

The opportunity for strategic foresight in philanthropy



Contents

- 03** **Introduction**

- 04** **About the retreat**

- 05** **Who was there?**

- 06** **What is strategic foresight?**
 - 09 Basic tools and terminology
 - 10 Key considerations
 - 11 The challenges

- 12** **The changing role of philanthropy**
 - 14 Case study: Helga Breuninger
 - 15 Looking ahead: what could be the role of philanthropy in 2035?
 - 16 What collective actions will we take?

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Introduction

The rapidly changing world we live in brings with it both new challenges and the opportunity for more innovative solutions. Philanthropic foundations commonly leverage largely private money for the good of society, by identifying problems in the world around us and funding solutions. Traditionally, this practice has been largely reactive, plugging funding and expertise gaps but not necessarily working to avoid these gaps appearing in the first place. Philanthropy has often been unable to move and act quickly when necessary, or in moments of crisis.

The practice of strategic foresight has been a tool mainly used by corporations, enabling them to steady themselves for the future and protect business concerns against the turbulent modern world. To take these strategic foresight tools and methods into the context of funding might give philanthropy the opportunity to build capacity as a means of taking a more active - rather than reactive approach - to tackling the most pressing societal issues. The practice of strategic foresight also has the potential to provide foundations with a longer view on society's issues, and a greater ability to change systems in more profound and sustainable ways.

This is why in August 2018, SIX brought together representatives from thirteen global foundations for a practice-based retreat on Wasan Island, Canada. Over two and a half days, the group discussed why and how strategic foresight could become a useful tool for foundations, and began to explore and experiment with some strategic foresight frameworks. This report captures the insights and learning from the retreat, and explores the practice of strategic foresight as one way in which foundations might consider their role in the future.

About the retreat

Our objectives for the retreat were:

- To explore the role of philanthropy in funding the future
- To build adaptive capacity for foundations to respond to multiple (probable and possible) futures from two perspectives; resilience and impact
- To gain an understanding of different foresight methods, tools, and applications
- To develop ways to apply our shared learning and explore how to fund the future
- To discover how the philanthropic field can improve its foresight and leverage this into action

This retreat built on two previous Wasan Island events run in 2016 and 2017, focusing respectively on systems change and aligning for impact.

This work is part of the SIX Funders Node, a programme within SIX that supports funders as they move away from traditional grantmaking practices and fund more social innovation to create systemic change.

The SIX Funders Node was established to address the absence of innovation discussions in existing philanthropic forums; the lack of sharing knowledge and connections between funders who are interested in this topic globally; the need for more smaller, deeper, peer-led learning opportunities and solution building.

SIX supports funders interested in this new approach in two ways. Firstly, through the design and creation of intimate spaces for purposeful dialogue around issues funders identify as most important to them. The retreats on Wasan Island are indicative of these. Secondly, we prompt new approaches and themes for funders through global scans and provocations.

We are grateful for the continued support of Robert Bosch Stiftung in making these retreats possible.

SIX would like to continue the work and dialogues started on Wasan Island, bringing together philanthropy and strategic foresight. If you interested in collaborating on this, please email jordan.junge@socialinnovationexchange.org

Who was there?



1. Carolyn Sawers, Corra Foundation, Scotland
2. Holly McLellan, YPI (Youth Philanthropy Initiative), Canada
3. Helga Breuninger, Breuninger Foundation, Germany
4. Jess Cordingly, Lankelly Chase, UK
5. Kim Nordbye, Suncor Energy, Canada
6. Kelsey Spitz-Dietrich, SIX, Canada
7. Louise Pulford, SIX, UK
8. Markus Lux, Robert Bosch Stiftung, Germany
9. Melanie Thomas, Community Foundations of Canada, Canada
10. Noura Kamel, Mastercard Foundation, Canada
11. Paul Steele, Donkey Wheel Foundation, Australia
12. Kate Sutton, Nesta, UK
13. Sonia Navarro, ESADE, Spain
14. Sophie Monaghan-Coombs, SIX, UK
15. Tim Draimin, McConnell Foundation, Canada
16. Volker Hann, Breuninger Foundation, Germany



What is strategic foresight?

Strategic foresight describes the systematic exploration of possible futures, to help inform present-day decision making.

It is intended to improve how an organisation develops their strategy and plans for the future; to broaden the scope to address hidden risks; and to help decision-makers create more robust plans. Rather than being limited to three and five year strategic plans, strategic foresight looks twenty, thirty, or even fifty years into the future.

What isn't strategic foresight?

Strategic foresight is not an exercise in prediction. It is about exploring long-term horizons, searching for signals of what might be coming and expanding the thinking of what is possible, rather than making a definitive statement on what the future will hold.

Why should philanthropy engage with strategic foresight?

The field of philanthropy tends to operate within a narrow field of focus. Funders are often issue-focussed, grantmaking to single organisations they believe can make a difference. By incorporating the practice of strategic funding into philanthropy, there is an opportunity to reflect on the broader, overarching stories that shape what our most desirable future would look like. We can then begin the work of finding, and working with, the levers within big systems that can lead us to this desired outcome. By engaging with strategic foresight, there is the opportunity for philanthropy to think more broadly across different sectors and regions, and to think creatively and collaboratively about what is needed to have more meaningful impact and catalysing social and systems change.

As a sector, philanthropy is in a unique position of freedom and flexibility. Funders work on their own volition, without set mandates to fulfill, or much accountability outside of the organisation. As such, funders have the opportunity to look further ahead than five or even ten year plans. Without having been democratically elected, philanthropy has the scope to consider the long view, and to act thoughtfully to carve out the world we want to live in.

However, in the face of recent crises, philanthropy has found itself paralysed to act. In the UK, the Grenfell Tower tragedy in June 2017 is one such example. While many foundations wanted to issue grants to grassroots organisations that supported survivors of the fire, many found they were unable to act as these grassroots organisations had the wrong structures, or did not fit their own internal criteria. Foundations should be nimble enough to plug the gaps that appear in the wake of disasters like this one, as well as recent wildfires in North America and the ongoing European migrant crisis.

Foresight...

- **Develops** an understanding of big picture concerns
- **Builds** the capability to scan the environment for signals of change
- **Creates** the ability to gain insights into novel future possibilities that can provide the basis for new ways of working and solving present problems
- **Feels** empowering - even complex issues can be addressed in systemic, sustainable ways
- **Fosters** the motivation and means for increased cohesion and effectiveness within and across sectors

The link between strategic foresight and social innovation

As a social innovation exchange, SIX sees a natural link between strategic foresight and social innovation. When you become more foresightful, often the response is to innovate. Looking ahead acknowledges uncertainty, and the need to develop the skills to be adaptive, creative and flexible. These processes of capacity building are at the heart of social innovation. Just as we look to collaborate when finding solutions in innovation, we should look to do the same with strategic foresight.

“One of the beautiful things about philanthropy is its potential to have patience. Time becomes our friend.”

– Paul Steele



Some basic strategic foresight tools and terminology

Strategic posture

Strategic posture is the approach adopted by an organisation's leaders that captures the way in which an organisation wants to face the future, and informs present-day decision making based on this. By thinking through and labelling the strategic posture of an organisation, it becomes easier to decide how you wish to engage with multiple possible scenarios of the future.

Back-casting

Unlike most planning that moves forward, back-casting moves backwards. Back-casting involves imagining future scenarios that would affect your organisation and considering what you can do now to best prepare for this possible future. The actions you take now cannot prevent obstacles in the future, but they provide organisations with the capabilities necessary to be best prepared.

For instance, participants on Wasan Island considered how their organisation could be in the best position possible were another global financial crisis to happen twenty years from now. We then questioned, in order to be in this preferred position for this scenario, 'what would need to have happened ten years before the crash? Five years before the crash? What do we need to be doing now?'

Scenario planning

Scenario planning involves scanning the environment for signals of change (horizon scanning) that could indicate future threats or opportunities, then constructing narratives of possible alternative futures and their implications. When scenario planning, incorporate multiple viewpoints, and try not to stick too closely to scenarios that are especially correlated to your organisation. It is important to cast a wide net when scenario planning, to avoid getting stuck in the same systems.

Things to keep in mind when practising strategic foresight

- Stay in the possible rather than the probable.
- Imagine standing on a line representing the present, and remember that you can never leave this line. Decision making does not move you forward into the future, it helps prepare and position you in the present for what's coming towards you.
- Your strategic foresight should remain flexible and malleable - it is something that should continually adjust as you strategically plan.

Key considerations

During our time on Wasan Island, funders highlighted the considerations important to them when thinking about pursuing strategic foresight within their organisation. Despite the variety of foundations represented at the retreat, some common concerns were shared between participants.

How do we make decisions about what to fund?

- Should we base our decision making on data or gut feeling, acknowledging that both will be biased?
- Transparency: to what extent should the decisions made by foundations to prepare for the future be open for scrutiny?
- How do we move forward without feeling overwhelmed by the complexity of current problems in the world?

As an organisation, how we decide on and own our strategic posture?

- Organisations are made up of many people and need to find synergy with how they decide to position themselves for the future.
- It is not just about how an organisation sees itself, but also how it is perceived from the outside.

How do we work more effectively by learning from each other and building on existing strategic foresight work?

- How can we map who is already forecasting and borrow knowledge and insights from other sectors, especially the corporate world?
- What tools are currently being used that can feed into strategic foresight (system mapping, SWOT analysis, assessment of initiatives)?
- How can we collaborate and share scenario plans to avoid repeating work between foundations?

Whose responsibility is strategic foresight and who should be involved in the process?

- How much of strategic planning is based on a thoughtful imagination of the future? Who is imagining this future? Foundations? Individuals? Practitioners? Communities?
- How do you bring a whole organisation along with this process and way of thinking?
- How do we get people to want to work together on imagining future scenarios?

The challenges

What are our biggest barriers to engaging with strategic foresight?

- Deciding who has a seat at the table in the strategic foresight process.
- Creating a burning platform to push the need to act now. Without alienating people, and without a major crisis, how do we create a sense of urgency to start doing this work now?
- Finding where to source legitimacy and accountability – could this be provided by the SDGs? Or provided by practitioners and those that foundations fund?
- Living in the shadows of past crises – like the global financial crisis – rather than using these events as back-casting opportunities to help prepare for the future. How do we leave behind the scarcity mindset that has sustained since 2008?





The changing role of philanthropy

When thinking about possible versions of the future, there is a fundamental consideration to be had over the purpose of philanthropy;

whether it will always have a role in society, and even whether we should continue to champion its role. During the retreat, participants played with different potential future scenarios that dealt with the role of philanthropy in the future.

What might happen if organised philanthropy were to cease to exist tomorrow?

Were organised philanthropy to cease to exist tomorrow, undoubtedly there would be ramifications across society. In the eyes of many, philanthropy is largely defined by the donation of money to social causes. If the sector no longer existed, other aspects that are often unacknowledged - such as philanthropy's networks, knowledge and innovation - may also be missed. This change could weaken the fabric of civil society, and the extent to which other sectors would adopt new roles and responsibilities to fill this gap is uncertain. Campaigning and the arts, in particular, are sectors likely to suffer without organised philanthropy.

Yet at the same time, participants largely agreed that philanthropy as a field has no intrinsic right to exist. While there may be fallout following the end of organised philanthropy, there is also the possibility of a greater democratisation of decision making; the embedding of social purpose within businesses and institutions; and the rise of citizen responsibility for the welfare of each other. The end of organised philanthropy could present an opportunity for profit to be distributed throughout a system, before it accumulates with individuals at the top.

What could happen if things stayed exactly the same?

Were organised philanthropy to continue to work in the same way as now into the future, there is a general consensus that this would have a negative impact on society. There is the potential to miss opportunities to collaborate, to build capacity and to innovate. There is the possibility of being overwhelmed by the complex challenges we currently face without progressing, or to even move backwards.

What could we change to make the future more positive?

There was general agreement that philanthropy needs to move forward together in order to prevent stagnating and to continue to remain relevant. There is a need for broader collaboration both within the sector and with other sectors. There is eagerness for research and development into foresight and innovation in order to improve the work and the impact of philanthropy. Philanthropy should explore more trust-based working, and focus on democracy, transparency and representation, to ensure that the decisions made about funding incorporate the voices of those on the receiving end. It is important to keep in mind that philanthropy is neither accountable, nor beholden to anyone. Funders should make full use of this privilege and respect the power that comes with this.

Case study: Helga Breuninger

Following the success of the Breuninger department stores in Germany, Heinz Breuninger established the foundation in 1968. After his unexpected death in 1980, the foundation passed into the hands of his daughter, Helga Breuninger. Earlier that year, Helga had founded her own foundation, focusing on education.

For the first nine years following her father's death, Helga Breuninger continued to operate both foundations in a traditional grantmaking way. Following the fall of the Berlin Wall in 1989, she asked herself "What role do I have in this process? Should I continue as before or is this a sign that something should change?"

What followed was a period of intense reflection, during which time the Breuninger Foundation helped facilitate dialogue between East and West Germans. Helga realised the uniqueness of philanthropy's position, especially in comparison to the political and business sectors: "No one has to vote for us and we don't have to make a profit. This is how we are different, and we should use this difference".

Helga decided to step away from hierarchy - as both an internal structure and external mode of operation. This has resulted in the foundations' movement from grantmaking to its present three focuses:

- 1. Training programme:** A programme and qualification on how to facilitate participation that allows individuals to bring together different sectors and co-create solutions.
- 2. Web-based training:** Online learning that focuses on how to change schools to become less hierarchical and how to prepare teachers for this shift.
- 3. Place-making:** In 2000, Helga decided to start using her private residence - Wasan Island, the site of many of the SIX Funders Node retreats - as a space for retreats to bring people together to reflect, co-create solutions, and use place to influence a different type of conversation. In 2009, the Breuninger Foundation started similar work in the German village, Paretz.

The Breuninger Foundation is leading the way in rethinking what might be the role of philanthropy in the future. While recognising the opportunity philanthropic foundations have to work differently to business and politics, Helga also emphasises how imperative it is for philanthropy to work in collaboration with these sectors; non-hierarchically co-creating solutions that can make sustainable change and transform society.

Looking ahead: what could be the role of philanthropy in 2035?

When looking at the role of philanthropy in the future, some common threads emerged:

- The significance of the role of technology, specifically blockchain - an example is Village Capital, based in the U.S.
- The interest in having an external backbone organisation or coordinating mechanism that brings together different philanthropic foundations and helps distribute and democratise power. Technology could be used as a tool for achieving this in a distributed way.
- The need to develop a burning platform and sense of urgency to change the status quo.
- The question of the activist role that philanthropy might or should take in the future.

“Because we can take the long view, we really do need to fight for a philanthropic future.”

– Holly McLellan

What do we need to practise strategic foresight?

- Time and space to reflect and plan away from everyday tasks.
- Access to a global network of fellow strategic practitioners and thinking, and the openness to collaborate.
- To amplify social innovation within own organisations.
- To experiment with basic strategic foresight tools and gain more confidence using them.
- To take the next steps forward without worrying whether they're perfect.
- To share with each other scenarios that exist already, as well as tools and methods that can be useful starting points.



What collective actions will we take?

A number of actions came out of the retreat, which SIX and the participants will be working on:

- Leveraging the SIX Funders Node to do some strategic foresighting together - creating scenarios and demystifying existing resources.
- Creating a resource on how and why to do strategic foresight.
- Finding methods to support foundations with the internal facilitation of strategic foresight in their organisations.
- Funding the dissemination of tools and techniques amongst this group and other funders.
- Creating the sense of urgency necessary to propel people to undertake this work, the 'burning platform' or 'the why'.
- Providing more opportunities for funders to convene frequently and around the world to discuss strategic foresight.

For more information on SIX please see www.socialinnovationexchange.org or sign up to our mailing list.