generating scenarios out of your forecasts. A scenario is a very short story about a specific possibility that could happen in the future you've forecast. Scenarios capture imagination and provide concrete examples of how, exactly, the world might be different in the future.

Forecasting skills help you see hard-to-imagine futures before they happen. They enable you to consider possibilities that others might never see coming or refuse to accept. With this foresight, you can evaluate which futures you want to make more likely and which futures you want to prevent.

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This deck is your summary, or "CHEAT SHEET", for everything you'll learn in this course.

Here's how to use it:

1. **Skim this deck now** to get a preview of what you'll be learning and practicing in "Forecasting Skills."
2. **Review it again at the end of the course** to "lock in" your learnings.
3. **Come back any time** to refresh your memory, and to share what you've learned with others!

What are the key FUTURE FORECASTING skills?

- Think in **10-year timeframes**
- Collect and analyze **signals of change**
- Use signals to identify **drivers of change**
- Combine signals and drivers into **forecasts**
- Develop **scenarios** from your forecasts
- Use scenarios to discover **surprising possibilities**
- Practice **strong opinions, lightly held**

Each of these skills are summarized on the following pages:

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Think in 10-year timeframes

10 years is far enough out that things can be different – really different.

With a 10 year timeline, you are free to move past the constraints of today, so you can think more creatively and consider more surprising possibilities.

10 years also gives you enough time to plan, gather resources, recruit allies, and take action to decide what the future will be. When you're preparing for a future ten years out, it's a lot harder to be "late" to the future or to miss your opportunity!

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Collect and analyze signals of change

A **signal of change** is anything that is already happening today, that could be a clue to the future.

A signal might be a new invention, product, business or behavior. A signal could be the first successful demonstration of a new technology, or the first major breakdown of an old technology. A signal could be a new law, or a new kind of crime.

A signal demonstrates how something could be different.
A signal of change makes you say, "A ha! That's new. That's weird. I haven't seen that before." It makes you curious to find out more.

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Use signals to identify drivers of change

One of the first questions a professional futurist asks about any signal of change is this: "What *kind* of change does this signal represent? **What direction is it taking us in**?" From what now to what next?

When you know the direction of change, you can look for **the driver**. "What future force is creating this change? What trend, or bigger picture phenomenon, is *driving* us in that direction?"

Drivers are the forces of change that move us toward particular futures. Behind every signal, there is at least one driver. Looking at multiple related signals can help you spot the drivers.

Combine signals and drivers into forecasts

A **future forecast** is a prediction, based on data and evidence from today, about what *might* happen in the future.

Often, futurists will make multiple competing forecasts that describe different versions of the future. The goal of these forecasts is not to be *correct* about the future. The goal is to provide plenty of time to consider *which* future is desired, so we can take action today to make it more likely.

Multiple forecasts also allow us to prepare for possibilities that we hope will not come to pass – but if they do, we will be ready.

Develop scenarios from your forecast

A scenario is a specific story set in a future forecast.

It describes what we might see, feel and experience if we woke up in that forecast.

A scenario describes the future as if it were already real. It can take the form of a short story, a news article, a comic, a film, a documentary from the future…. any form you can use to tell a story, you can use to share a scenario.

Scenarios are important because they help us imagine the future more vividly. They give us concrete possibilities to evaluate – do I want this future? What would I do in this future?

Use scenarios to discover surprising possibilities

When you design or encounter a new future scenario, you can **explore it for surprising possibilities** by asking questions like this:

- Who benefits from this future? What do they gain?
- Who is at a disadvantage in this future?
- What would you worry about as an individual in this world? What would you worry about as a company? As a government? Or pick any organization—as a school, a hospital, a political action group? What could go wrong, for whom?
- What emotions do people feel more in this future?
- What do people start to do to adapt or cope?
- Who could exploit this future? What would they game, cheat or take advantage?
- What actions might people take to try to make this world better?

Practice strong opinions, lightly held.

Make forecasts that express **a strong point of view**. Be provocative, bold, surprising in what you suggest could be different in the future.

Why? It's important to consider bold visions of the future, because they can inspire greater change, and they ready us for greater disruption.

At the same time, **hold your opinions about the future lightly.** Be open to hearing other points of view. Look for evidence that your predictions might be wrong. Don't assume that a future you want will be wanted by all.

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What strengths are you developing by building your future forecasting skills?

hope

strategy

practical skepticism

empathy

mental flexibility

foresight

creativity

Forecasting skills are particularly useful for developing stronger foresight and greater creativity.

Creativity - You transcend traditional ideas and invent new possibilities. You can imagine things that don't exist today, or have never happened before.

Foresight – You anticipate hard-to-see possibilities that others can't, or won't, see. You DON'T get blindsided by the future. You see it coming.

WHEN should you use your future forecasting skills?

In the **Foresight-Insight-Action** cycle, future forecasting skills come first.

Collecting and analyzing signals; making forecasts; and creating scenarios – these are all a daily and regular part of the work of a futurist.

In your own work, these practices should be the starting point for any new futures thinking or innovation work.

Signals, forecasts and scenarios are **where you start**, and **where you come back to** whenever you need a fresh view of the future.

And depending on your Future State of Mind…

Basic future forecasting skills are a good place to start if you've landed in **square #1 of the Future Four-Square Tool:**

"Things are generally getting better in a future I care about, but I have no personal power to accelerate that change, no individual role in making that future happen. I'm just along for the ride."

Forecasting skills can help you discover signals and drivers of change that YOU can get more directly involved with. They can help you create scenarios where you personally, or your company, or your community are playing a more active role in making a better future.

I'm Superpowerful

it's getting **Worse**

I have no power

The future is getting better, but you don't think you have any power to influence it?
Use your FORECASTING SKILLS!

it's getting **Better**

About this Specialization

The Institute for the Future is declaring 2020 "The Year of the Future," because we believe that foresight is a human right. Every human should have the chance to develop the creative skills needed to imagine how the future can be different, and to participate in deciding what the future will be. We believe futures thinking shouldn't be something that only happens in Silicon Valley. With our specialization in Futures Thinking on Coursera, we are the first organization ever to offer massively open, free training in futures thinking. We aim to upskill the entire planet in future thinking and future making, by teaching one million online learners via the Coursera platform. This text is one of 100 free readings distributed as part of our "Year of the Future" training.

Institute for the Future

Institute for the Future is the world's leading futures thinking organization. For over 50 years, businesses, governments, and social impact organizations have depended upon IFTF global forecasts, custom research, and foresight training to navigate complex change and develop world-ready strategies. IFTF methodologies and toolsets yield coherent views of transformative possibilities across all sectors that together support a more sustainable future. Institute for the Future is a registered 501(c)(3) nonprofit organization based in Palo Alto, California.
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