

Appreciative Strategy Workshop

Summary report

12 -14 May 2008
University of Aruba

ARUBA



Overview



Introduction and process overview

Introduction to scenario planning

Scenario development

Strategic assets & scenario implications

Next steps

Appreciative Strategy Workshop



Day 1



Day 2

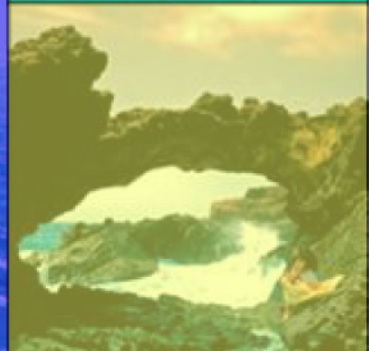


Day 3

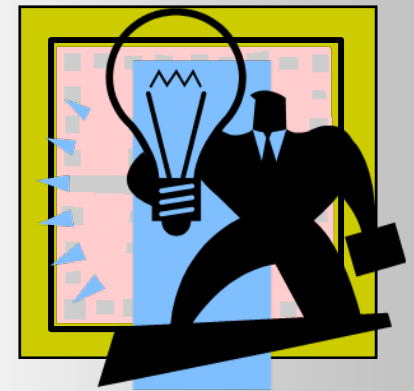
- Welcome
- Introductions
- How this workshop fits within "Nos Aruba 2025"
- The SOAR framework
- Decision making under uncertainty

- Building scenarios
- Scenario presentations
- Scenario implications

- Strategic Assets framework
- Identifying assets & opportunities and developing initiatives per scenario
- Sharing results
- Next steps



The SOAR framework for appreciative strategy



ARUBA



Linking strengths to achieving strategic aspirations



<p>STRATEGIC INQUIRY</p>	<p>STRENGTHS What are OUR greatest assets</p>	<p>OPPORTUNITIES What are the BEST possible opportunities</p>
<p>APPRECIATIVE INTENT</p>	<p>ASPIRATIONS Who do WE want to be and what is OUR preferred future</p>	<p>RESOURCES What STRATEGIC resources will make our aspirations a REALITY</p>



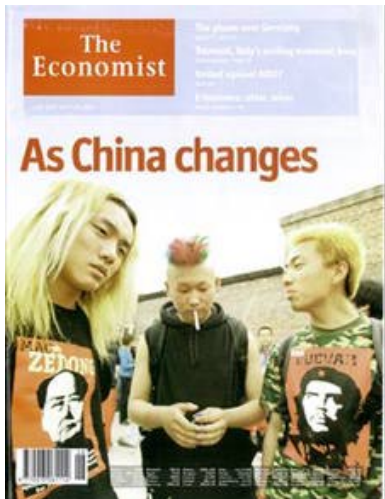
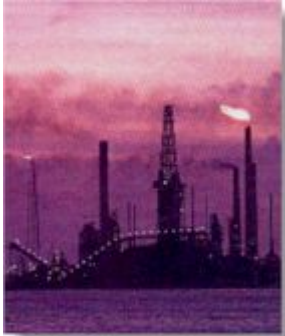
Decision making under uncertainty



ARUBA



More uncertainty in the world



DEREGULATION



January 15



Reframe uncertainty as positive



Great fortunes are made when the canon balls are falling in the harbor, not when the violins play in the ballroom.

- *Nathan Rothschild, 19th Century Banker*

The only 'risk' which leads to a profit is unique uncertainty.

- *Frank Knight, Univ. of Chicago Economist, 1921*

Chance favors only the prepared mind.

- *Louis Pasteur, French Scientist*

"Sailing into the unknown"



James Cook was told, "You are to proceed to the Southward in order to make discovery of the terra australis incognita." (the unknown continent)

- ❖ Trip initiated by the Royal Society
- ❖ Royal Admiralty wanted Cook to sail from the South pole to the North Pole and all the Pacific in search of a unknown southern continent
- ❖ Cook had to prepare for a trip to a land no one has documented, experienced, or even seen

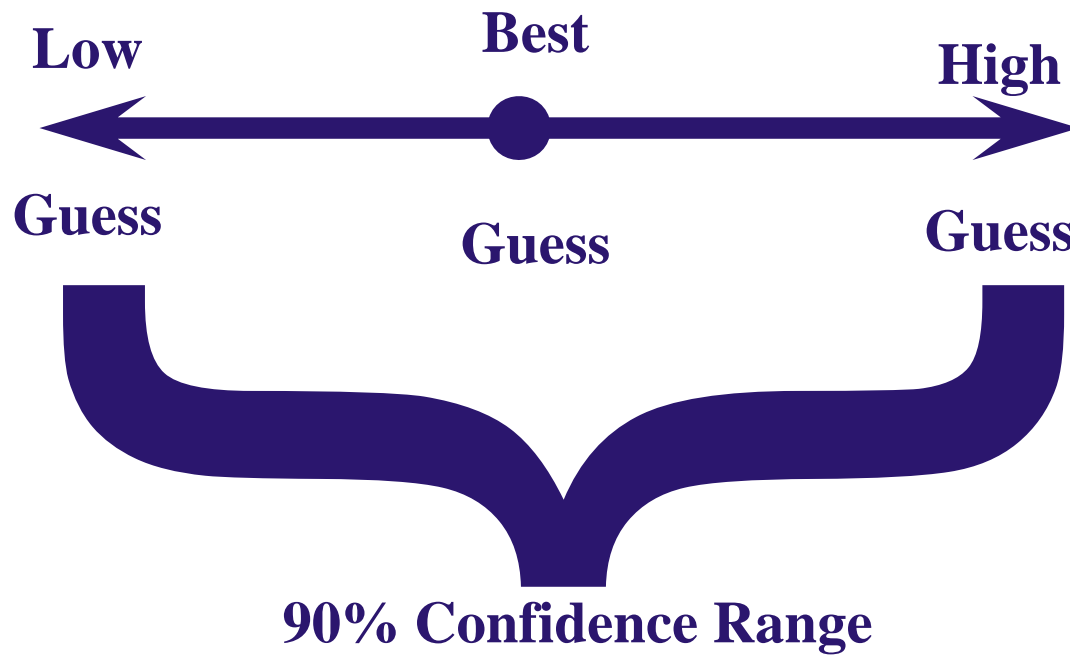


How do you prepare for the unknown?

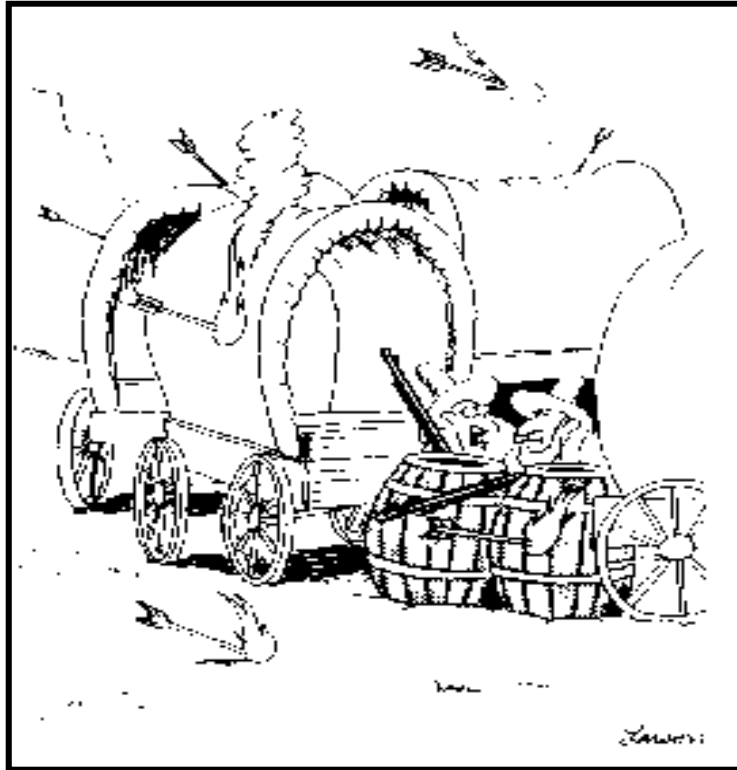
Are you overconfident?



For each of the questions, enter a range (low and high boundaries) for which you are 90% confident you are correct



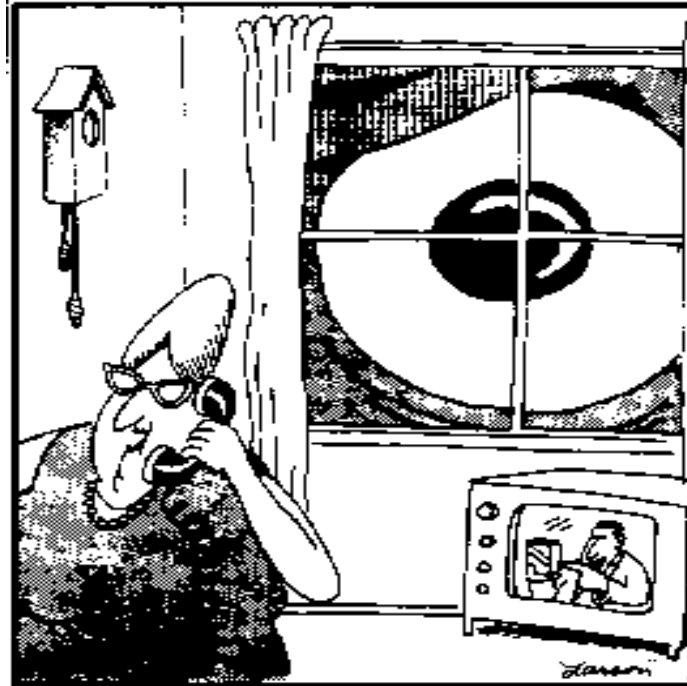
Breaking old frames



(Source: Gary Larson, [The Farside Gallery](#), Chronicle Publishing Co., 1980)

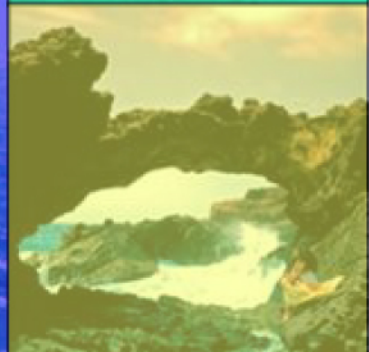
“Hey, they’re lighting their arrows... Can they DO that?”

The need for a larger frame

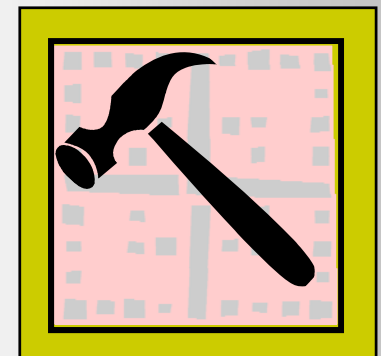


“Hello, Emily. This is Gladys Murphy up the street. Fine, thanks...Say, could you go to your window and describe what’s in my front yard?”

(Source: Gary Larson, The Farside Gallery Chronicle Publishing Co., 1980)



Developing Scenarios:
Overview of selected material used,
exercises, and outputs produced



ARUBA



Why do scenario planning?



A. Winners Often Become Losers

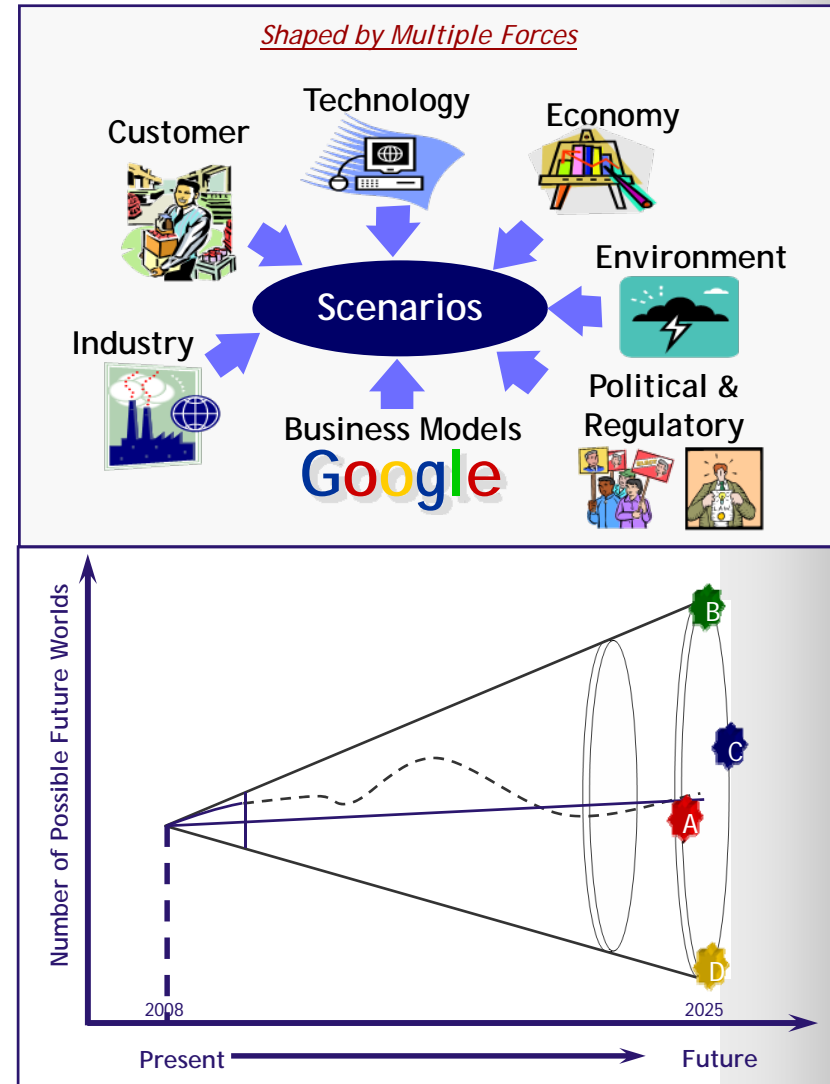
B. Need for Fresh Perspectives

C. To Benefit from Uncertainty

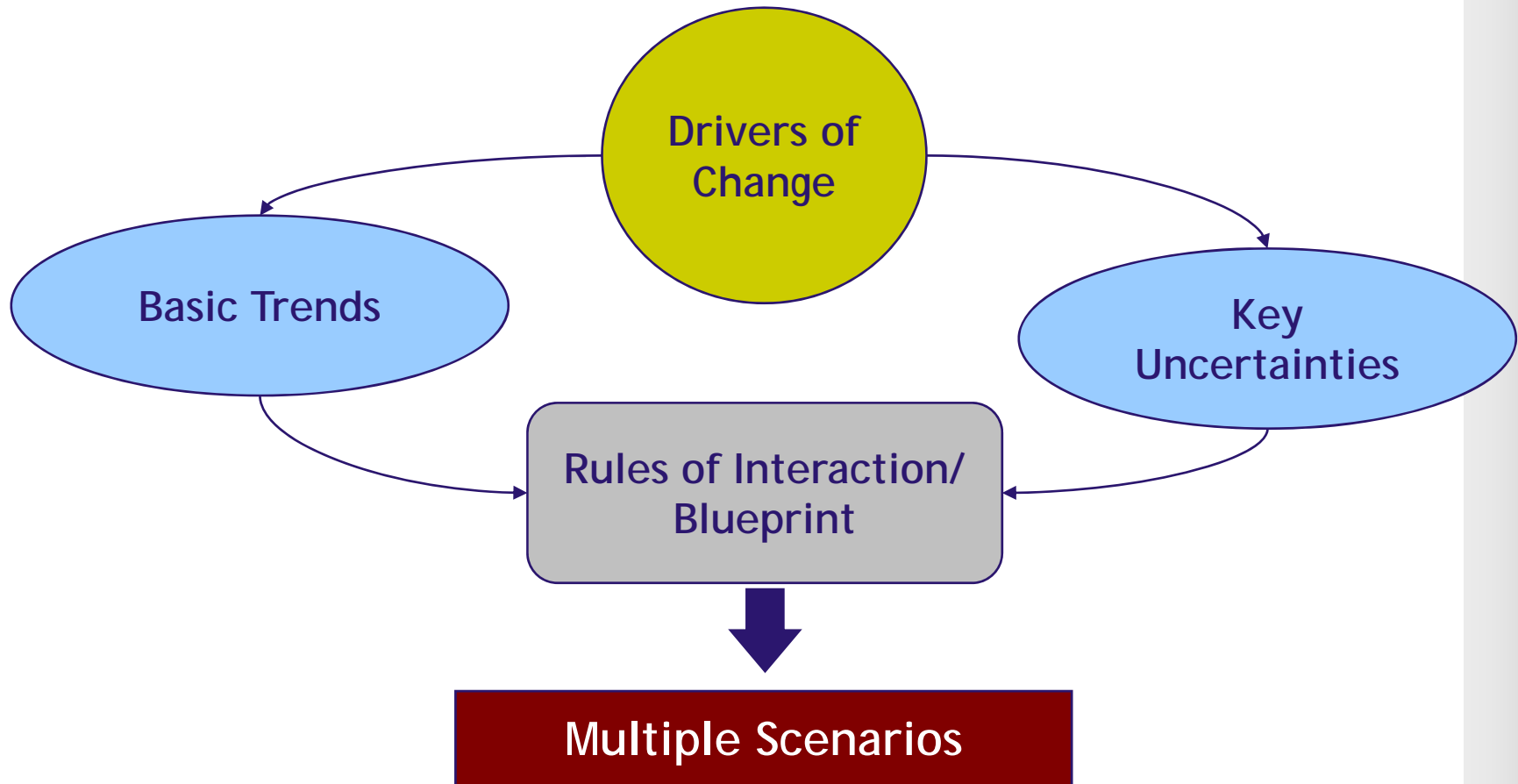
What are scenarios



- ❖ Scenarios bound the realm of future possibilities
- ❖ Scenarios are shaped by multiple types of forces
 - Social
 - Technology
 - Economy
 - Ecological
 - Political
- ❖ Scenarios draw attention to possibilities we may otherwise not have taken seriously
- ❖ Scenarios create “memories of the future”, allowing us to recognize “weak signals” as the future unfolds



How forces are combined to create scenarios



- Trends are defined as those forces that have a high impact and predictability
- Uncertainties are defined as those forces that have a high impact and low predictability

Social "winds of change"



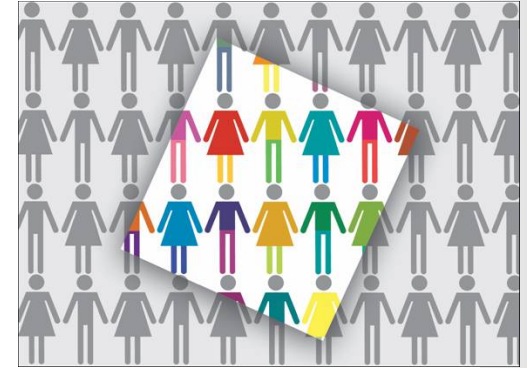
Thinking "Green"



Aging Population



Social Inclusion



Single-Parent Homes



Cultural Heritage



Health Care Issues



Technological



Green Technology



Alternative transport



Web 2.0



Nano Technology



Mobile Devices



Virtual Tourism



Economic



Future of China



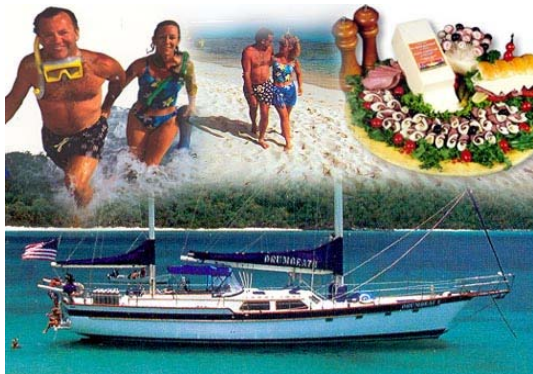
€ vs \$



US Economy



Caribbean Trade



Global Economy



Neighbouring Economies



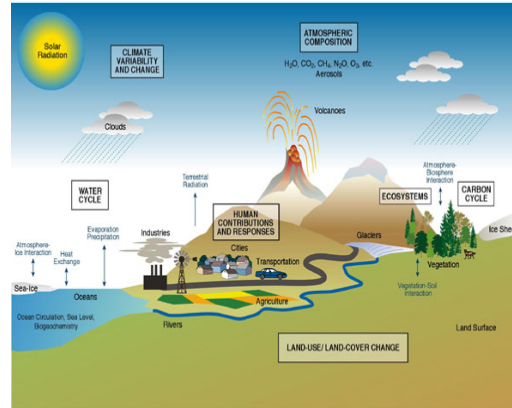
Ecological



Tsunami



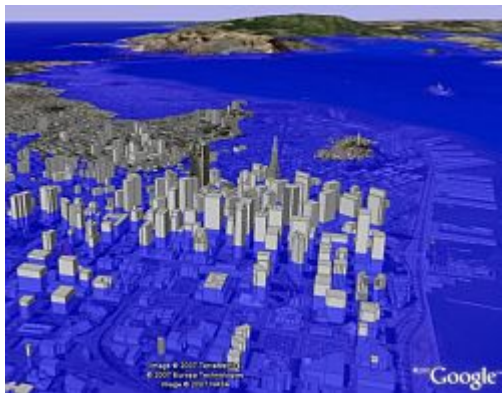
Climate Change



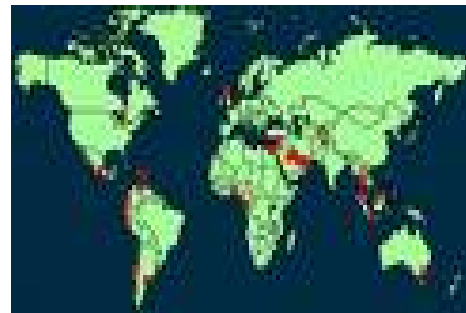
Air Pollution



Rising Sea levels



Natural Resources



Melting Polar Icecap



Political



Protests in China



Subsidies



Future Leaders



Dutch Government



EU



Middle East Turmoil



Iraqi Shiites protesting in Basra on January 15

Scenario Construction: mechanics used for this workshop



Identify “the winds of change” for Aruba

Build the scenario 2x2 and blueprint

Develop the scenario snapshots and drivers

Create newspaper headlines and the major scenario highlights

Identify the main strategic implications

Timeframe: 17 years into the future (2025)

Scope: Aruba within a Global Context

Scenario scope



- ❖ What should be the time frame for analysis?
 - Look at scenarios 17 years out
 - Year 2025

- ❖ What should be the sector scope?
 - Aruba in the context of the regional and global economies

Criteria for good scenarios



- ❖ Cover a wide range of possibilities
- ❖ Represent diverse views
- ❖ Good balance of trends and key uncertainties
- ❖ Consistent
- ❖ Indicate pathways
- ❖ Connect with concerns (either confirming or challenging them)
- ❖ Stimulate search for resource opportunities

Exercise example: Identifying the “winds of change”



1. For this session, we will discuss as a table (8-10 people).
2. In the next 60 minutes, we are going to generate the ideas that will form the basis of our scenarios using the STEEP framework
3. Start with the question “If you had a crystal ball view into the future, to what questions would you like to know the answers?”
4. Make sure you think about all of the STEEP categories
 - Social
 - Technological
 - Economic
 - Ecological
 - Political
5. Each person spends 10 minutes generating ideas on a piece of paper
6. Each person selects one (maximum two) of the ideas per STEEP category to put on a post-it note
7. When everyone is done, share the post-it note ideas with your table
8. When the table is finished, put the post-it notes on the appropriate STEEP flipchart

Exercise example: Grouping “the winds of change”



- ❖ For this session, we will
 - Bring together the people from two tables (16-20 people)
 - Each person decides which STEEP category they would like to work
 - Stand by the category you selected
 - If the category has more than 3-4 people then a volunteer moves to balance the numbers across the sub-groups (try to maximize diversity)
- ❖ In your groups, take 20 minutes to look at the issues on the chart
 - Group them into similar ideas
 - Select 2 idea groups that represent a very big impact on Aruba but are highly “unpredictable”
 - Label the selected groups as a statement - for example “the extent to which the Dutch economy changes”; “the extent to which the WTO trade negotiations effect Aruba’s economy”

Exercise example: Defining the range of the “plausible” outcomes



- ❖ For this session, remain in your STEEP groups.
- ❖ In the next 15 minutes, please define each uncertainty extreme.
 - Provide enough detail so that the essence of the uncertainty is captured.
 - Use the flipcharts provided
- ❖ Prepare to present your group’s three uncertainty definitions to the paired tables
- ❖ Present the extremes to the others at your paired tables for the next 20 - 30 minutes

Group 1 output : Uncertainties and extremes



Uncertainty	Extreme A	Extreme B
Will Aruba export more than import	Export driven economy	Import driven economy
The extent to which we will have strong family units	Sense of caring (security and open communication)	Multi problem families (lack of communication, addiction problems, etc)
The extent to which the internet will be a reliable medium of information	Less reliable (reliability made of illusion)	More reliable (paperless environment)
The extent to which "being green" will lead to more consumption	Less (conscious) consumption	More consumption (buy more friendly products)
What will be Aruba's dominant energy source?	Fossil energy	Green (Wind, Solar, etc.) energy
The extent to which we will maintain a strong Aruban identity	Living and sense of pride & belonging	No sense of togetherness (polarization, fragmented society)
The extent to which GMO will be accepted and applied	Not accepted and applied (Mutation)	Fully accepted and applied (Loss of original species)
The extent to which we preserve nature and avoid technological advancements	Conserve	Act upon conservation against advances
Which economic power will dominate Aruba in the future?	Traditional economic powers (will maintain their position)	Emerging economies (will replace traditional powers)
What will the relationship with Holland be?	Collaborative	Separation

Group 2 - output : Uncertainties and extremes



Uncertainty	Extreme A	Extreme B
Extent leaders act for common good	Exhibit/Achieve	Fail to exhibit/Achieve
Ecological awareness	High	Low
Impact of morals/values	Positive	Negative
Extent of Aruba diversification	Wide range of resources	Depend on one resource
Extent Aruba living harmoniously	Respect for each other	Divided society with no tolerance
Healthcare Technology development	Affordable pervasive healthcare technology	More herbal medicines
Aruba adaptability to global changes	Flexibility is engrained	Island is too small
Aruba relationship with neighbors	Good neighbour ("wikinomics")	National interests take priority over trade
Communications by technology	Highly digitalized	Highly personal
Priority of global warming	Contingency plan in place	No contingency plan

Group 3 output : Uncertainties and extremes

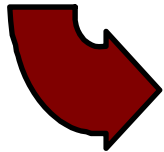


Uncertainty	Extreme A	Extreme B
A participatory educational system to promote civic involvement	Extensive participation and open democracy	Non participatory and closed political system
Integration of Aruba within the regional / world economy	Benefiting from integration	Economic Isolation
Norms and values	Respect for each other	Civil unrest
Technology impact on development	Supporting sustainable development and continuous learning	Segregation of those who have and those who don't have
Availability of clean energy	No use of clean energy - available only for those who can afford it	Clean energy developed and available to all
Global warming	Rising sea levels	Increased rain encourages agriculture development - healthier diets
International price developments	International price stability	Hyperinflation / stagflation
Changes in International / Global relationships	Prepared	Not prepared
Human Rights	Global cooperation	Massive abuse of the innocent
How communications technology affects change	No barriers to information and social networks	Barriers to communication and individualism

Scenario Construction



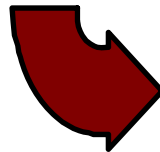
Identify dominant forces
and determine trends and
uncertainties



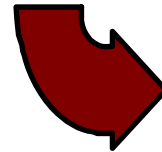
Build the scenario matrix
and blueprint



Develop the scenario
snapshots and drivers



Create newspaper
headlines and the major
scenario highlights



Identify the main strategic
implications

Timeframe: 17 years into
the future (2025)

Scope: Aruba within a
Global Context

Exercise example: developing scenarios



Constructing a 2x2 Matrix:

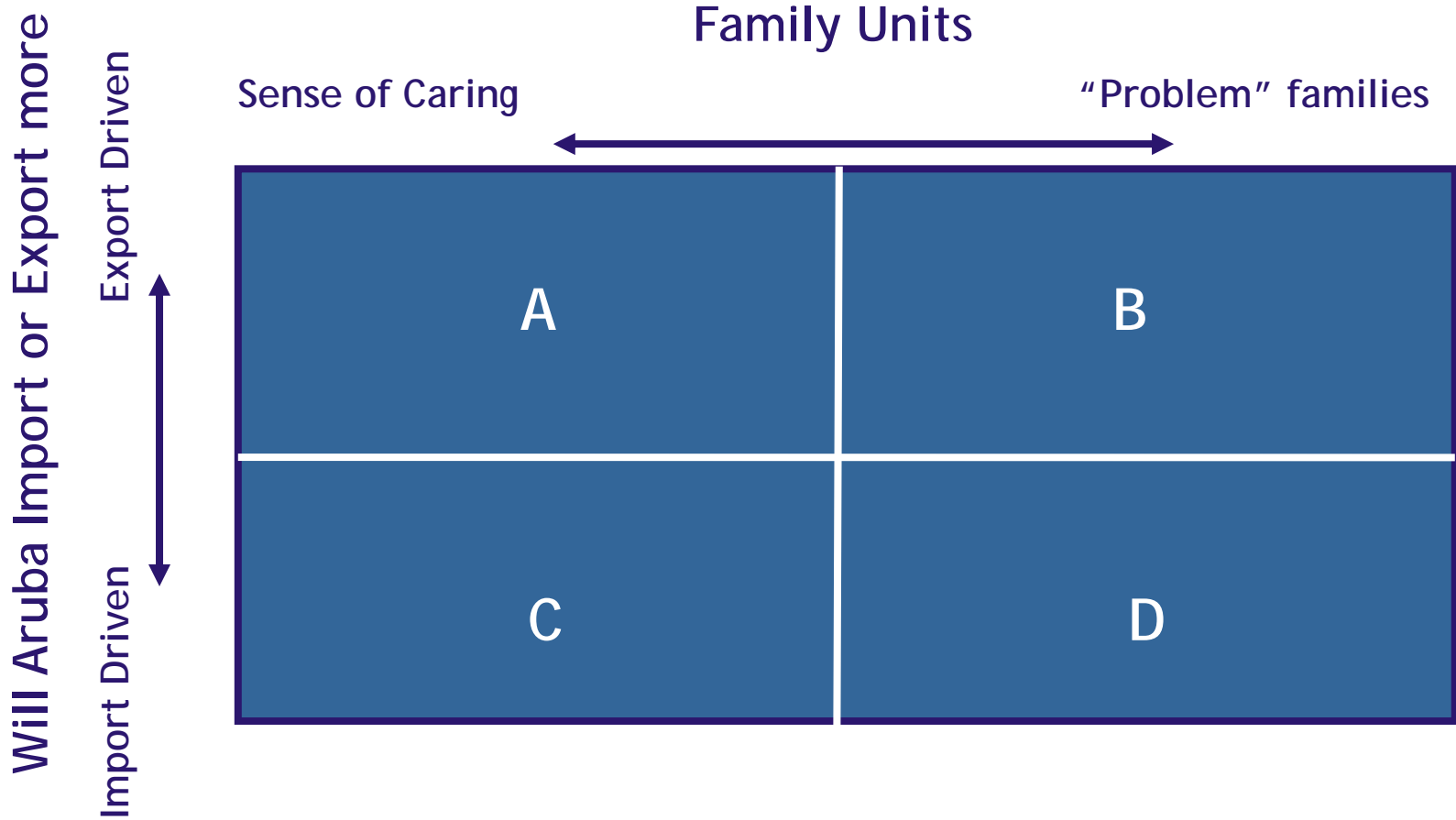
- ❖ For this session, we will discuss as a table (8-10 people).
- ❖ Take the selected list of 10 uncertainties or “winds of change”
- ❖ Take various combinations of 2 uncertainties and discuss how much they challenge the thinking about Aruba
 - remember to use the extremes in considering the benefits of a 2x2
 - Ask is it possible for each of the resulting scenarios to exist
- ❖ Ask “will this 2x2 provide new insights or ways of looking at the opportunities for Aruba?”

Remember some of the scenario development ground rules

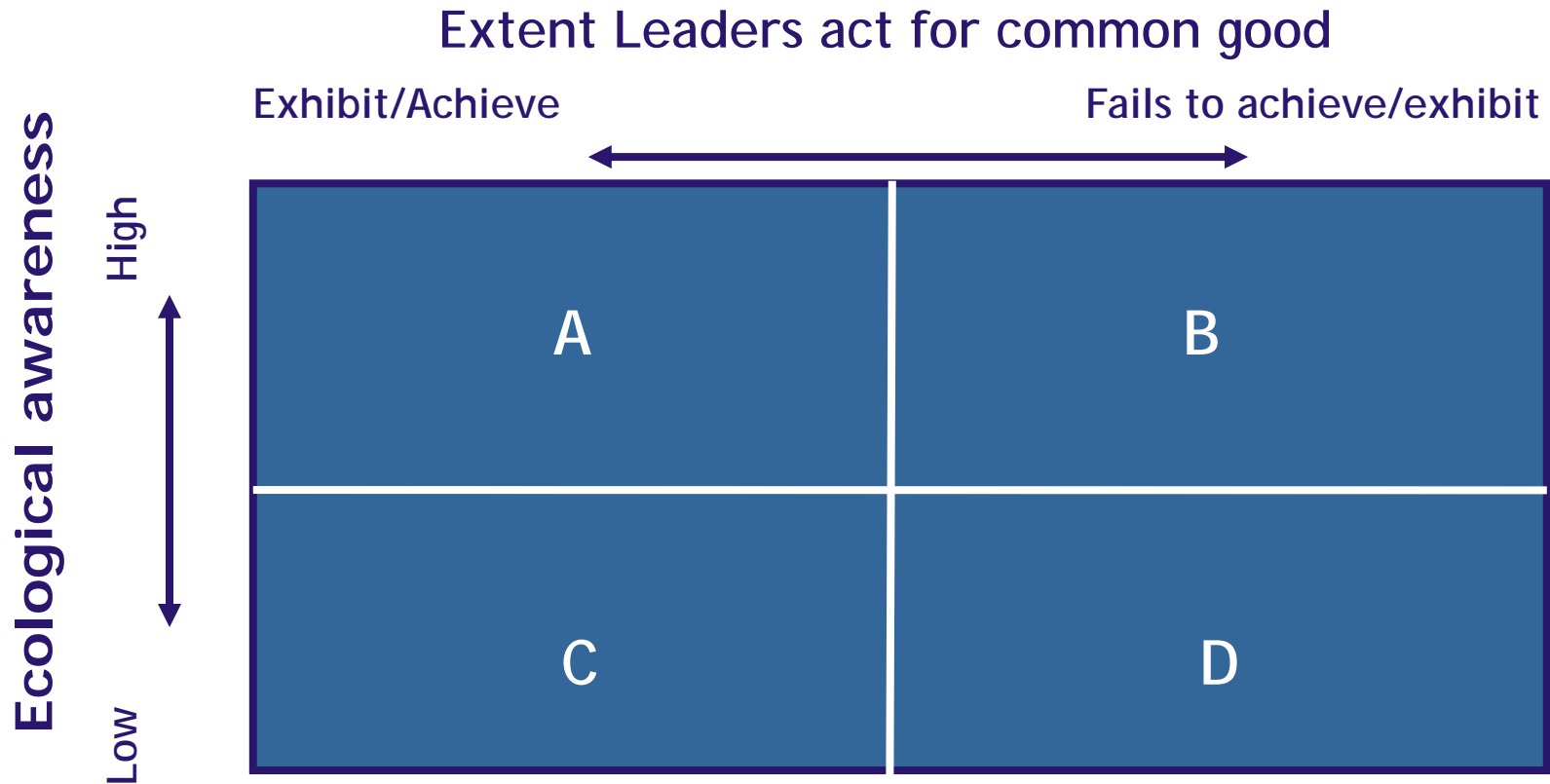
- ❖ Flexibility and creativity in thought is rewarded
- ❖ No winners or losers
- ❖ This is not competitive
- ❖ There is no “right” or “wrong” answer for this exercise

Select one or two 2x2 matrices to present to your “partner” table

Output example: 2 x 2 Scenario Matrix Group 1



Output example: 2 x 2 Scenario Matrix Group 2



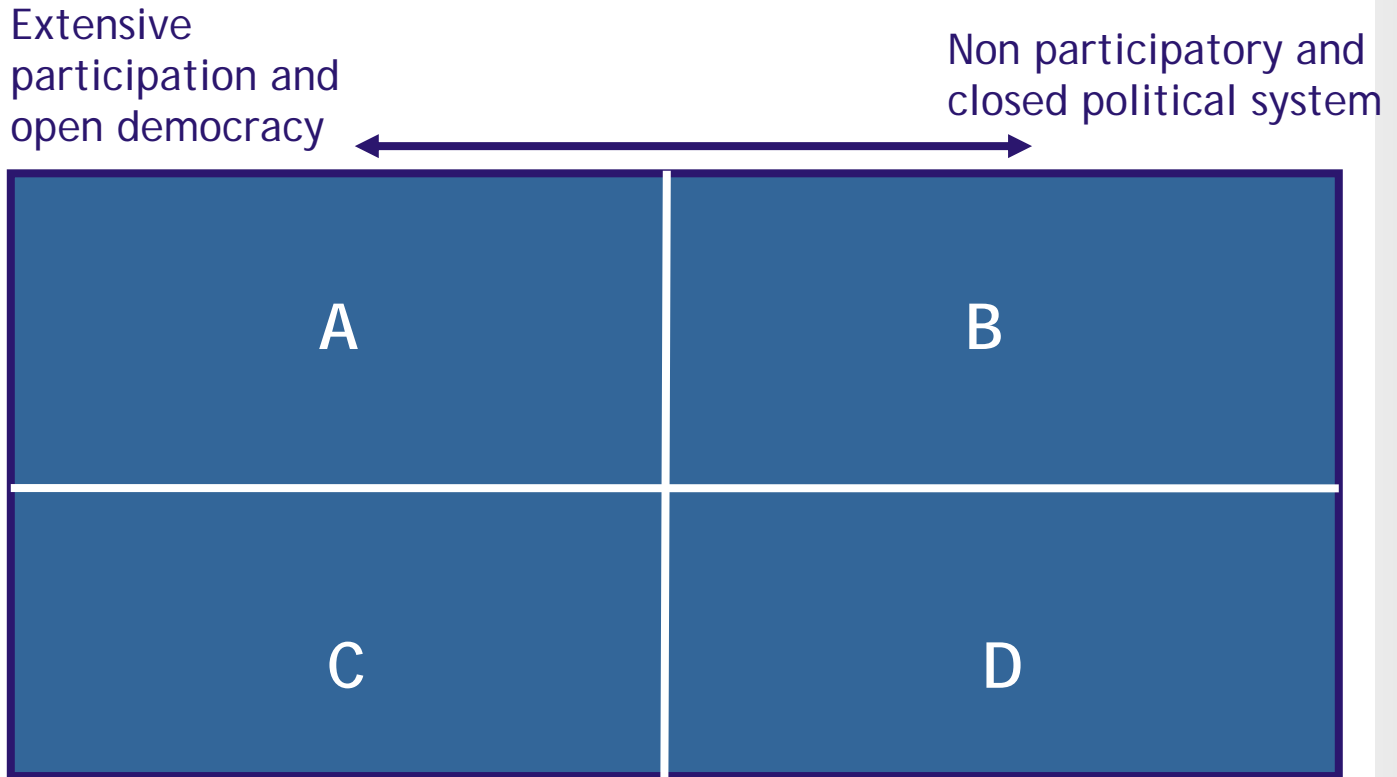
Output example: 2 x 2 Scenario Matrix Group 3



A participatory educational system to promote civic involvement

Integration of Aruba within the regional / world economy

Economic Isolation
Benefiting from integration



Example exercise: developing detailed scenarios



Building a Scenario Blueprint:

- ❖ Starting with the 16 to 20 people from the two paired tables
- ❖ Self select 4 groups of 4 to 5 people
- ❖ Each group selects one of the four scenarios to develop
- ❖ Within each scenario team, take the selected list of 10 uncertainties or “winds of change”
- ❖ Discuss how this world could become reality
- ❖ Identify the key events in making this World a reality
- ❖ Assume outcomes for the remaining Key Uncertainties that fit that scenario theme (using extreme type of definitions)
- ❖ Assess the internal consistency of each the Blueprint for each Scenario
- ❖ Review trends for consistency with the Scenario
- ❖ Change elements that don't fit

Output example: Blueprint Group 1 - Scenario A

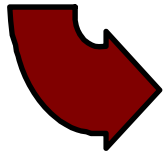


Uncertainty	State
Aruba export vs. import	Export driven
Strength family units	Sense of caring
Green consumption	Green focused
Internet reliability	Reliable and important
Aruba dominant energy source	Green based
Maintain of Aruban identity	Living and sense of pride and belonging
GMO accepted and applied	Somewhat accepted and applied
Preserve nature	Act upon conservation
Economic power to dominate Aruba	Traditional economic powers dominate
Relationship with Holland	Collaborative

Scenario Construction



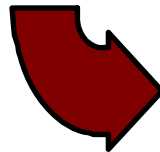
Identify dominant forces and determine trends and uncertainties



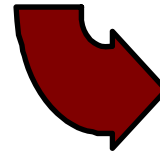
Build the scenario matrix and blueprint



Develop the scenario snapshots and drivers



Create newspaper headlines and the major scenario highlights



Identify the main strategic implications

Timeframe: 17 years into the future (2025)

Scope: Aruba within a Global Context

Exercise example: scenario snapshots, drivers and headlines



- ❖ For this module, we will remain scenario groups.
- ❖ Think through what the Aruban Economic Climate will look like in 17 years assuming the uncertainty outcomes in your cell

1. Develop a snapshot of your scenario: What does your world look like in 2025

- The scenario snapshot is a description of the future of **Aruba** as if it was the year 2025. These descriptions depict the outside world the stakeholders may face in 2025 (they include trends and uncertainties)
- The scenario highlights are a handful of bullets that capture the essence of the scenario and provide the background to each of the cells on the blueprint for your scenario.

2. Define the major forces/ key drivers that catalyse change (uncertainty outcome definition)

- The scenario drivers are a set of forces whose occurrence will cause a particular snapshot to unfold. Drivers can be tracked over time to see which scenario might emerge.

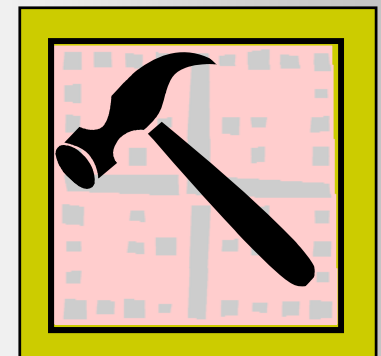
3. What are some of the headlines that may appear between now and 2025 (how does your scenario unfold)

- Headlines are specific actions that might occur at some identifiable point in time:
 - One can easily identify whether a headline has occurred
 - Headlines include a verb, date and description

4. Give/Review your scenario a title



Scenario Implications



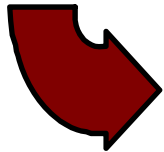
ARUBA



Scenario Construction



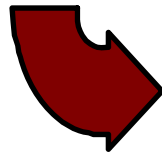
Identify dominant forces and determine trends and uncertainties



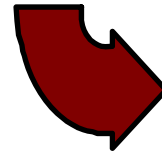
Build the scenario matrix and blueprint



Develop the scenario snapshots and drivers



Create newspaper headlines and the major scenario highlights



Identify the main strategic implications

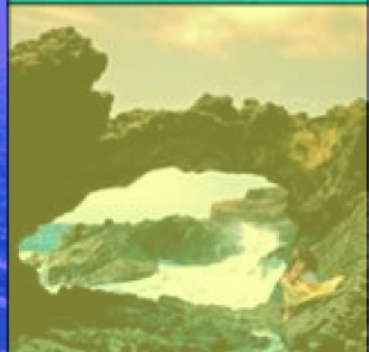
Timeframe: 17 years into the future (2025)

Scope: Aruba within a Global Context

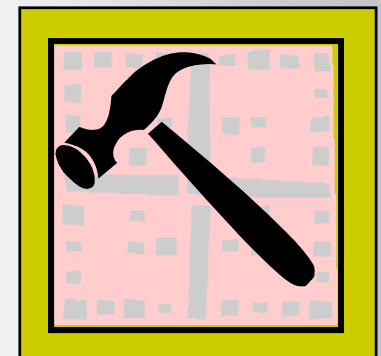
Exercise example: External Stakeholder behaviour: How are the key stakeholders acting in your scenario



- ❖ For the next 60 minutes we are going to describe how some key external stakeholders are acting in your scenario (5 - 10 minutes each)
- ❖ Please explain the behaviour of the following external stakeholders in more detail using the template provided:
 - The Dutch Government
 - Neighbouring Governments
 - European Union
 - International private sector (Multi-nationals and financial investors)
 - Non Governmental Organisations (NGOs - UN, WTO, Greenpeace, etc.)
 - The US Government



Introduction to Strategic Assets



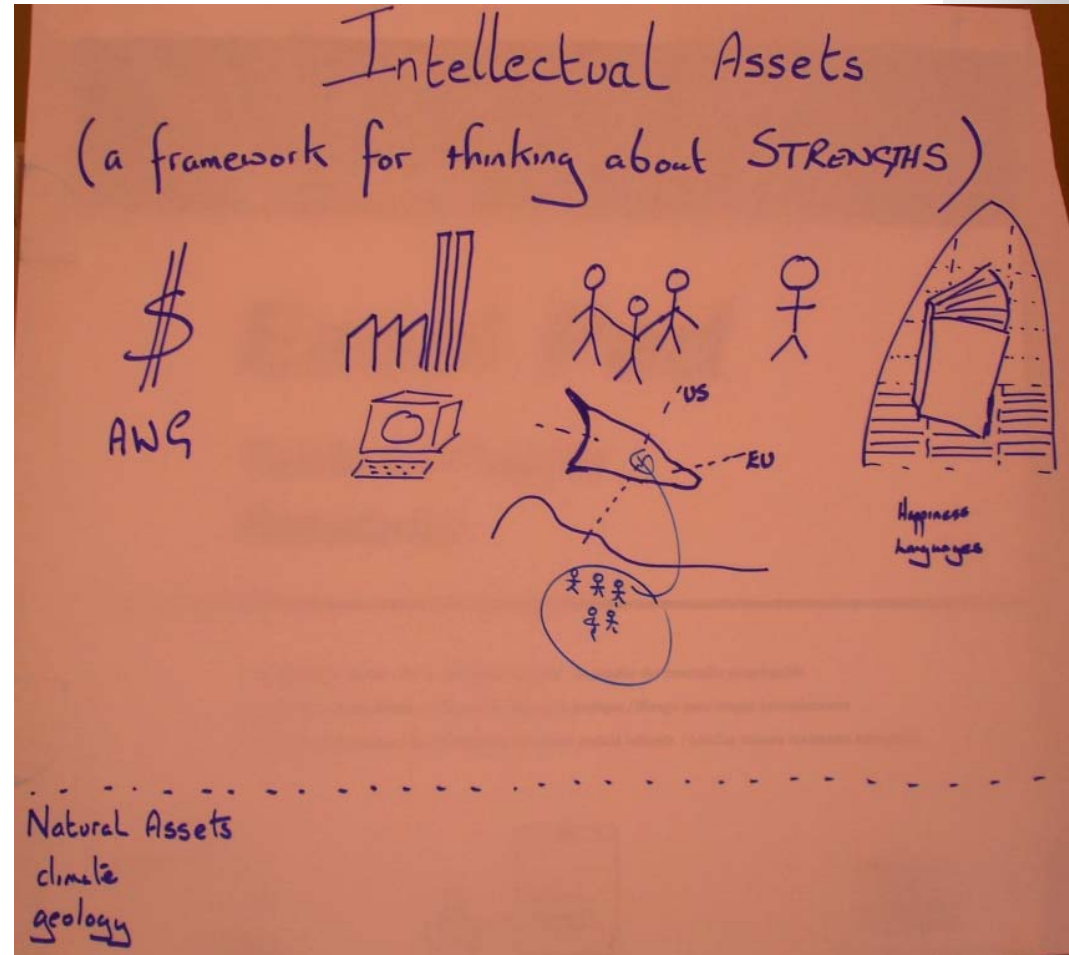
ARUBA



Five key strategic asset types ...



- ❖ Cash
- ❖ Physical assets
- ❖ Relationships
- ❖ Individual knowledge & experience
- ❖ Collective (shared) knowledge & experience

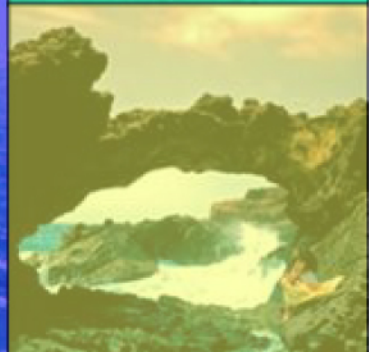


... which can be used to create new assets;
so that aspirations can be achieved

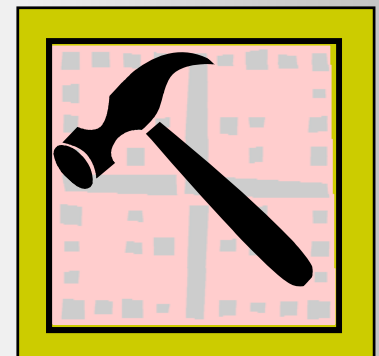
Exercise example: Assets for Aruba 2025



- ❖ In your scenario group, develop the story “Aruba succeeds in 2025 because...”
- ❖ Using the Asset Model of Aruba, ask “What assets does Aruba need in 2025?”
- ❖ What does Aruba need to do to have these assets?



Presentations



ARUBA



Exercise example: Presenting your scenario to the rest of the team



- ❖ For this module we are going to share our findings with the other scenario teams that have been working on the same scenario matrix
- ❖ In the next 15 minutes prepare a 10 minute presentation of:
 - Your scenario title,
 - Scenario snapshot
 - Some selected headlines
- ❖ Tell the story from your heart!