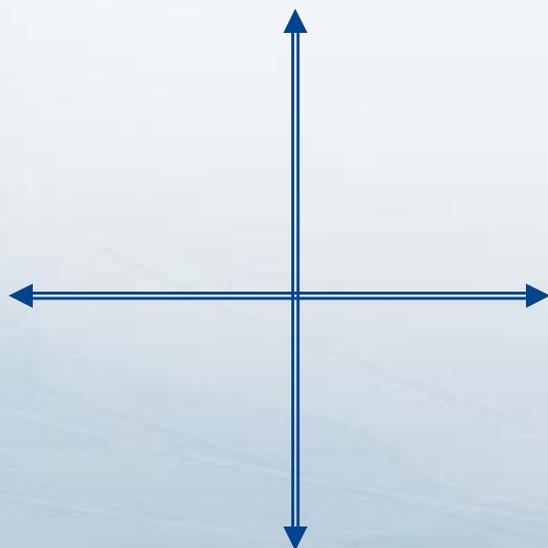


Post-Pandemic Scenarios

Issues & Responses



**S2S Presentation to the
Foresight Synergy Network**
September 10, 2021 Ottawa ON

The evolutionary race goes to the adaptable ... to those who can learn, not to those who know
Kenneth Boulding

Agenda

- (1) Review Agenda & Introductions** (10 minutes)
- (2) About S2S & The Scenarios-to-Strategy Process** (10 minutes)
- (3) The *So What* of Scenario Planning** (5 minutes)
- (4) Post-Pandemic Scenario Development** (5 minutes)
- (5) *Priming the Pump* – Setting Up for Implications** (5 minutes)
- (6) Post-Pandemic Scenarios** (20 minutes)
- (7) Discussion of Scenario Implications** (60 minutes)

About S2S

- ✓ **Improving organizations through conversation & action**
- ✓ **More than 50 clients & over 100 engagements since 2005**
- ✓ **Working collaboratively with clients to meet their objectives**
- ✓ **Proven, highly engaging, question-based processes**
- ✓ **Collaborative design & expert facilitation**
- ✓ **9.4/10 Net Promoter Score, references & testimonials**



A track record of success with public, private & not-for-profit organizations, multi-stakeholder groups & Collaboratives across many different sectors

Agriculture & Agri-Food Canada
Alberta Advanced Education & Technology
Alberta Agriculture & Rural Development
Alberta Economic Development
Alberta Employment, Immigration & Industry
Alberta Energy
Alberta Energy Efficiency Alliance
Alberta Environment
Alberta Finance & Enterprise
Alberta Health Services
Alberta Industrial Heartland Association
Alberta Pacific Forest Industries Inc.
Calgary Police Service
Canadian Association of Petroleum Producers
Canadian Association of Petroleum Accountants
Canadian Electricity Association
Canadian Energy Pipeline Association
Canadian Energy Research Institute
Canadian Food Inspection Agency
Canadian Fuels Association
Canadian Gas Association
Cancarb Limited
Cervus Equipment Corporation
City of Calgary
City of Edmonton
City of Fort Saskatchewan
Clean Air Strategic Alliance
Commission for Environmental Cooperation (NAFTA)
CSV Midstream Solutions Inc.
Devon Canada Corporation

Edmonton Southside+West Primary Care Networks
E.I. du Pont Canada Company
Emera Energy & Nova Scotia Power
Enbridge Gas Distribution
Enbridge Liquids Pipelines
ENMAX Inc.
Fig Tree Foundation
Fisheries & Oceans Canada
FP Innovations
Fred du Plessis & Associates
Geoscientists Canada
Greater Edmonton Foundation
Husky Energy
Health Canada
Industry Canada
Hydrocarbon Upgrading Task Force
Murphy Oil Canada Ltd.
Natural Sciences & Engineering Research Council
Northern Alberta Development Council
Oil Sands Sustainable Development Secretariat
Professional Engineers & Geoscientists of SK
Petroleum Registry of Alberta – Petrinex
QUEST & QUEST Alberta
Reboot Alberta
Social Sciences & Humanities Research Council
Sunshine Oilsands Ltd.
Suncor Energy Inc.
TECTERRA Geomatics Innovation Hub
Total E&P Canada Ltd.
University of Saskatchewan



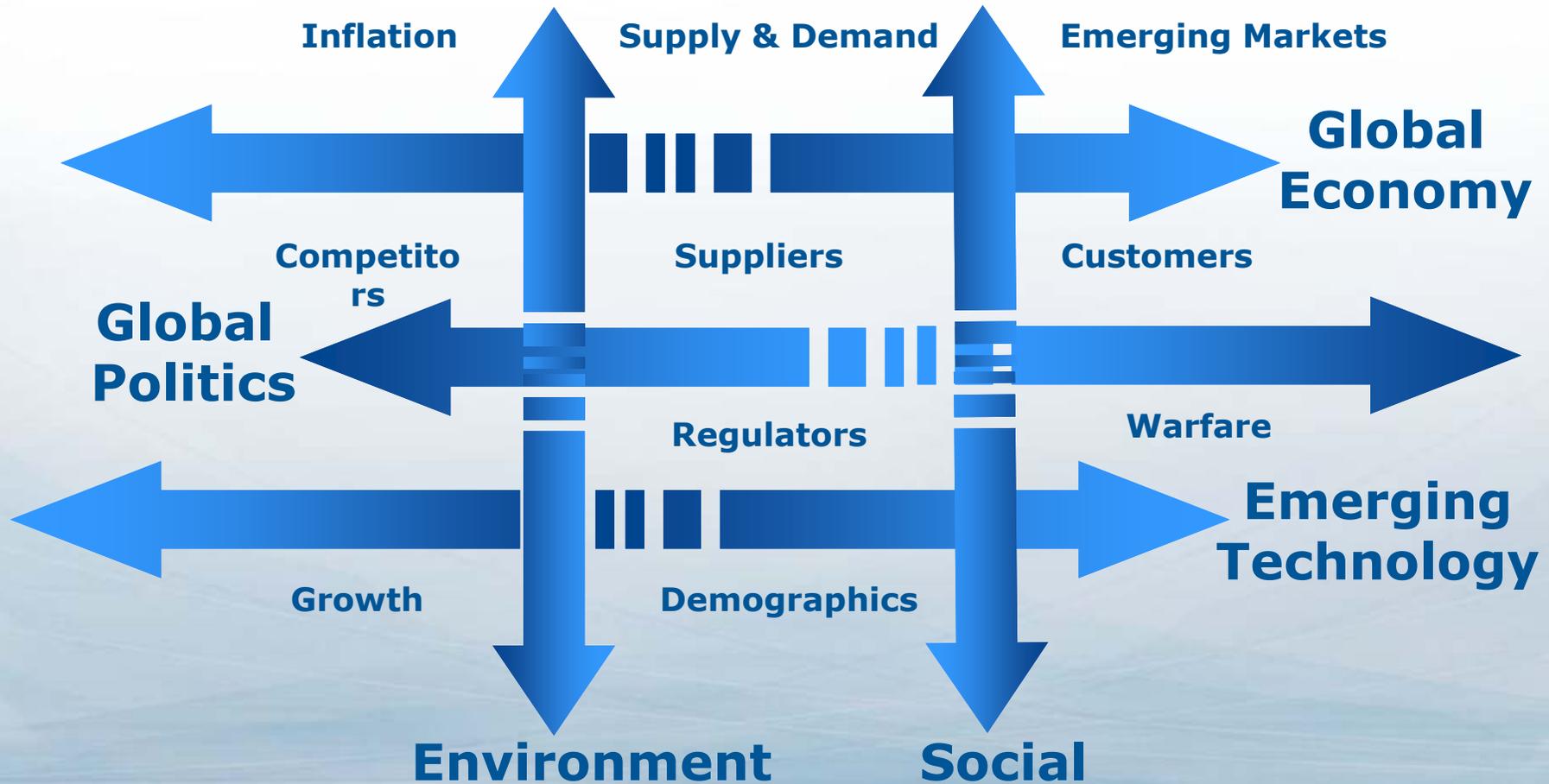
Scenarios to Strategy Inc.

Scenario Planning & The Scenarios-to-Strategy Process



Scenarios to Strategy Inc.

The Future is not knowable...yet we must act



Decisions and Consequences

*Strategy does not deal with future decisions,
but with the futurity of present decisions*

Peter Drucker

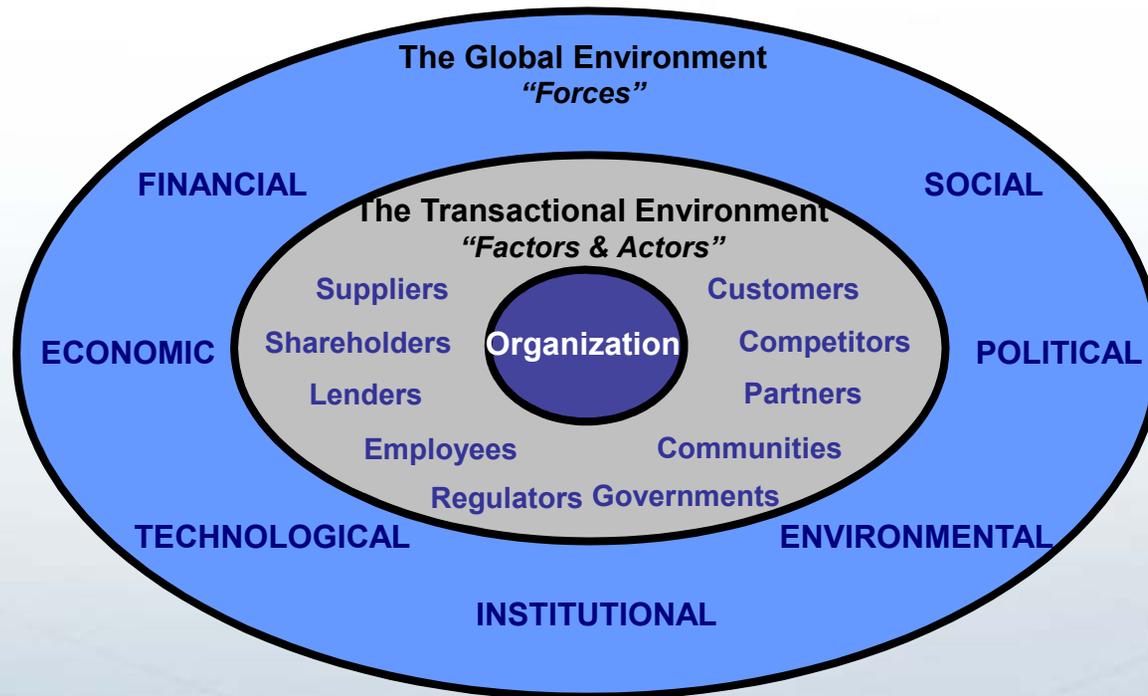
Decision-making involves three elements:

- ✓ A choice
- ✓ An expectation of the future
- ✓ Anticipated consequences

Scenarios broaden the range of expectations so we can
better anticipate the consequences of our decisions



Scenario Planning Involves *Outside-In* Thinking



Uncertainty, like water, is fluid and difficult to contain



Scenario planning, like an ice cube, structures uncertainty

Scenario Planning

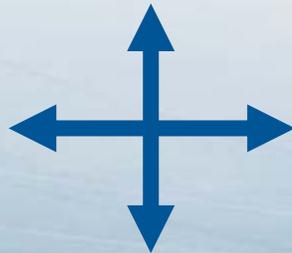
Define Focal Issue, Question or Decision and a Relevant Timeframe

Review Past Events & Discuss Alternative Interpretations

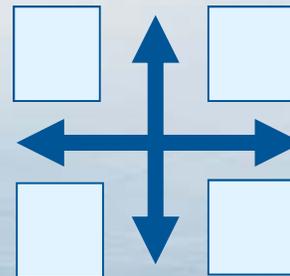
Identify
Driving
Forces



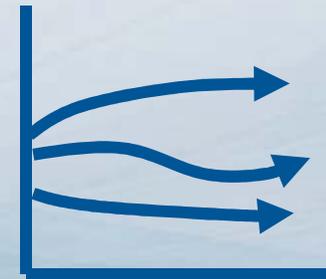
Identify
Critical
Uncertainties



Develop
Plausible
Scenarios



Discuss
Implications
& Paths



S2S

Scenarios to Strategy Inc.

A Scenario Is...

**An internally consistent story about the path
from the present to a future horizon**



Features of a Good Scenario

- ✓ **Plausible**
- ✓ **Creative in exploring new ground and ideas**
- ✓ **Relevant and significant to the organization**
- ✓ **Internally consistent**
- ✓ **Challenging**

Scenarios Focus on the Right Question...

The only relevant discussions about the future
shifts the question from
whether something will happen
to
what we would do if it did happen.

Arie de Geus



S2S

Scenarios to Strategy Inc.

The Five-Step, Scenarios-to-Strategy Process

✓ 1. Scenario Development Done

Build plausible scenarios that explore the future

2. Scenarios to Implications

Identify challenges, opportunities & risks in each scenario

3. Issues & Responses

Identify priority strategic issues & potential strategic responses

4. Focus Areas

Identify broad areas of strategic focus informed by the scenarios

5. Strategy Development

For each focus area, develop goals & initiatives, renew VMV

Scenario Signposts: Developing an early-warning system

Wind Tunnelling: Using scenarios to evaluate strategic options & risk

Benefits of the Scenarios-to-Strategy Process



1. Engage key stakeholders
2. Build a shared understanding of the future
3. Surface implications to build strategic alignment
4. Better manage strategic risk
5. Make better strategic decisions

Feature:

Structuring
External
Uncertainty

Deeper
Strategic
Dialogue

Broad
Engagement
on Strategy

Benefit:

Shared
Perspectives
on Strategic
Risk

Better
Strategic
Decisions

Organizational
Alignment &
Commitment



The *So What* of Scenario Planning



Post-Pandemic Scenario Development



Scenarios to Strategy Inc.

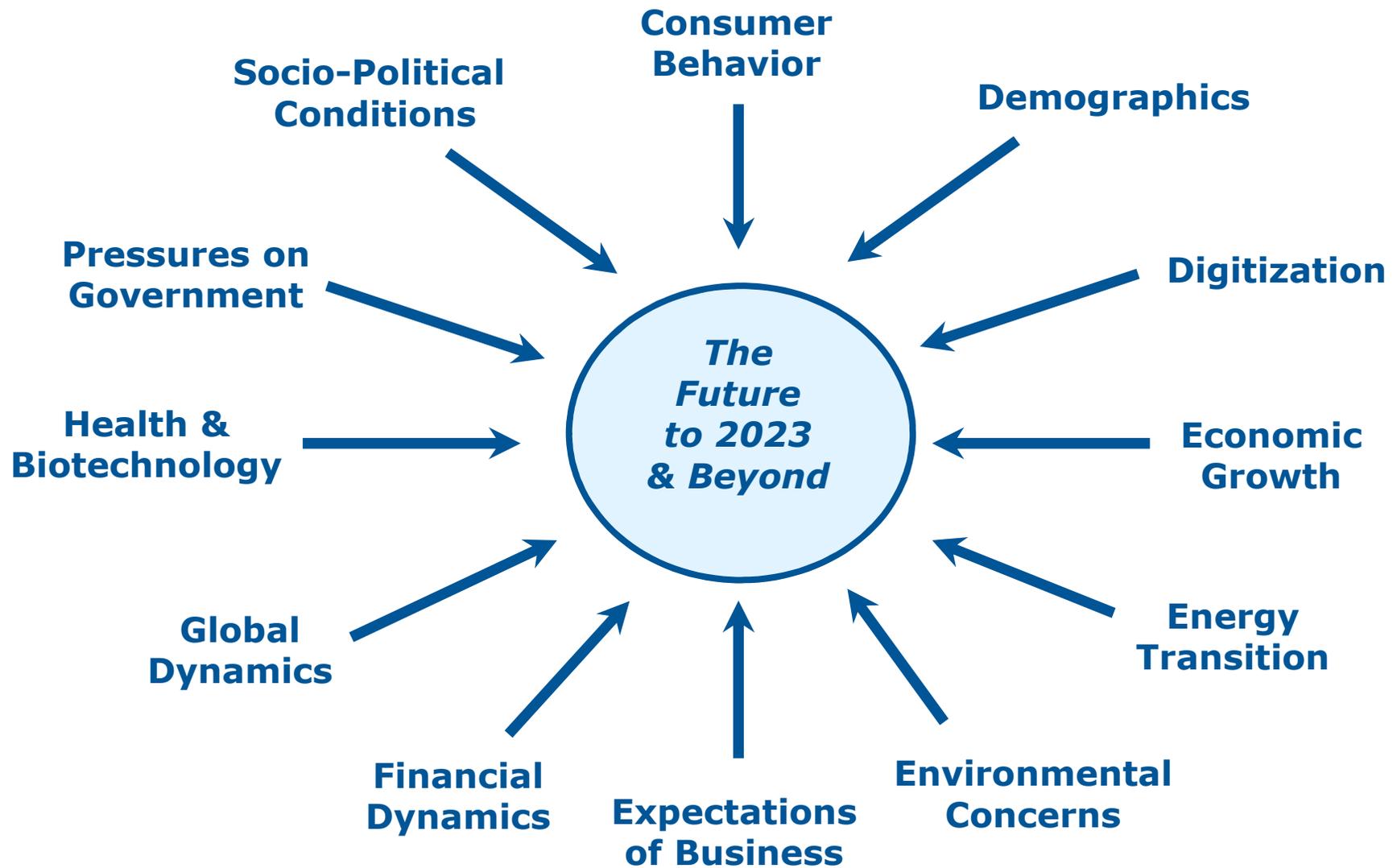
Post-Pandemic Scenarios & Focused Recovery Responses



Focal Question

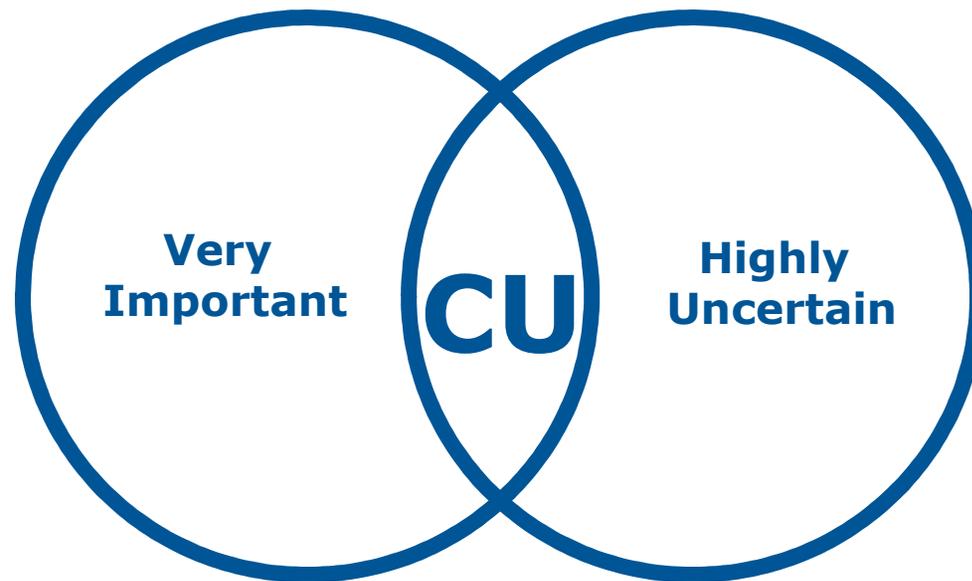
Looking out to 2023 and beyond, how could the COVID-19 pandemic shape the future of Canadian society?

Driving Forces: The Forces Shaping Change



Critical Uncertainties Defined

Of the Driving Forces identified, the two that are both very important and highly uncertain

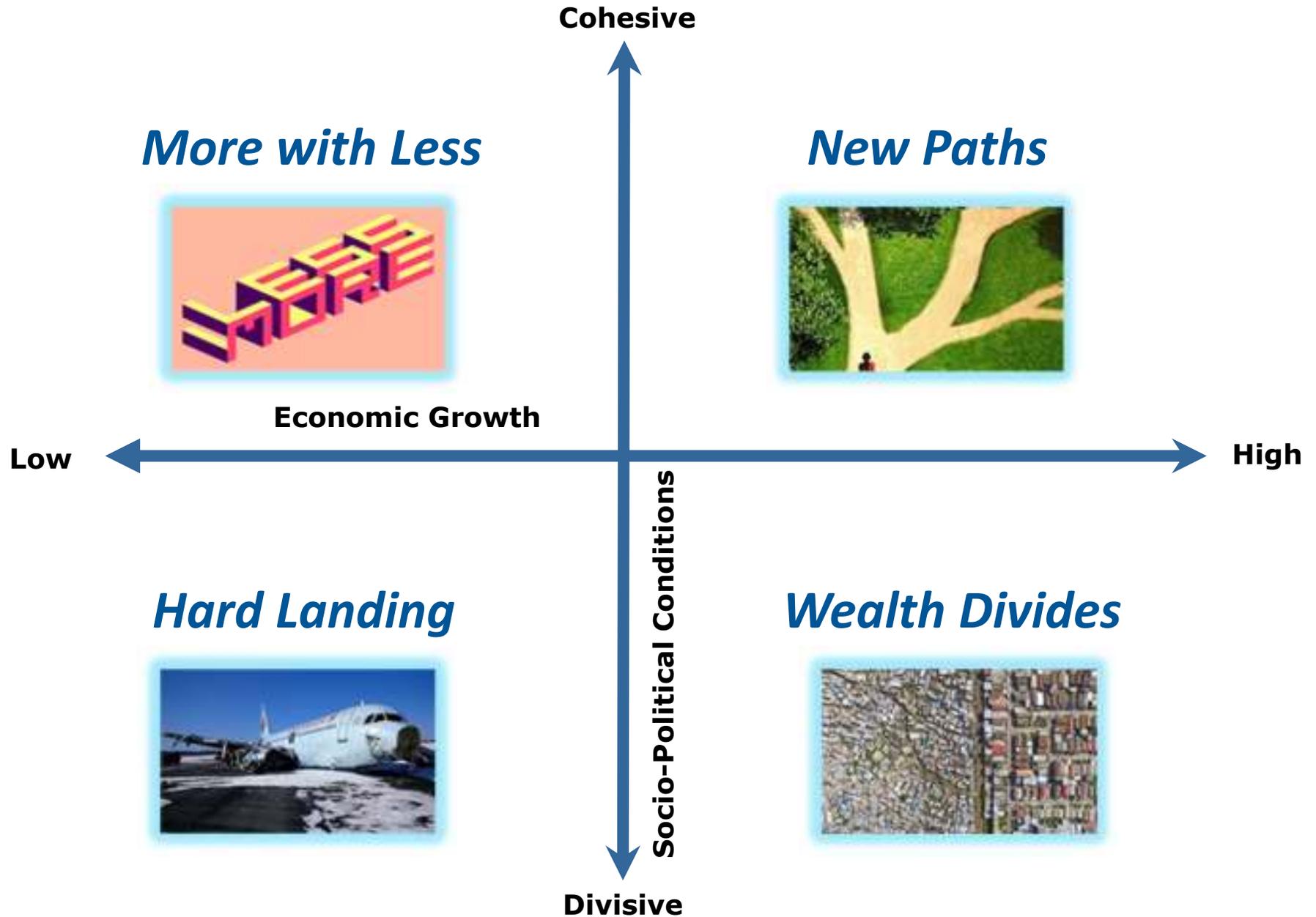


These are used to break out four distinctive scenarios
(all of the Driving Forces are addressed in every scenario)

Post-Pandemic Scenarios: Critical Uncertainties



Scenario Framework



Priming the Pump
Setting Up for Implications



Before Arden presents on each of the four scenarios, we want to *Prime the Pump* for our upcoming Implications Conversation

First, create an orthogonal matrix on a piece of paper and write the titles of each of our scenarios in each quadrant:



As you listen to each of the four scenario stories, we would like you to note a few scenario implications (challenges to overcome, opportunities to pursue, risks to manage)

The Post-Pandemic Scenarios



Scenarios to Strategy Inc.



In **More with Less**, new values and lifestyle choices emerge from the pandemic that shift the focus of society toward people, well-being, community, greater equity and social cohesion.



In **New Paths**, pent-up demand fuels an economic resurgence. Accelerated digitization and innovation is supported by efforts to reduce inequality and to build greater community prosperity.

Economic Growth

Low

High



In **Hard Landing**, sluggish economic growth and rampant social division erodes trust in political and business leadership as escalating conflict undermines all elements of society.



In **Wealth Divides**, surging economic growth creates both wealth and widening wealth disparity, which leads to rising social division and conflict that undermines continued prosperity.

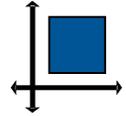
Socio-Political Conditions

Divisive

Cohesive

New Paths

High Economic Growth & Cohesive Socio-Political Conditions

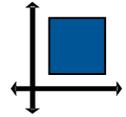


*Pent-up demand fuels an economic resurgence.
Accelerated digitization and innovation is supported by
efforts to reduce inequality and to build community prosperity.*

- COVID pressures recede, pent-up demand is released
- People bring forward the “best” of the pandemic
- Digitization drives productivity gains
- Public confidence and high government expenditures reinforce a surge in economic growth
- Strong evidence of the pandemic’s impact on marginalized groups fuel calls to address longstanding social issues
- Government spending is directed to the economic and social fallout of the pandemic
- Businesses, non-profits and civil society advance new solutions
- Visible results on the social front builds trust, social cohesion, stability & prosperity
- Stronger social cohesion reinforces the economic recovery

New Paths

High Economic Growth & Cohesive Socio-Political Conditions



Strong Economic Recovery

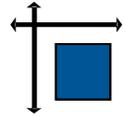
- Economy surges as COVID pressures recede & pent-up demand is released
- Digitization drives productivity gains
- Public confidence and high government expenditures reinforce a surge in economic growth
- Government spending directed to the pandemic's economic & social fallout
- Strengthened social cohesion reinforces the economic recovery

Addressing Social Inequality

- People bring forward the "best" of the pandemic
- Strong evidence of the pandemic's impact on marginalized groups fuel calls to address longstanding social issues
- Businesses, non-profits and civil society advance new solutions
- Visible results on the social front builds trust, stability, social cohesion & prosperity

Wealth Divides

High Economic Growth & Divisive Social Conditions

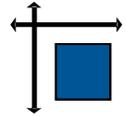


Surging economic growth creates both wealth and widening wealth disparity, which leads to rising social division and conflict that undermines continued prosperity.

- Surging economic growth, buoyant consumer demand
- Strong global economy - investment in digitization raises productivity
- Overheated economy raises inflation
- Pressure on governments to reduce deficits ⇒ expenditures constrained
- Boom falters with less stimulus
- Retreat in consumer spending and global competition
- Social issues initially ignored with booming economy
- Advocates and activists demand government action
- Constrained government resources limit possible responses
- Issues politicized and interests polarized
- Social inequality increases; social division persists; public trust eroded
- Intergovernmental relations deteriorate
- Slowing economy focuses business on economic performance (ROI, etc.)

Wealth Divides

High Economic Growth & Divisive Social Conditions



Economic Growth

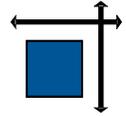
- Buoyant consumer demand - strong global economy & economic growth
- Pandemic investment in digitization & technology
- Improving productivity, increasing competition
- Demand surge & supply constraints fuel inflation & rising interest rates
- Governments pressured to cut spending/deficits & increase taxes
- Consumer confidence & business investment falters, growth rates fall
- Boom threatened as bust looms
- Struggling businesses focus on economic performance - not ESG

Socio-Political Tensions

- Social issues initially ignored with a booming economy
- Issues re-emerge with faltering growth & widening rich-poor divide
- Advocates and activists demand government action
- Resource-constrained governments limited in their possible responses
- Issues politicized, interests polarized, inequality increases
- Public trust erodes
- Intergovernmental relations deteriorate (Federal, provincial, municipal)

Hard Landing

Low Economic Growth & Divisive Socio-Political Conditions

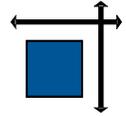


Sluggish economic growth and rampant social division erodes trust in political and business leadership as escalating conflict undermines all elements of society.

- Slow, weak economic recovery
- Accumulation of household and business failures limits growth
- Public remains leery of resuming “normal” activities
- Banks, adverse to risk, limit lending
- Government tax revenues stagnant
- Debt pressures force government austerity
- Social programs suffer & marginalized groups neglected
- Increased demands for action to reduce social inequality creates competition among groups: who is the worst-off victim?
- Fake news adds confusion
- Public distrust of political, business and institutional leaders intensifies
- Social divides deepen
- Social environment undermines investment further stifling growth
- Passion for social justice remain as voices for a better future persist

Hard Landing

Low Economic Growth & Divisive Socio-Political Conditions



Economic Stagnation

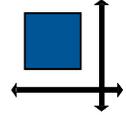
- Cautious consumers, persistent unemployment & business failures undermine economic growth - sluggish at best
- Protectionism & political tension further undermine global economic growth
- Public & consumers remain leery of resuming “normal” activities
- Risk-averse banks reluctant to lend ⇒ credit crunch for businesses
- Governments pressured to extend financial support to families & business despite growing mountain of debt
- Debt levels concern bond market ⇒ rising interest rates & servicing costs
- New government revenue sources focus on taxing carbon & big-tech firms
- Previously surging housing & stock markets plunge

Social Divisions

- Social programs suffer, marginalized groups neglected
- Increased demands for action to reduce social inequality creates competition among groups: Who is the worst-off victim?
- Fake news adds confusion raising public distrust of political, business and institutional leaders as social divides deepen
- Social division undermines investment further stifling economic growth
- Passion for social justice remain as voices for a better future persist

More With Less

Low Economic Growth & Cohesive Socio-Political Conditions

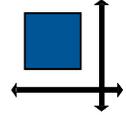


New values and lifestyle choices emerge from the pandemic that shift the focus of society toward people, well-being, community, greater equity and social cohesion.

- New values & lifestyle choices emerge
- Joyful release of pent-up social interaction
- Lingering health concerns, new habits and cautious consumers with altered priorities all contribute to a slow economic recovery
- Shift to thrift by necessity and by choice
- Buying less and buying local takes hold
- Local barter & exchange platforms increasingly accepted and even preferred
- Shift toward addressing social inequality and advancing reforms that emphasize personal and collective well-being
- Governments do better inside and deliver better across their jurisdictions mapping to well-being indicators
- Individuals, groups and organizations embrace a shared focus on healthy people in healthy places served by an economy that works for everyone

More With Less

Low Economic Growth & Cohesive Socio-Political Conditions



Slow Economy

- Lingering health concerns, new habits & cautious consumers with altered priorities all contribute to a slow economic recovery
- Shift to thrift by necessity and by choice
- Buying less & buying local takes hold
- Local barter & exchange platforms increasingly accepted and even preferred
- Governments do better inside and deliver better across their jurisdictions mapping to well-being indicators

Social Renewal

- New values & lifestyle choices emerge
- Joyful release of pent-up social interaction
- Shift toward addressing social inequality and advancing reforms that emphasize personal and collective well-being
- Individuals, groups and organizations embrace a shared focus on healthy people in healthy places served by an economy that works for everyone