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FOR SMALLER ENTERPRISES

CO-CREATING A SHARED VISION OF
THE FUTURE FOR SMALL & MEDIUM
ENTERPRISES IN ONTARIO

Roxanne Nicolussi

BIGGER THINKING FOR SMALLER ENTERPRISES

**CO-CREATING A SHARED
VISION OF THE FUTURE
FOR SMALL AND MEDIUM
ENTERPRISES IN ONTARIO**

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Submitted to OCAD University in partial fulfillment of the requirements for
the degree of Master of Design in STRATEGIC FORESIGHT AND INNOVATION

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 Roxanne Nicolussi, 2017

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ABSTRACT

“Bigger Thinking for Smaller Enterprises” encourages SMEs in Ontario to acknowledge the possibilities of the future of their organisation, align with other members’ mental models to co-create a desirable future, and use that vision to form the strategy required for its attainment. This project applies foresight methodology to address the challenge Ontario’s small and medium enterprises (SMEs) face regarding long-term strategic planning. Using a shared vision of the future as a means for transformational change, this work contributes to the practice of reverse-engineering futures and long-term strategic planning to improve Ontario’s economic resilience by focusing on its largest contributors. SME strategic planning processes were analysed and compared with needs to inform the design of a five-phase process, The Future Co-Creation Engagement, to lead partakers through the process of co-creating a long-term vision for the future of their organisation and strategizing its execution.

Keywords: Strategy, Foresight, Reverse-Engineering, Futures, Small and Medium Enterprises, Ontario

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SUMMARY

As the country's largest economic contributors, the resilience of Ontario's small and medium enterprises (SMEs) is crucial for the economy of both Ontario and Canada as a whole. Throughout the research process, it became increasingly clear that small and medium enterprises (SMEs) in Ontario struggle with planning long-term. As a result, resilience to future changes was identified as a weakness. Insights from interviews with Ontario SME decision-makers lead to themes of specific, yet varied, needs for the group.

Overall, analysis showed that Ontario SMEs are not planning far enough into the future.

- They do not have a clear view of where they want to be in the future
- SME employees' mental models of their organisation and its future are not aligned
- SMEs are lacking a straightforward view of the steps they need to take
- SMEs do not feel prepared or knowledgeable regarding the developments in their industry and others that may have an impact
- SMEs are not currently able to see where their current progress fits in the big picture of their desired future
- SMEs lack collaboration regarding their company's future direction

The 6 gap areas were addressed by comparing the elements of SME current best practices and revisiting the literature to attain a new approach for the problems SMEs are currently facing. A reverse-engineering approach was explored to add tactical applicability to the vision. Steps to achievement of the desirable future contribute to an actionable strategy for the organisation to move forward. A high-level investigation of organisational barriers that may exist was also performed in preparation for implementation challenges. A minimum viable product solution was designed to fill the identified gaps. The resulting solution took form as a 5-phase engagement titled: The Future Co-Creation Engagement.

"Bigger Thinking for Smaller Enterprises" encourages SMEs in Ontario to acknowledge the possibilities of the future of their organisation, align with other members' mental models to co-create a desirable future, and use that vision to form the strategy required for its attainment. The project applies foresight methodology to address the challenges Ontario's small and medium enterprises face regarding long-term strategic planning. Using a shared vision of the future as a means for transformational change, this work contributes to the practice of reverse-engineering futures and long-term strategic planning to improve Ontario's economic resilience by focusing on its largest contributors.

The primary research conducted showed a significant shortage in long-term planning by the participating SMEs. In terms of visioning, participants had the tendency to "think small" and fear the unknown.

Alternatively, some organisations had visions that were too broad. It was thus difficult for members to find their place within the vision. An element of bigger, more specific thinking could help SMEs better achieve their goals.

Phase one commences the process with an introduction to the organisation, their challenges, and desired outcomes. Phase 2 of engagement includes a thorough discovery process. Phase 3 is a co-creative workshop in which participants create a shared vision for the future using a new tool called the Backcast Canvas. The outcome of the engagement will be a guiding vision to lead transformational change. With that vision, actionable next steps will be laid out for participants to move forward, understanding that they are crucial to the achievement of the desired future. Phase 4 is the communication and execution of that vision. Finally, Phase 5 is the follow-up relationship including feedback, benchmarked results, and a tangible visualization of the organisation's future.

INTRODUCTION & LITERATURE REVIEW

“The future cannot be predicted, but preferred futures can and should be envisioned, invented, implemented, continuously evaluated, revised, and re-envisioned” (Dator, 2005).

This body of work aims to assist Ontario SMEs in formulating, implementing, and re-envisioning their preferred futures. Though always important to think about the future of one’s business, a link to strategic planning is crucial to becoming resilient. It is worth noting that the process of preferred futures envisioning is ongoing and continually changing. The purpose of this work is to inform the strategic planning process in order to help SMEs create and co-create a guiding vision and a means to get there that they will revisit; it is not intended to be a final solution. Before the strategy to attain success is created and implemented, success must first be defined in the context of the enterprise. One way of doing this is by co-creating a desired future: “a long-term vision, destination or outcome that can be achieved through careful planning and enterprise-wide action” (Johnson & Davis, 2014).

THE IMPORTANCE OF ONTARIO SMES WITHIN ECONOMIC FRAMEWORKS

Ontario has Canada’s largest economy. It boasts a large, diverse and multicultural population, with a highly educated and skilled labour force. Ontario enjoys close, rich ties to global markets. It has a highly-diversified economy that includes the full range of advanced manufacturing (aerospace, auto, medical devices, etc.), business services, renewable energy, life sciences, natural resources, research and development, and more. To keep Ontario’s economy healthy and sustainable in the long term, SMEs require special attention. It is hoped that this research will help improve their efforts.

As of December 2015, the Canadian economy totalled 1.17 million employer businesses. Of these, 1.14 million (97.9 percent) were small businesses, 21,415 (1.8 percent) were medium-sized businesses and 2,933 (0.3 percent) were large businesses (Innovation, Science, and Economic Development Canada, 2016). Although small- and medium-sized enterprises (SMEs) make up over 99% of Ontario businesses, their needs are often ignored in favor of a focus on start-ups and large organisations. As of 2015, small businesses employed over 8.2 million individuals in Canada (70.5 percent of the total private labour force) and medium-sized businesses accounted for 2.3 million (19.8 per cent) individuals of the private sector workforce (Innovation, Science, and Economic Development Canada, 2016). As of 2005, their contribution to Canada’s Gross Domestic Product (GDP) was 54.2% (Leung and Rispoli, 2011). Despite their significant contribution to employment and the Canadian economy, SMEs are not currently

sustainable. In 2013, the total number of SME births was 78,430, compared with 83,240 deaths, resulting in a net decrease of 4,810 businesses. The death of SMEs affects the economic prosperity of Ontario and the nation (Innovation, Science, and Economic Development Canada, 2016). Additionally, SMEs are at an advantage as young, small, and agile firms are often the players that create new markets or disrupt existing ones (Reeves, Haanaes, & Sinha, 2016). SMEs provide an open opportunity for new forms of sustainable value creation.

By providing a framework for which Ontario SMEs can envision and execute their long-term strategy, Ontario's SME ecosystem can be better prepared to attain success and improve resilience. This is important for the sustainability of each enterprise and, consequently, Ontario's economy.

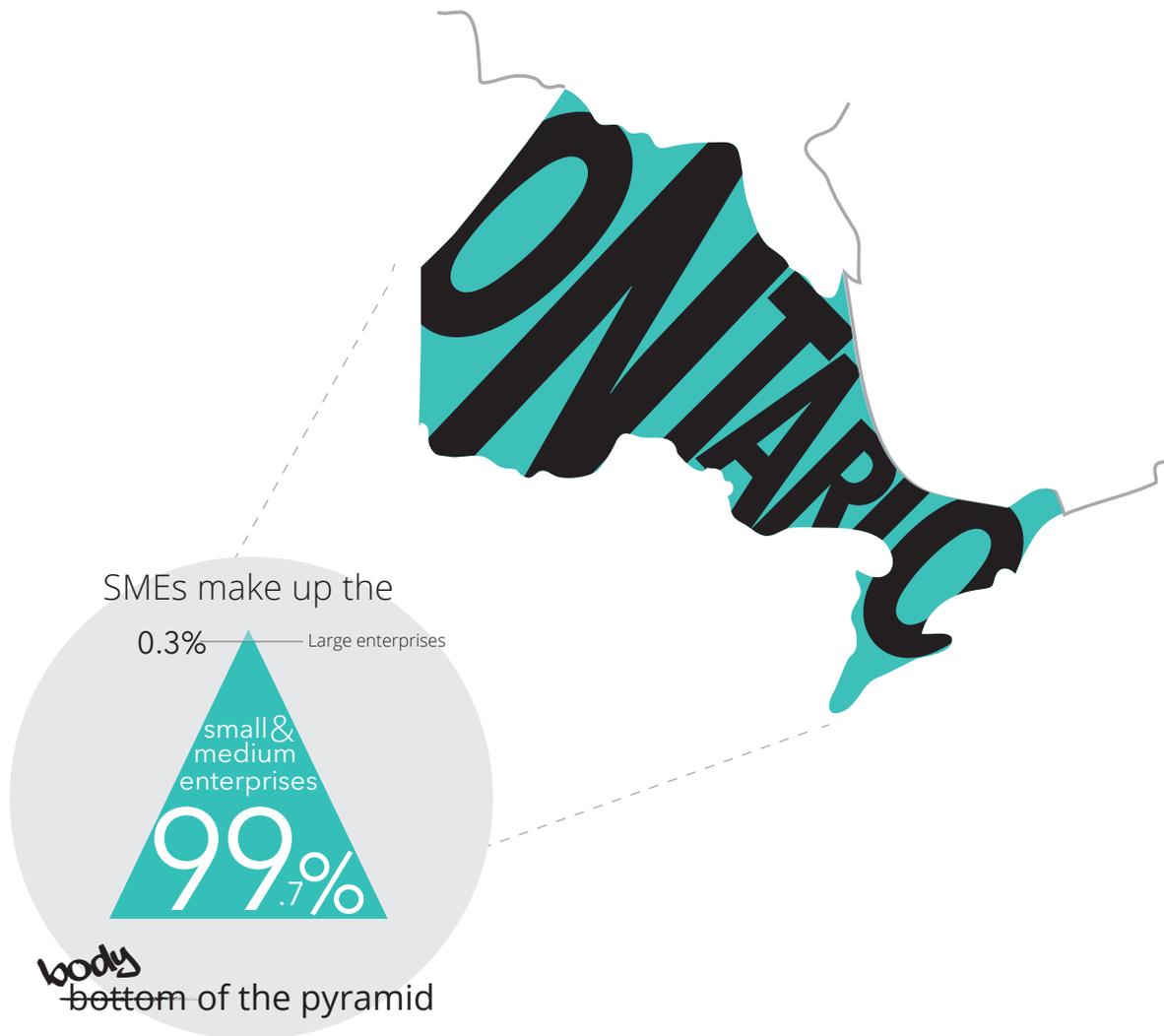


Figure 1 SMEs make up the body of the pyramid

SMEs have unique features that cannot be leveraged through a “one-size-fits-all” approach. The broad definition of SMEs in Ontario requires sub-categorization. The needs of small enterprises (SEs) with 49 employees are very different from the needs of medium enterprises (MEs) with 200-500 employees. Some of the unique features of SMEs in general include being nimbler and

faster to adapt to changing technologies, as well as being able to more quickly change organisational processes and business models (McCammon, 2012). SMEs also have an advantage in their ability to adapt to change because of their unique exposure to competitive forces (Moore & Manring, 2009, pp 278). The interest in SMEs stems from a desire to tap the potential of the body of the pyramid—as opposed to the common “bottom of the pyramid” conception—in the business landscape. In order to tap this potential, however, one must first understand the unique needs, challenges, strengths, and opportunities of Ontario SMEs to aid them in successfully planning for the future of their businesses.

BACKGROUND: UNDERSTANDING ONTARIO SMES

To answer the overarching research question, an understanding of the Ontario SME landscape was sought through secondary research. The work of Master of Design in Strategic Foresight and Innovation graduates Benjamin McCammon (2012) and Laura Read (2014) as well as the joint work of Reid and Alazem (2016) were referenced for insights on mental modelling, decision-making processes, and strategic planning needs specific to SMEs in Ontario.

McCammon (2012) investigated progressive SME leaders who already had a long-term view. A gap was found between long-term aspirations and short-term goals, pointing toward a need for processes to connect the now with the future. Reflection and consideration of external factors, trends, and movements was also identified as crucial to the planning of SME futures. McCammon (2012) found that the dissemination of mental models was a crucial challenge to the sustainability of the SME companies they researched. Read (2014) used similar methodology to investigate mainstream SME leaders. One of Read’s recommendations was to understand what the decision-maker sees as their greatest influencer of success. Comparing the two research studies results in two distinct mental models. This sets the stage for the exploration of how one might influence mainstream SMEs to become progressive SMEs, and how to strengthen the connection in progressive SMEs from the present to the future.

Previous research explorations have uncovered a gap between long-term aspirations and short-term goals in SME planning processes. SMEs typically have a limited view on the spectrum of possibilities for the future of their enterprise. One of the suggested solutions includes understanding what is considered a success factor from a decision-maker’s perspective. SMEs face barriers such as communication efficiency and access to resources. Cross-functional and bottom-up management styles have shown growth in SMEs. Their huge number, contribution to GDP, and the employment they provide—in addition to the fact that many of their basic needs are unmet—makes SMEs an attractive market for innovative initiatives. Ontario’s economic system as a whole cannot become truly sustainable if the large number of smaller players is ignored.

A Shared Vision of the Future as a Means for Transformational Change

An exploration of the research landscape uncovered data on SMEs in Ontario and their specific needs. The concept of a shared vision of the future arose on several different occasions as a means for transformational change. This sparked an interest in the concept of a shared vision of the future and questions about how it might be attained through foresight methodology.

Kotter's Eight Steps to Transforming Your Organisation

- 1** Establishing a Sense of Urgency

 - Examining market and competitive realities
 - Identifying and discussing crises, potential crises, or major opportunities
- 2** Forming a Powerful Guiding Coalition

 - Assembling a group with enough power to lead the change effort
 - Encouraging the group to work together as a team
- 3** Creating a Vision

 - Creating a vision to help direct the change effort
 - Developing strategies for achieving that vision
- 4** Communicating the Vision

 - Using every vehicle possible to communicate the new vision and strategies
 - Teaching new behaviours by the example of the guiding coalition
- 5** Empowering Others to Act on the Vision

 - Getting rid of obstacles to change
 - Changing systems or structures that seriously undermine the vision
 - Encouraging risk taking and nontraditional ideas, activities, and actions
- 6** Planning for and Creating Short-Term Wins

 - Planning for visible performance improvements
 - Creating those improvements
 - Recognising and rewarding employees involved in the improvements
- 7** Consolidating Improvements and Producing Still More Change

 - Using increased credibility to change systems, structures, and policies that don't fit the vision
 - Hiring, promoting, and developing employees who can implement the vision
 - Reinvigorating the process with new projects, themes, and change agents
- 8** Institutionalising New Approaches

 - Articulating the connections between the new behaviours and corporate success
 - Developing the means to ensure leadership development and succession

Figure 2 Kotter's Eight Steps to Transforming an Organisation, 2007. Adapted with permission from Harvard Business Review.

Kotter's (2007) 8 stage transformation process can be found in Figure 2. Kotter explains that a successful transformation effort is guided by "a picture of the future that is relatively easy to communicate and appeals to customers, stockholders, and employees" (2007). Further, it is explained that a vision goes beyond the numbers that are typically found in five-year plans – both in longevity and qualitative specificity.

“A vision says something that helps clarify the direction in which an organisation needs to move. It is usually a bit blurry, at least initially. But after the coalition works at it for three or five or even 12 months, something much better emerges through their tough analytical thinking and a little dreaming. Eventually, a strategy for achieving that vision is also developed.” —Kotter, 2007

A shared vision is also one of the five disciplines, as seen in Figure 3, identified by Peter Senge as necessary to create a learning organisation. A learning organisation encourages and facilitates learning throughout all levels of an organisation in order to enable it to adapt and transform itself to function effectively in a complex and dynamic world (Senge 1994).

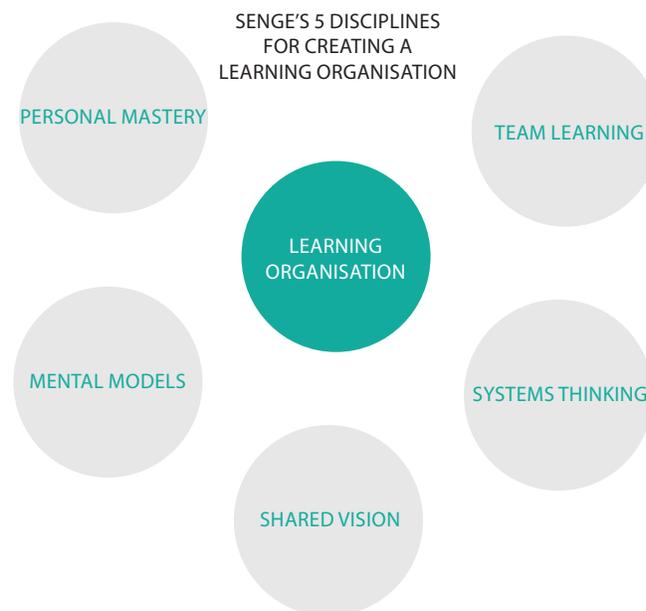


Figure 3 Senge's Five Disciplines for Creating a Learning Organisation

Other researchers have also found the importance of a guiding vision to lead transformational change. Research on change and its implementation is rooted in the early work of Lewin (1947) wherein they conceptualized the succession of phases they called unfreezing, moving, and freezing. Lewin's work was built on by Judson (1991), Kotter (1995), and Galpin (1996), who described multi-phase models for implementing change. Galpin (1996) stressed the importance of understanding an organisation's culture to most effectively implement change. His model comprises nine wedges which includes: developing and disseminating a vision of a planned change and measuring, reinforcing, and refining the change. Judson's model comprises five phases which includes: analyzing and planning the change, communicating the change, and gaining acceptance of new behaviours (1991). The creation of an effectively communicated end goal was common across all three models. Similarly, empowering staff and positive reinforcement throughout the process was identified as important to ensure positive implementation.

Without a sound vision, changes do not add up in a meaningful way — they will not be transformational or part of a bigger picture. The next step in this literature exploration was how one might encourage an organisation to develop a shared vision. A Strategic Foresight lens was investigated.

APPLYING FORESIGHT TO CREATE A VISION OF THE FUTURE

Development of a shared vision is made possible through a foresight approach called 'visioning'. Visioning provides a process for which organisations can collaboratively design their ideal future. Kotter (2007) explains that, "without a sensible vision, a transformation effort can easily dissolve into a list of confusing and incompatible projects that can take the organisation in the wrong direction or nowhere at all". Foresight approaches allow strategy development to be an inclusive process: allowing its users to be authentically involved in the process of creating a shared view of their organisation's future.

Visioning is a process by which an organisation defines its long-term purpose. A vision is a description of what an organisation hopes to be in the future—a snapshot of what success is for the organisation ("What is Strategic Visioning", 2013). Visions are crafted to put forward transformational goals, measure progress, build capacity, and build shared purpose. Rather than concentrating on current and persistent dilemmas, the focus of visioning processes is to clearly articulate future desirable states.

A foresight approach considers a wider range of issues and change across industries. This can include emerging issues and general societal trends. They take a big picture perspective — a systems approach — to identifying and understanding change and look for systemic drivers of that change. Thinking systemically about the future is not about trying to get the future right, but rather ensuring not to be caught unprepared (Conway, 2016).

"Since staff will be asked to implement the strategy, enabling them to both shape and see themselves in the future embodied in that strategy is common sense" - Maree Conway, 2016

A long-term time frame creates a strong context for one's decision-making today. Potential longer term impacts of decisions may not be visible if the time frame used in the strategy is too short-term. Foresight enables its users to look forward, identifying possible, plausible, and probable futures and then to develop a preferred future. A preferred future provides users with a long term strategic focus that informs decision-making today. The future is used as a strategic end-point: helping organisations move ahead with clarity of purpose that provides the ability and flexibility to mitigate challenges and grasp useful opportunities as they emerge (Conway, 2016).

Using foresight can allow members to be involved in the process of creating a shared view, or vision, of their organisation's future. Participatory strategic foresight work aims to reveal and challenge assumptions that underpin current thinking and decision-making. These assumptions are often grounded in deeply held beliefs that are difficult to shift, even in the face of disconfirming evidence. Uncovering assumptions can therefore be hard work, and asking individuals to recognise their blind spots and cognitive biases will usually be an uncomfortable experience. However, trying to avoid this discomfort by dismissing the new and the different will only allow members to ignore the change that could disrupt their business models and make them irrelevant (Conway, 2016).

The reason an organisation may not plan very far into the future is due to the uncertainty of the future. Though the future will always be uncertain to those in the present, foresight can help mitigate uncertainty and leave an organisation feeling more confident planning for the long term. Foresight encourages the acknowledgement of uncertainty in order to better understand it. When organisations expand their thinking to consider what is possible in the future, they can develop products, services, and business models that will matter in that future—making them “futures ready” (Conway, 2016).

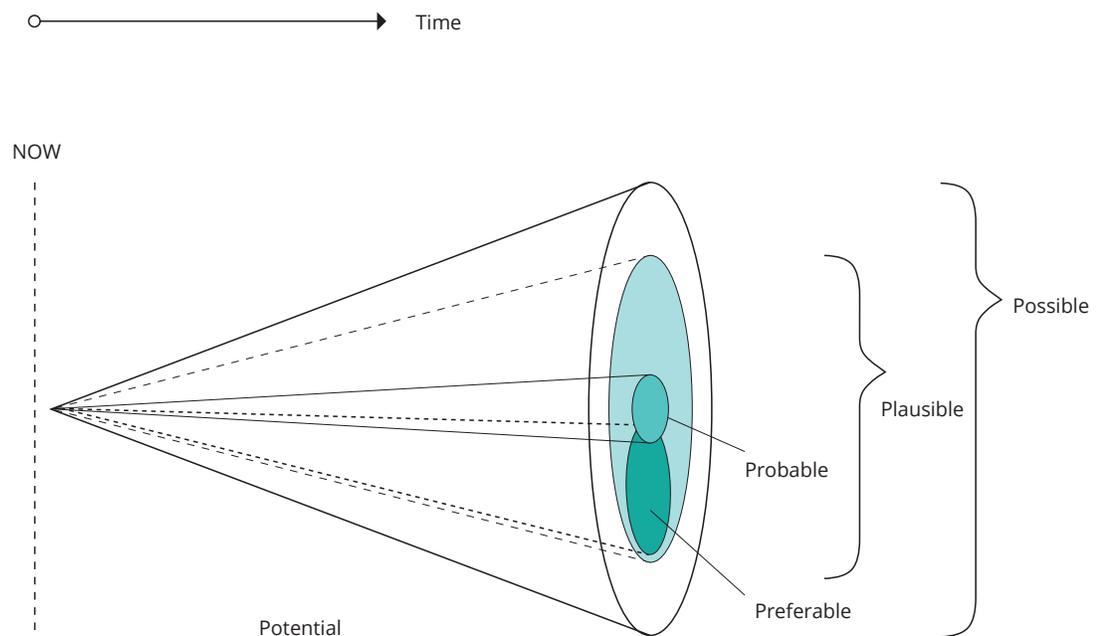


Figure 4 Futures Cone Adapted with permission from Voros (2001).

Visioning was selected as a strategic foresight approach of interest because of its ability to aid enterprises in long-term strategic planning. Its collaborative nature enables members to both shape and see themselves in the future, making them more likely to embody their strategy with a sense of ownership and drive. As can be seen in Figure 4, the practice of foresight compares future states that are possible, narrowing in on those that are plausible. The probable is a direct adaptation of the present state. It is tools such as reverse

engineering of futures that enable organisations to turn the preferable into the probable.

In organisational change, visioning is an essential step at the outset of the process to gain a shared vision of the kind of organisation the group wants to develop. During implementation, visioning is a way to check that the change process is on track. Crucial is the ability to detect and interpret emergent signals, translating insight into foresight into action (Manu, 2010). Since foresight approaches consider a wide range of issues and change across industries, they take a big picture perspective — a systems approach — to identifying and understanding change. Knowledge of what the big picture holds mitigates uncertainty, making an organisation feel more comfortable about the decisions they are making.

CO-CREATION FOR TRANSFORMATION

Visioning provides a process for an organisation to design their ideal future collaboratively. Foresight approaches allow strategy development to be an inclusive process: allowing its users to be authentically involved in the process of creating a shared view of their organisation's future. Beyond just a comprehensive list of long-range goals, visions should describe the end result of how those goals interact and play out into the future (Iwaniec, Childers, Vanlehn, & Wiek, 2014). This can help groups agree on concrete principles of success—saving time and resources from being used for short-term ad hoc decisions.

Vidal (2004) notes that both divergent and convergent thinking is needed for organisational decision-making processes as the quality of the decisions made is vital to organisational performance excellence. In diverse decision-making groups, members bring divergent perspectives to the group's problem because of different experiences, values, attitudes, and cognitive approaches (Elsass & Graves, 1997, p. 946). Unilateral decision-making process was ranked the least effective for these kinds of processes. This finding can be attributed to the political nature of unilateral decision-making processes in which the opinions of all members of the organisation are not necessarily integrated in the final decision (Vidal, 2004).

Those who tend to internalize the mental models of the owners of their organisation are missing the opportunity to think interconnectedly. Thinking as a community sets the groundwork for transforming into a more sustainable organisation while creating a competitive advantage. McCammon (2012) offered the suggestion of creating a shared culture in the SME so that the mental model of the owner can be made visible and positively affect the organisation or even the network after their departure.

Unilateral decision-making process was ranked the least effective. Instead, SMEs are encouraged to think interconnectedly. Collaboration in an organisation's long-term strategic planning helps groups agree on concrete principles of success—saving time and resources from being used for short-term ad hoc decisions. Most effective practices for this collaborative planning are divergent

and convergent thinking and diverse decision-making groups. Creating a shared culture at the organisation ensures the mental model of the owner is the same mental model as the members.

Organisational Barriers

Though aligning with one another's mental models of a desirable future for one's organisation collaboratively with passionate members is ideal, there are several organisational barriers that influence the adoption of such activities. First, a management team must be able to understand and acknowledge its own imperfections. It is impossible to fix something when its owner will not admit it is broken. Internal organisational barriers come in many forms and play a large role in the adaptation of new ways of thinking. Management style, gender bias, power dynamics, seniority, and leadership style are just a handful of the systemic ways these may manifest. Additionally, personality styles act as self-systems reflecting important characteristics of the individual participants in the group and how that influences the functioning of the group. The current relationships, interactions and interdependencies within an organisation at any given time have an impact on the organisational decision-making as this can lead to biases and self-interested decisions. External changes in the environment and technology have also been shown to affect organisational structure and decision-making processes.

Reid & Alazem (2016) determined there was a direct connection between human behaviours and barriers to organisational change in the organisations they studied. Organisational change is the process in which an organisation changes and the effects of changes on the organisation. Organisational behaviour influences the way an organisation functions. It informs the strategy and potential success of strategy implementation. It is thus pivotal to understand how to most effectively manage organisational behaviour in order to promote sustainable organisational change. The most commonly cited facets of organisational change include vision, strategy, culture, structure, system, production technology, and leadership style (Yang, Zhuo, & Yu, 2009). The current research project focuses specifically on the vision component, while recognizing the influence of each of the aforementioned on one another. The organisation is a system and, as such, should be looked at systematically. The actualization of vision is dependent on the strategy and organisational culture that will allow for said strategy. A systemic viewpoint is taken so that different facets of organisational change are considered as parts of a whole. Organisational change often fails when organisations make an attempt to change through one facet without considering its impacts on the others. Moreover, some organisations apply identical change plans to all departments and individuals without considering their unique qualities and challenges. A big-picture perspective is crucial to successful organisational change (Chen, Suen, Lin, and Shieh, 2011).

Internal Influences on Organisational Change

Relationships, interactions and interdependencies within an organisation at any given time have an impact on the organisational decision-making. According to Nada, Louchert, & Kakabadse (2006) personality styles act as self-systems:

active forces with interest in preservation of social security and avoidance of anxiety. Self-systems are learned defensive activities against anxiety caused by factors of self-esteem and security. This is important to uncover as part of a discovery phase because personal interaction anxieties can be heightened during the levels of stress encountered during transformational change (Nada et al., 2006). Personality style outcomes can also reflect the social characteristics of the groups involved (Nada et al., 2006).

Additionally, personal values of the individuals participating in a decision-making process is also a factor that may impact the overall process. Ethical dimensions of decision-making should also be considered for systemic thinking as they are directly linked and contribute to individuals' as well as groups' decision-making processes (Fritzsche & Oz, 2007). The interactions between individuals generate a set of connecting fabrics that both exist, and are perpetuated beyond, the control sphere of any single organisation.

Organisational structure comprises horizontal and vertical differentiation, division of labour, span of control and spatial dispersion. A high-level discussion of some potential conflicts embedded within organisational structure follows.

Power dynamics have a great influence on the culture and functioning of an organisation. Oftentimes in private companies, the majority stakeholder is also the chair of the board. This results in a lack of board independence and diversity which means strategies may not be in the best interest of the other stakeholders. According to agency theory, inside directors are unlikely to monitor a CEO's actions effectively because their employment with the firm makes them beholden to the CEO (Patton & Baker, 1987).

An organisation's financial situation may also be a factor in the way some enterprises think. An organisation on its way to bankruptcy may accept unsustainable practices, lower ethical standards and cultural outliers because the company is in trouble. Companies under financial pressure must plan in the short term as a result. Companies not under that kind of pressure may feel more confident and take the longer view.

Distrust, a result of many different consequences, could influence a leader to choose to make decisions alone in order to avoid putting a decision in another member's hands and consequently risk failure. Likewise, distrust in the capabilities of their own team of managers and employees may entice a leader to make decisions alone. Though this text emphasises the value of collaborative thinking, it recognises that collaborative thinking can be very effective, but it is not necessarily the best solution for all situations.

Lastly, the organisation's culture is indicative of their way of thinking about the organisation and its future. A culture that focuses its time on what went wrong may be, in a sense, living in the past causing members to feel that the organisation has little or no future planning. Likewise, if the organisation's communication between the leader and the rest of the company is insufficient, the same effect can occur.

External Influences on Organisational Change

There have also been a variety of studies that suggest structure is related to and affected by external variables. External factors that affect organisational structures and decision-making activity are changes in the external environment (Taylor, 1975; Mintzberg, 1979; Miller and Friesen, 1984; Ford et al., 1988), such as environmental uncertainty (Lawrence and Lorsch, 1967), and technological changes (Marsh and Mannari, 1981).

Reid and Alazem (2016) found that small businesses with a longer planning time horizon of three years or more share a commonality: they all have been in business for more than 20 years. In addition, it was found that the increased number of resources (e.g. human or financial resources) and internal distinction leads to increased planning (Fredrickson & Mitchell, 1984). Similarly, Debarliev et al. (2011) have identified the business' number of employees as one of the main factors that has a substantial correlation with the strategic planning incidence. Alexander (in Reid & Alazem, 2016) has identified the lack of human resources that possess the strategic skills and the knowhow, as one of the major barriers to strategic planning in small businesses.

One way to identify, mitigate and address barriers is conducting a discovery in the organisation. A discovery process allows an outside party to build trust with an organisation while obtaining an unequivocal understanding of the client, its past, and its future. A discovery is a crucial step in any client-consultant relationship as it aids in uncovering areas of weakness, progress by the client thus far, and changes the client is currently facing. Additionally, it surfaces personality styles that are present in the organisation (Chelliah, 2010). As opposed to coming to an organisation claiming to be an expert on their problems, an organisation is more accepting of an outside party that is willing to get to know the organisation before trying to fix it.

The more collaborative the consultant is in working with the organisation, the more successful the change. When the client and the consultant work together, the discovery phase allows for an understanding of the priority of change and how it can be efficiently and successfully addressed (Chelliah, 2010). Together, information can be sorted into categorized discoveries and assumptions (Chelliah, 2010).

Two common approaches to the discovery phases include the expert approach and the process-consultation approach. Whereas the expert approach is characterized by a consultant being employed to identify the problem, analyze, diagnose, and recommend a resolution (Schein, 1999), the process-consultation approach is characterized by the client and consultant collaboratively assessing the situation. The consultant trains the client on diagnostic and situational problem-solving methods. Both approaches allow for the consultant to facilitate the client's decision-making process and apply the client's valuable input throughout the process (Beitler, 2003). In the expert approach, the clients need to come up with their own sense of the problem. Process-consultation involves

the client to collectively diagnose the situation and implement appropriate processes collaboratively (Beitler, 2003).

Therefore, collaboration and co-creation are important not just as in organisational group settings, but also in the relationship between the client and consultant. Foresight processes encourage authentic involvement in the process of creating a shared future, helping groups agree on concrete principles of success—saving time and resources from being used for short-term ad hoc decisions. This can facilitate decision-making, and improve organisational culture overall through inclusion. A discovery process includes the assessment of the organisation's many levels. Its success is also dependant on the collaboration between consultant and client organisation.

USING STRATEGIC FORESIGHT TO INFLUENCE ORGANISATIONAL CHANGE

Predicting the future is impossible; however, understanding trends that may shape the future is an important part of developing a strategy that can manage uncertainty and minimize risk. The use of foresight can help inform the strategy and subsequently create change for an organisation.

Infusing strategy development processes with foresight methodology ensures the strategy is futures ready—flexible for the range of challenges and opportunities the future may bring (Conway, 2016). Foresight approaches consider a wide range of aspects that may influence the future of an organisation's business: social, technological, economic, environmental, political, and values-based emerging issues and trends (Jackson, 2013). Additionally, they take a big picture or systems approach to identify drivers leading potential global and systemic changes that can affect the future landscape. By omitting this kind of analysis, strategists have an incomplete picture of change shaping the organisation's future and, as a result, may miss significant disruptors for which the organisation should be preparing. Foresight is the only way to reduce uncertainty.

Gluck, Kaufman, Walleck, McLeod, and Stuckey (2000) for McKinsey & Company outlined forecast-based planning as the second step of strategic development. Forecasting predicts possible future(s) based on what is known about a prescribed area of study and is limited to known boundaries (Cuhls in Amsteus, 2008). Foresight, however, embraces the unknown to enable preparation for possible future conditions. Foresight includes qualitative and quantitative means for monitoring early indications of evolving trends and their developments. Strategic foresight methodologies help to analyze the disconnected signals of change, and to identify potential future outcomes. Foresight prepares us to meet the needs and opportunities of the future—understanding the forces that drive change as fundamental to planning for a sustainable economy in Ontario's future (Cuhls in Amsteus, 2008). Given the potential influence of trends, drivers, and unknowns in the external environment, a company can

create an achievable internal vision. Collisions and intersections between trends and across industries are explored in depth to identify potential strategic implications for the organisation. Strategic foresight work identifies and uses wider sources of information from both the mainstream and the periphery, as well as seeking to source tacit views, beliefs, and ideas about the future held by individuals. Visioning can help describe a preferred future independently from the possibilities of the future.

Strategic foresight illuminates such possible futures and allows visioning to choose a preferred future among the plausible or possible futures. Once a vision of a preferred future exists, it is strategy that defines actions necessary to reach or at least advance toward the preferred future. A preferred future provides a long-term strategic focus that informs decision-making today, used as a strategic end-point. Moving forward with clear purpose, abilities and flexibility are applied to mitigate challenges and grasp useful opportunities as they emerge. Foresight approaches consider a wider range of issues and change across industries, including emerging issues and more general societal trends and concerns. They also take a big picture, systems approach to identifying and understanding global change while looking for systemic drivers of that change. As industries are shaped by this global change, not exploring it means SMEs have an incomplete picture of change shaping their organisation's future.

The design of a strategy is the crafting of deliberate actions to shape an organisation's future (Dyson, Bryant, Morecroft, & O' Brien, 2015). It is thus intentionally steered by an explicit sense of direction, toward a desired future. The desired future becomes a strategic intent, a point toward which employees of the SMEs can move and against which they can measure progress. By having better ideas about what the multiple futures may hold, the enterprise can build the appropriate capabilities that enable it to be agile in the face of accelerating change. Although rapid change may force short-term course changes and detours, the destination should stay stable and should not be discarded. To attain that desirable future, a coherent set of individual actions must be outlined in support of a system of goals (Eden and Ackermann, 1998).

Strategic foresight influences organisational change by preparing an organisation for a resilient future. It reduces uncertainty by allowing participants to see a picture of the change shaping the organisation's future and, as a result, may have an advantage by discovering significant disruptors before their disruption can become detrimental to the business. Foresight is the only way to reduce uncertainty. Weick (2009) emphasizes the importance of retrospective thinking applied to future events by envisioning possible events in the future as if they were events in the past. The impact of this perspective on strategic planning will be explored in the next section.

BACKCASTING: CREATING A STRATEGIC ROADMAP FROM THE FUTURE

A vision means nothing without the tools to turn it into reality. As Kotter (1995) explains, the basic elements of the vision should be organized into a strategy for achieving that vision so that the transformation does not disintegrate into a set of unrelated and confusing directions and activities (Fernandez & Rainey, 2006, p.169). Emelo (2011) has outlined four crucial steps when it comes to using foresight to collaborate on a vision: collaboration from people of different levels and perspectives, reflection on the past, envisioning the future by sorting through the long-term implications of trends for unexpected challenges and unexploited opportunities, and strategizing to gauge the required commitment for each future opportunity as well as assessing its impact.

A well-articulated direction stimulates behavioural responses in the organisation, ideally in the desired direction. There are, however, cases in which pitfalls and unintended consequences result in a realized direction different from the one that is desired (Dyson et al., 2015). It is for this reason that a clearly articulated vision in combination with a clearly articulated roadmap can increase the potential to achieve success. Reverse-engineering of futures, also referred to as backcasting, is one way to articulate that roadmap.

Reverse-engineering of futures, or backcasting, defines a desirable future and then works backwards to identify major events and decisions that generated the future, to allow organisations to consider what actions, policies and programs are needed today that will connect the future to the present. The foresight practice of backcasting, or reverse-engineering of futures provides a means by which participants can align on steps to achievement. Encouraging the creation of a shared vision, Senge's (1994) third characteristic to becoming a learning organisation, walks the user through the process of formulating a vision to direct change and the development of strategies for realizing that vision. Backcasting reminds participants that the future is not linear, and can have many alternative outcomes depending on decisions made and the impact of external events (Jackson, 2013).

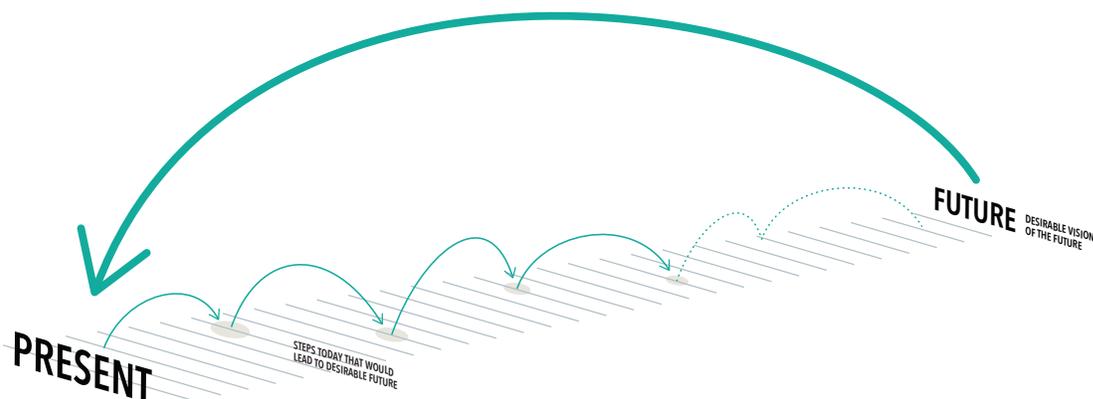


Figure 5 Backcasting to a Desirable Future. Adapted from *The Natural Step* (2011).

The traditional process of strategic planning has two traps, according to Johnson and Davis (2014): the first trap is about getting stuck in the present; the second trap is about getting stranded in the future. First, the “present-forward mindset,” holds the assumption that the company’s existing business can simply be extended into the future (Johnson & Davis, 2014). Second, open scenario planning exercises with no strategic follow-up result in highly abstract vision statements or promises of the company’s glorious prospects in a brave new world without an actual plan on how to get there (Johnson & Davis, 2014). Long-term planning is not a lost cause; it simply needs to be approached with the right tools. Needed is a more rigorous approach that enables members to align their plan for the future that can be executed starting today. This can be achieved by understanding the multiple futures available, selecting a preferred future within that space (visioning is one but not the only tool), and understanding what key actions and milestones may be needed to get to the preferred future by backcasting.

Backcasting applies when participants propose a future event or situation and then work backward to construct a plausible causal chain leading from the present to the desired future (Schroeder & Tilley, n.d.). The process works backwards to identify technologies, policies, and operational plans needed to build a path between the present and the future. Backcasting is an approach that involves working back from an imagined future, to establish what path might take one there from the present (Popper, 2008). Robinson (1990) mentioned that backcasting is not necessarily only about how desirable futures can be attained, but also possibly about analyzing the degree to which businesses can avoid or respond to undesirable futures.

A backcasting approach addresses two problems according to Robinson (1990);

1. Human ability to predict the future is very constrained. There is fundamental uncertainty about future events due to lack of knowledge about system conditions and underlying dynamics, the prospects for innovation and surprise, and the intentional nature of human decision-making.
2. The most likely future may not be the most desirable future. This is addressed through an explicitly normative approach to the future.

Working backwards from a particular desired future end-point to the present, backcasting determines the physical feasibility of that future and the measures that would be required to reach that point. It helps businesses think about the mitigation and response to undesirable futures. Instead of getting stuck in the past or the future, businesses are encouraged to expand the possibilities for the future of the business in their minds and create an actionable roadmap to achieve that which is preferable.

A Brief Overview: How Backcasting is Used

Dreborg (1996) argues that backcasting is an approach that is preferable when the problem is complex and major changes are required, as the dominant trends are part of the problem, externalities are significant, and the time horizon is long. Similarly, Eames and Egmore (2011) have recommended backcasting as a sustainability foresight tool for the emphasis that is placed on looking at longer-term desirable futures. Vergagt and Quist (2011) highlight the ability of backcasting to lead coordination, cooperation, and high order learning between stakeholders. However, one could argue that backcasting can be used equally well for short, medium and long-term objectives. Backcasting as a process does not set a time horizon, it is the desirable future state that does.

Not all uses have been documented; this is very likely a mere handful of the times and ways backcasting has been used. The practice has many variations including multiple scenarios and multiple desired futures. It has been used at different stages in planning processes, as well.

Some variations of the practice include:

- Target-oriented backcasting (Vergagt & Quist, 2011): Hojer et al. (2011) developed visions for a low energy future of Stockholm that are more elaborate than the pathways to get there, prompting important policy planning decisions.
- Tuominen et al. (2014) used a model they called pluralistic backcasting, in which multiple preferred futures are taken as starting points.
- Design-Orienting Scenarios (DOS): socially and technologically innovative scenario production for sustainable households with a wide range of stakeholders that were clustered into groups.
- Social Practice Theory: applied by Doyle and Davies (2013) to examine the transition to sustainable household consumption, Social Practice Theory works by constructing three scenarios with varying levels of socio-cultural, regulatory, and technological advancement.
- Shared history: participants construct a historical timeline of trends leading to the present. It asks: what are the continuities in our history and what is discontinuous? The narrative explains the logic, highlights, and assumptions of how and why an initiative is expected to work.
- Literature-based narrative themes: Eames et al. (2016) explored the role of hydrogen economy as a guiding vision shaping the co-evolution of technology and society.
- Repertory grid method: used to uncover conflicting positions of stakeholders for contested technological futures, value judgements, and problem framings by Van de Kerkof et al. (2009).
- Integrated Assessment: developed land degradation and desertification scenarios based on participatory Factor-Actor-Sector framework looking forward.
- Backcasting is used as a quantitative exercise using evidence-based (scientific) forecasting principles to determine relative absolute errors by Greed, Armstrong, and Soon (2008).

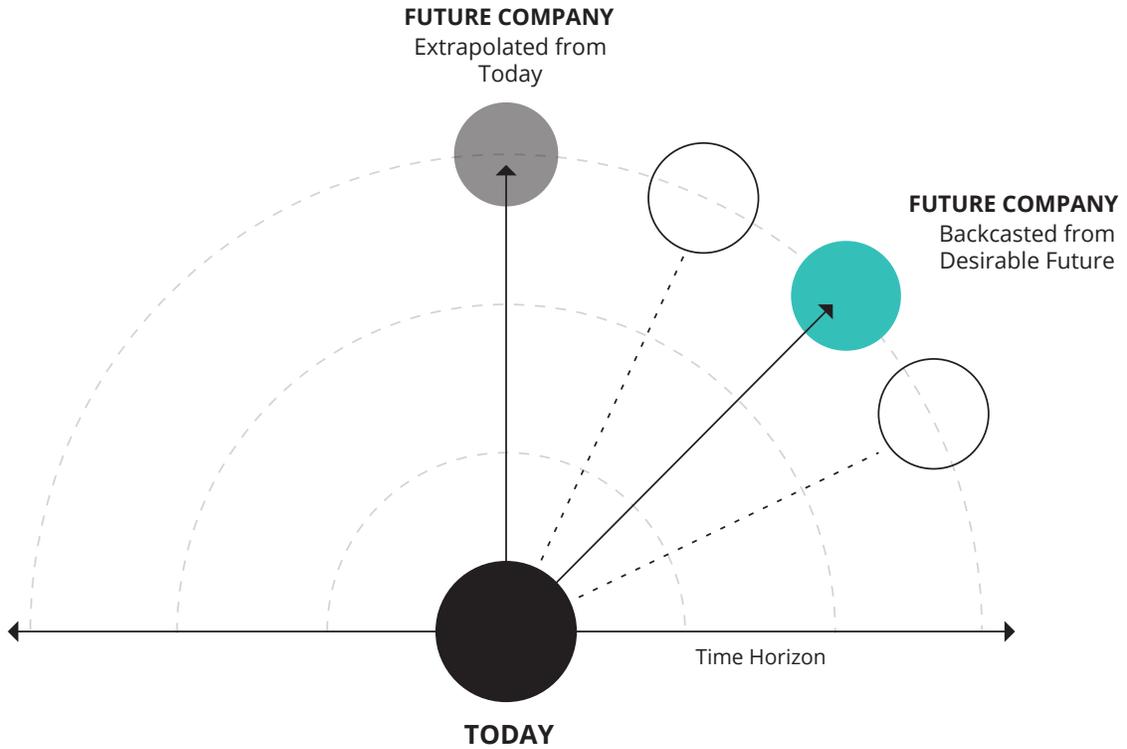


Figure 6 Visualization of Innosight's Future-Back Approach. Adapted with Permission.

Figure 6 is an adaptation of the impact of innovation consultancy Innosight's version of backcasting, called the "future-back approach" (Johnson & Davis, 2014). Innosight is promoting the process one of their consultants may walk a client through. Since one of an SME's biggest barriers is its access to resources, it is beneficial for SMEs to understand the whole process, in order to one day be able to conduct these processes independently.

Despite there being many different variations of backcasting, the documented practices have the following consistencies;

1. At least one desired future is co-created by participants.
2. The desired future is plotted in the distant future.
3. Participants anticipate required steps in order to reach the desired future.

A backcasting approach is applicable for SMEs because it allows for flexibility of the desired future and steps required to attain it. This flexibility can tailor to the diversity of specific SME needs in order to help them collaboratively design and co-create a future for their business. This approach used in addition to visioning, can help participants align with one another's mental models of a desirable future and the steps required to attain it.

SUMMARY OF FINDINGS

Research on SMEs in Ontario and their specific needs as found by past researchers was uncovered, to be compared with primary research in the next section. The concept of a shared vision of the future arose on several different occasions as a means for transformational change. This sparked an interest in the concept of a shared vision of the future and questions about how it might be attained through foresight methodology. A reverse-engineering approach was explored to add tactical applicability. It became increasingly clear that a shared vision of the future required a collaborative environment including cross-functional individuals. A high-level investigation of organisational barriers that may exist was also performed in preparation for implementation challenges.

METHODOLOGY

METHODOLOGY

RESEARCH QUESTIONS

The key question this research addresses is:

How might reverse visioning (i.e., backcasting) aid small and medium enterprises within Ontario to articulate and map out long-term strategy?

In order to answer this, the following additional questions needed to be addressed:

1. How do SMEs in Ontario currently articulate strategy? Do they use visioning and if not, should they?
2. Do SMEs in Ontario currently practice backcasting?
3. How can the current strategic planning practices be critiqued and improved?
4. What insights can be gathered to inform design of improved practice?

PROCESS

To answer the overarching research question, the Ontario SME landscape was explored—first through secondary research, then through semi-structured interviews. A sample of 8 SME leaders, executive or management, were interviewed about the presence of specific practices (looking for those that can be categorized as “backcasting”). Leaders of Ontario SMEs were interviewed in order to determine best practices, gaps, and needs to inform the creation of a new visioning framework.

1. A literature review was conducted to provide the necessary context to frame the project.
2. An analysis of existing strategic planning cycles was conducted to identify gaps in the process which might indicate a need for strategic foresight.
3. To validate the strategic planning needs of SMEs in Ontario, eight semi-structured interviews were conducted with decision-makers of different sized organisations.
4. Primary data was analysed and compared with secondary strategic foresight data in order to generate a tool to address identified gaps in SME processes.
5. A five-step engagement process was designed to lead partakers through the process of co-creating and executing a long-term vision for their organisation.

An Iterative Process

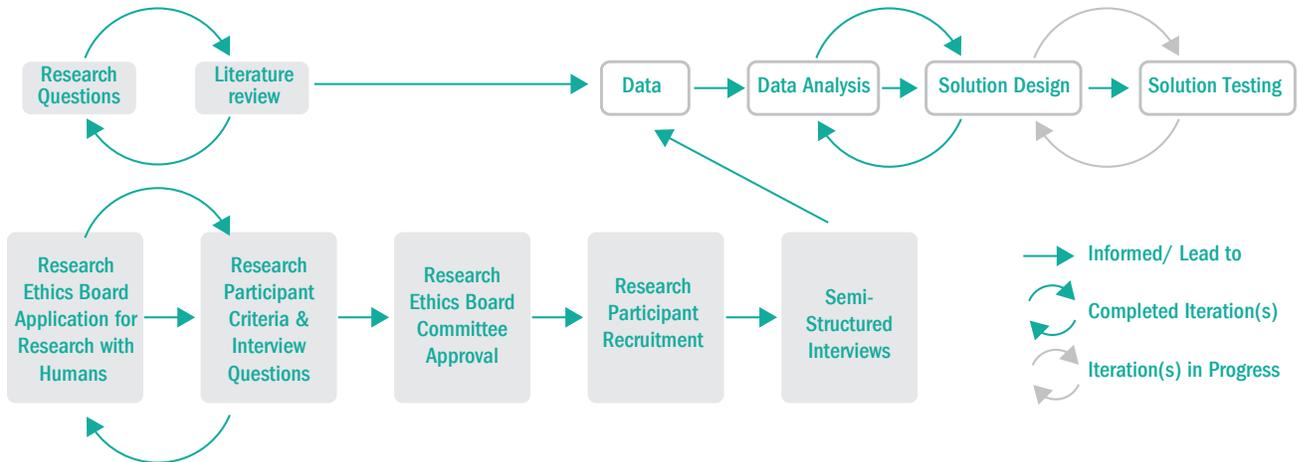


Figure 7 Process Diagram

SEMI-STRUCTURED INTERVIEWS

Semi-structured interview was chosen to lead a discussion and glean comparable insights, while still enabling participants the freedom to add information that they believed to be relevant in the way their enterprise conducts its strategic planning.

A sample of eight SME decision-makers were interviewed about their strategic visioning processes and evaluated for the presence of specific practices (looking for those that can be categorized as “backcasting”). An interview script was followed. Leaders of Ontario SMEs contributed to best practices for the creation of a new visioning framework. A gap analysis was conducted between best practices, poor practices and mainstream practices for strategic planning.

RECRUITMENT RATIONALE

For this research, the term “decision-maker” was defined as “a person in an SME, who is responsible for making important decisions regarding the organisation’s strategy and/or is involved in the organisation’s strategy conversations.” Participants recruited were of any age and gender. The SME definition of 500 or fewer employees was divided into four different groups, with the intention to interview three decision-makers per group: up to 50, 51-100, 101-300, 301-500. This was done in order to get a good balance

of different types of SMEs that fit into the Ontario definition. At least 80 individuals were contacted through direct and extended network on LinkedIn, TenThousandCoffees, and word-of-mouth referrals.

Small Enterprises		Medium Enterprises	
Up to 49	50- 99	100- 299	300- 499
2 Participants	2 Participants	2 Participants	2 Participants

Figure 8 Breakdown of Interviews Conducted

CONFIDENTIALITY

The study promised to maintain all personal identifying information gathered, intentionally or unintentionally, as confidential. Data collected during this study was stored on the investigator's computer and password protected. Collected data was retained only as needed for the course of the research and will be deleted after the project is submitted and approved. Summaries of the study may be maintained indefinitely, but will not disclose names or identifiable information of participants. Access to this data is restricted to the researcher and Faculty Supervisor. Participants were informed that they could decide to withdraw from this study at any time, or to request withdrawal of their data within 14 days after their interview. They were also informed that their personal identifiers would be secured and private—never published or publicly accessible.

This study has been reviewed and received ethics clearance through the Research Ethics Board at the Ontario College of Art & Design, file number 1528, and clearance number 2016-58.



ANALYSIS

HOW DO SMES CURRENTLY PLAN FOR THE FUTURE?

Data gleaned from a sample of eight individual cases of Ontario SMEs and their strategic planning processes were analysed then compared against one another. Identified themes will be discussed in this section, with extra discussion on the outlier, gained insights, and how strategic foresight can help.

DATA ANALYSIS

Individual cases were analyzed and compared against one another. Questions that were asked include: What works well for these SMEs? What does not? Based on the importance of a long-term strategic vision as indicated by the literature review, a gap analysis was conducted between best practices and current SME practices. The individual cases were divided into 4 categories based on number of employees. They were then analysed and compared against one another. Because there were two cases per size category, the results are qualitative characteristics of said category representing common experiences among the cases involved and emphasizing differences. Since an organisation of 10 employees is subject to very different pressures and challenges than one of 450 employees, the results were analyzed both individually and compared amongst the other participant in the same category to identify similarities.

CHARACTERISTICS OF 4 CATEGORIES

In the category of up to 50 employees, the organisations were found to be open to collaboration in their change efforts. They had an optimistic view of the future, while still being concerned about competition and its impact on their attempts to 'make ends meet'. Participants in this category were found to have predominantly financial and quantitative goals for the future, resulting in a general direction for their future but not a clear vision of what that future may look like. No formal techniques were used to plan for the future and no reverse-planning was used. This category had done their strategic planning internally, without intervention by a consultant or facilitator. The vision for the future (or, in this case, the general direction) had either not been reviewed or had an inconsistent pattern of review.

CHARACTERISTICS OF ORGANISATIONS WITH UP TO 50 EMPLOYEES

- Collaborative, optimistic, trying to make ends meet
- Lack alignment on organisation's vision

- Concerned with competition
- Financial / quantitative goals for future only
- Plan for general direction without specific details
- No visioning techniques used
- No external consultants / facilitators
- Inconsistent reviews / no review
- Do not practice backcasting

“We need to put the vision on the table and have a plan” – Participant 7

A manufacturing enterprise of fewer than 50 employees often finds themselves accepting orders based on what they feel they are capable of filling. Likewise, they stop when they feel they are unable to fill the orders. They explained that machinery and workers are added as needed—there is no long-term plan in place.

Organisations in the category of 51-100 employees were found to greatly value their human capital. They had an optimistic outlook on the future for their organisation. They focused on financial and quantitative end results. Both participants admitted their visioning of the future could be improved. They had both practiced reverse-planning for specific projects. Participants stressed a concern for the possibility of changing demand for their services.

CHARACTERISTICS OF ORGANISATIONS WITH 51- 100 EMPLOYEES

- Need a change roadmap
- Lack alignment on organisation’s vision
- Value people
- Financial goals
- Optimistic vision / goals
- Could use better visioning
- Reverse-planning of some sort

“It’s hard to be ready to adapt; things are always changing.” – Participant 3

A company in the medical industry finds itself shifting and adjusting its strategic goals almost every week. Company leaders find it difficult to be agile when needs, costs, regulations, and currency are changing around them.

Organisations in the category of 101-300 employees were found to have some formal processes in place for their strategic planning processes. They both mentioned rapid organisational growth as an influential factor on the way things were. Though participants believed in the importance of inclusion for company decisions, they found it difficult to include all those who would want to be included in time sensitive decisions. They had conducted project-based reverse-planning. Both participants mentioned cultural frustrations, one of which included a family

bias. Both mentioned a top-down hierarchy in terms of decision-making and both had included external consultants and facilitators as part of their processes.

CHARACTERISTICS OF ORGANISATIONS WITH 101-300 EMPLOYEES

- Have some formal processes in place
- Lack alignment on organisation's vision
- Emphasize inclusion (though it is not always possible)
- Use visioning techniques
- Ongoing strategy revisioning
- Need reviews more often
- Conduct a form of backwards planning
- Culture frustrations
- Top-down structure
- Concern with environment trends / industry advancements
- Had outside consultants

"People only buy into their slice of our vision and mission" – Participant 4

A not-for-profit enterprise with just over 100 employees has vision discussions led by the CEO. The CEO has been in the position for a long time and has a good idea of the vision for the company in their mind, though this mental model is not shared across the company. Visioning has been difficult because the foundation provides a range of services. They faced the challenge of getting members to align that had different backgrounds and had been working on different initiatives. Saying "it's hard to articulate a vision that encompasses everything we do", the participant explained the vision is broad to encompass all the services offered, but as a result it often seems too broad.

The category of 301-55 employees had consistencies such as a lack of alignment on organisational vision and a top-down structure. The interview outlier laid in this category and, as such, will be explored in depth in the next section.

CHARACTERISTICS OF ORGANISATIONS WITH 301 - 500

- Lack alignment on organisation's vision
- Top-down structure

"We use [strategic planning techniques] on our clients but not on ourselves." – Participant 5

A technology advisory company with 450 employees explained that they used strategic planning techniques, namely Osterwalder and Pigneur's (2010) Business Model Canvas, and reverse-planning for value proposition offerings on their clients, though they have not used the same types of tools and techniques on themselves. This may be due to the client needs coming before their own, as is typical in client-focused organisations.

THE OUTLIER

“Get aligned or get lost” —Participant 8

Of the 8 interviews conducted, the results were consistent among seven interviewees. The outlying results were obtained from an interview with a CEO of an aerospace technology manufacturing company in the largest category. Though the participant admitted there was not internal alignment on the company vision, they were proud of the success the company has had and did not see a need to change the way things had been done. The perspective of this participant is very indicative that collaborative visioning tools and techniques are not for everyone. Such tools require buy-in and confidence, which can be one of the largest challenges.

The outlier had no interest in alignment per se, as long as their directions were followed. The participant compared their organisation to a hockey team, in which they were the coach, saying the teammates must follow the orders of the coach regardless of their opinions on the orders. They shared their opinion that most manufacturing companies operate with a top-down hierarchy and it works. When asked how to ensure alignment, the response was “get aligned or get lost”; if a member was not following suit appropriately, that member would be let go. They indicated that this teaches a lesson to other members about the importance of following orders.

This participant’s autocratic style was the outlier among interviewees. Though it stands out, this style is not ineffective. Traditionally, autocratic leadership may have been thought to be the most effective. There are some cases in which this style may work best and others in which it would not.

This participant was confident that their positioning in the market and investment decisions had led them to demonstrable success on more than one continent. They indicated that the enterprise had a good long-term vision, though levels of commitment to it varied. Their “dream” (as opposed to vision) is communicated through vision, mission, and values and is posted on the wall in several locations around the company. The participant indicated that their dream is discussed annually, though it does not change much. Their dream mainly focuses on revenues and increased profitability. The dream is communicated at quarterly employee meetings. Before that, there was a circle-of-life graphic with nine words titled “How to Achieve Operational Excellence.”

Though strategy meetings would include the participant, their management team, and the individuals that run their sites, the participant stated that they created over 90% of the strategy independently. Since it was practically their own strategy, the participant had strong views on the way strategic planning should be conducted and enforced.

They explained that the enterprise was headed for bankruptcy until they were asked to step in. Part of the strategy to make it more successful included partnering with a different plant. Since the partner’s management did not align with this participant’s, Participant 8 “got [them] kicked out”. This reverse-takeover

acquisition was possible because the participant had more chairs on the board who voted in their favour. They explained that one person in the organisation could develop an effective long-term strategy, and that was them (the participant). They believed that the best way to achieve alignment from members of the enterprise was to remove members who did not comply. They explained that this helps other members understand the importance of compliance.

This participant believed “alignment is good because it’s forced to be good”; they believed that obeying orders means that the actions members are taking are aligned—their mindset does not have to be aligned. They argued that hierarchical top-down alignment is still alignment toward one end goal and believed that most successful manufacturing plants operate this way.

It was obvious that the participant had a clear image of “the dream.” This enterprise conducted strategic planning, however, collaboration was seldom a part of the process. To this point, the participant argued “not every group decision is a good one.” This participant was not a fan of backcasting. Their perspective was that the organisation knows the present and knows their goal and so they plan forward, not backward. The participant gave the example that if there are ten steps from the present to the goal, the only one that matters is number one.

For more details on the responses from this or other participants, see Appendix B. The outlier is analyzed as a weak signal that could potentially grow to become important.

SME STRATEGIC PLANNING: WHAT WORKS?

Best practices as identified in the interviews include:

- One-on-ones
 - Meeting with employees at all levels helped senior staff identify challenges.
- Involving employees as part of the process
 - Making processes and decisions that were clear to all showed positive results.
- Scheduled review and evaluation of goals
 - A systemic overview of the organisation was found to be effective at identifying areas of improvement.
- Facilitation
 - Two participants indicated that an external party’s facilitation improved the success of their strategy meetings
- Yearly departmental and personal plans
 - A yearly departmental operations plan helped one organisation articulate outcome consistency. They also suggested individual members create plans with 3-5 goals.
- Responsibility Assignment Matrix
 - One participant referenced RACI (Responsible, Accountable, Consulted, and Informed) framework as an effective way to assign and monitor task accountability.
- Having employees as part-owners
 - One participant indicated that having employees as part-owners showed an increased commitment to the success of the business overall.

Discussions on current strategic planning practices uncovered themes that have proven successful for SMEs. Participants found that the inclusion of members in different roles across the organisation as part of the planning process, and one-on-one interviews provided valuable insights that would not have been gained without their inclusion. Those with scheduled reviews and evaluation of their progress on certain goals had a better understanding of the organisation's direction and progression toward goals overall. One participant explained a situation in which they completely remapped the organisation over a year using 4 hour meetings every Monday. 'Stoplight' visuals (green, yellow, and red) helped to demonstrate status of goals of tasks.

In addition to organisation-wide planning, two participants found yearly developmental and personal plans effective. Similarly, one participant mentioned the use of a responsibility assignment framework to assign and monitor tasks. Having employees as part-owners was found to cause employees to be more committed to the success of the organisation.

SME STRATEGIC PLANNING: WHAT DOES NOT WORK?

Ineffective or inefficient practices as identified in the interviews include:

- Temporary and Short-term mindsets
 - Participants planned short-term, focusing on staying afloat rather than growth.
- Basing allocation of resources on demand
 - This led to a lack of resources if an order is placed with short notice. A lack of resources, meaning incomplete work, can have a significant impact on customer retention.
- Broad visions
 - A vision that is too broad was difficult to take seriously. Without specificity, members did not know what they were working towards.
- Quantitative visions
 - Financial ends and revenue targets do not resonate well with company roles.
- Interpretations of vision
 - Without thorough explanation of details, visions and strategies were found to be misinterpreted by different members across the company.
- Inconsistent reviews
 - A lack of or inconsistency of reviews of the organisational vision and strategy caused increased confusion and misinterpretation of the long-term goals of the organisation.
- Lack of knowledge outside of role / organisation
 - A lack of external trend analysis had participants feeling anxious about their competitive advantage and market developments.

The primary research conducted showed a significant shortage in long-term planning by the participating SMEs. Though not a question on the interview script, many of the interviewees were asked in conversation how far out they plan. Five participants noted that their organisation plans one year or less into

the future. One participant mentioned planning for three years out and another mentioned that they planned up to five years out. This short-term planning is likely a result of a small business mindset; many participants mentioned that their strategy was to make money, implying a desire simply to stay afloat rather than have significant growth. SMEs may want growth, but they are not currently planning according to that desire. There was a notable business-as-usual mindset due to this short-term planning, though participants were aware that they could not assume the business would continue the way it had been.

Overall, the organisations interviewed maintained a temporary or short-term mindset. The longest planning horizon was five years, mentioned by two participants. Though five years is in the future, it limits the companies to thinking small and sticking with their current knowledge of the industry. The enterprises consistently focused on short-term results likely because, as smaller organisations, they have fewer people to allocate responsibilities. Similarly, Participant 3 mentioned “forecasting” as a method their company used. Though satisfied that they were considering the future, forecasting differs from foresight in that forecasting assumes current conditions will prevail and is usually for a shorter period of time. Participants 1, 3, 5 and 7, explained that client work takes priority over their own. Participant 5 explained that the company used tools to help their clients map out the value proposition of their organisation, but did not use the tools on their own company.

Some interviewees, such as Participant 7, shared that they base their allocation of resources on the purchase orders they receive. This may lead to a lack of resources if an order is placed with short notice. This participant explained that they stop when they cannot fill orders in time. Customer disappointment from not being able to have an order complete on time may lead to a reduction in customer retention and acquisition over time. Enterprises in this situation could benefit from looking into potential future needs (not just present needs) of their clients in order to have the appropriate resources in place. This reactive mindset was strongly embedded in the strategy of all the participants.

In terms of visioning, participants had the tendency to “think small” and fear the unknown. Alternatively, some organisations had visions that were too broad. An element of bigger, more specific thinking could help interviewees better achieve their goals. Though visioning can be used at any stage to help clarify an organisation’s position in relation to its vision, it is usually articulated by SMEs once as part of “Vision, Mission, Values” at the creation of the enterprise and is rarely reconsidered or updated. Of those participants who mentioned visions, the visions were mainly about revenue targets/financial ends. Communication of vision was mainly the responsibility of the CEO of the organisation. When visualized, it was done so using words. One could interpret the use of words on a poster, as mentioned by Participant 8, in many different ways without a contextual structure around them. Participants did not mention in detail how the vision is received by their lower-ranking employees, which may be an indication that it has not been a priority in the past.

Only three of eight interviewees mentioned external environment as a key factor in their strategic planning. Certain industries were more aware of threats than others—both manufacturing companies cited Chinese production as a threat to their business model. Though aware of the external environment, it was referred to as an unpredictable and quickly-moving entity but rarely considered as something for which companies could plan. Typically, enterprises know their industry and competitors well, but ignore the factors external to that industry that may strongly change the evolution course of an industry.

Seven out of eight participants stated that their organisation could benefit from more frequent reviews of its vision and their progress toward it. Seven out of eight also agreed that their organisation would benefit from the use of visioning techniques. If they had not been using visioning they believed its use would be beneficial; if they had, they believed more frequent use would be beneficial. When asked if they ever chose a point in the future and worked backwards to the present to achieve it, those who said yes referred mainly to revenue targets or specific projects. This further validates the lack of 'big-picture' thinking in Ontario SMEs. This is also a good sign—SMEs currently have the ability and understanding to use reverse-planning, just not as a foresight tool for their organisation as a whole.

INSIGHTS GAINED

The primary research conducted showed a significant shortage in long-term planning by the participating SMEs. Many of the interviewees were asked in conversation how far out they plan. Five participants noted that their organisation plans one year or less into the future. One participant mentioned planning for three years out and another mentioned that they planned up to five years out. This short-term planning is likely a result of a small business mindset; many participants mentioned that their strategy was to make money, implying a desire simply to stay afloat rather than have significant growth. SMEs may want growth, but they are not currently planning according to that desire. There was a notable business-as-usual mindset due to this short-term planning, though participants were aware that they could not assume the business would continue the way it had been.

McCammon (2012) investigated progressive SME leaders who already had a long-term view. A gap was found between long-term aspirations and short-term goals, pointing toward a need for processes to connect the now with the future. Reflection and consideration of external factors, trends, and movements was also identified as crucial to the planning of SME futures. McCammon (2012) found that the dissemination of mental models was a crucial challenge to the sustainability of the SME companies they researched. Read (2014) used similar methodology to investigate mainstream SME leaders. One of Read's recommendations was to understand what the decision-maker sees as their greatest influencer of success. Comparing the two research studies results in two distinct mental models. This sets the stage for the exploration of how one might influence mainstream SMEs to become progressive SMEs, and how to

strengthen the connection in progressive SMEs from the present to the future.

The organisations interviewed maintained a temporary or short-term mindset. The longest planning horizon was five years, limiting the companies to thinking small and sticking with their current knowledge of the industry. In terms of visioning, participants had the tendency to “think small” and fear the unknown. Alternatively, some organisations had visions that were too broad. An element of bigger, more specific thinking could help interviewees better achieve their goals. Of those participants who mentioned visions, the visions were mainly about revenue targets / financial ends. Communication of vision was mainly the responsibility of the CEO of the organisation.

There was a theme of top-down leadership mentioned in interviews, however investigating this further would be biased, as interviewees were in different roles in the organisation. It would thus be difficult to measure since some participants would be the ones conducting the top-down leadership style.

Overall, analysis shows that Ontario SMEs are not planning far enough into the future.

- They do not have a clear view of where they want to be in the future
- SME employees’ mental models of their organisation and its future are not aligned
- SMEs are lacking a straightforward view of the steps they need to take
- SMEs do not feel prepared or knowledgeable regarding the developments in their industry and others that may have an impact
- SMEs are not currently able to see where their current progress fits in the big picture of their desired future
- SMEs lack collaboration in regard to their company’s future direction

CONSIDERATIONS / FACTORS

It is worth considering the differing situations that may cause SME leaders to think the way they do. Sometimes, the varied leadership perspectives simply differ due to different personalities or points of view. Though individual points-of-view will always differ, analysing groups can help detect common clusters of characteristics. Power dynamics have a great influence on the culture and functioning of an organisation. Oftentimes in private companies, the majority stakeholder is also the chair of the board. This results in a lack of board independence and diversity which means strategies may not be in the best interest of the other stakeholders.

Financial situation may also be a factor in the way some enterprises think. An organisation on its way to bankruptcy may accept unsustainable practices, lower ethical standards and cultural outliers because the company is in trouble. Companies under financial pressure must plan in the short term as a result. Companies not under that kind of pressure may feel more confident take the longer view.

Distrust, a result of many different factors, could influence a leader to choose to make decisions alone in order to avoid putting a decision in another member's hands and consequently risking failure. Likewise, distrust in the capabilities of their own team of managers and employees may entice a leader to make decisions alone. As explained by the previously mentioned outlier, "not every group decision is a good one." Collaborative thinking can be very effective, but it is not necessarily the best solution for all situations.

Lastly, the organisation's culture is indicative of their way of thinking about the organisation and its future. A culture that focuses its time on what went wrong may be, in a sense, living in the past causing members to feel that the organisation has little or no future planning. Likewise, if the organisation's communication between the leader and the rest of the company is insufficient, the same effect can occur.

These organisational considerations are assumptions that warrant further investigation and a thorough understanding. This further validates the need for a discovery process.

Read's investigation on the Influence of Mental Models on Decision-Making for Ontario SMEs also indicated a bias toward unilateral decision-making and action. Thusly, there is a need to create a "shared culture" within SMEs, which includes creating policies, systems or infrastructure that translate values into the formal decision-making of the company (McCammon in Read, 2012). As an alternative to the authoritarian hierarchy, Peter Senge (1994) suggests that businesses should take on the characteristics of a 'learning organisation' in order to achieve long-term competitive advantage. The characteristics of a learning organisation (shared vision, team learning and constant transformation) enable an organisation to become more resilient by being able to learn from and adapt to changes in the organisation's environment.

THE PROBLEM

ONTARIO SMES ARE NOT PLANNING FAR ENOUGH INTO THE FUTURE.

- They do not have a clear view of where they want to be in the future
- SME employees' mental models of their organisation and its future are not aligned
- SMEs are lacking a straightforward view of the steps they need to take
- SMEs do not feel prepared or knowledgeable in regards to the developments in their industry and others that may have an impact
- SMEs are not currently able to see where their current progress fits in the big picture of their desired future
- SMEs lack collaboration in regards to their company's future direction

HOW DO ONTARIO SMES PLAN FOR THE FUTURE?



Figure 9 Responses from Interviews

In response to questions about how far they look into the future, the participating Ontario SMEs all stayed within 5 years of today. Five participants — over 60% — planned for one year into the future. Two participants planned 3 years into the future. Only one of the participants indicated that they plan up to 5 years into the future.

THE PROBLEM: Currently, Ontario SMEs can only see a fraction of the whole journey.

This short-term planning is likely a result of a small business mindset; many participants mentioned that their strategy was to make money, implying a desire simply to stay afloat rather than have significant growth. SMEs may want growth, but they are not currently planning according to that desire. There was a notable business-as-usual mindset due to this short-term planning. SMEs are banking on the future being consistent with today.

What if organisations had a way to co-create their future and align on steps to its achievement collaboratively?

SMEs need to see the big picture.

Infusing strategy development processes with foresight methodology ensures the strategy is futures ready—flexible for the range of challenges and opportunities the future may bring (Conway, 2016). Without a sound vision, changes do not add up in a meaningful way — they are not part of a bigger picture. Kotter (2007) explains that, “without a sensible vision, a transformation effort can easily dissolve into a list of confusing and incompatible projects that can take the organisation in the wrong direction or nowhere at all (p. 5)”. Foresight approaches allow strategy development to be an inclusive process: allowing its users to be authentically involved in the process of creating a shared view of their organisation’s future. A foresight approach considers a wider range of issues and change across industries. This can include emerging issues and general societal trends. They take a big picture perspective — a systems approach — to identifying and understanding change and look for systemic drivers of that change. Foresight can help mitigate uncertainty and leave an organisation feeling more confident planning for the long term.

SMES need to see how their desired future can be attained.

Working backwards from a particular desired future end-point to the present, backcasting determines the physical feasibility of that future and the measures that would be required to reach that point. It helps businesses think about mitigation and responses to undesirable futures. Instead of getting stuck in the past or the future, businesses are encouraged to expand the possibilities for the future of the business in their minds and create an actionable roadmap to achieve it.

WHAT INSIGHTS CAN BE GATHERED TO INFORM DESIGN OF IMPROVED PRACTICE?

The conducted research led to insights on what a successful solution should include. After collecting the background information, design thinking processes were applied to prototype a solution tailored to SMEs and their needs. Once insights were gleaned from each interview, comparisons led to themes. Themes were ordered according to impact. The most impactful were emphasized heavily in both the writing and the solution.

The solution development and design process included the following steps:

1. Identification of gaps in strategic planning processes of Ontario SMEs, as gleaned from insight themes
2. Development of solution success criteria from themes
3. Solution prototyping with iteration
4. Evaluation of success criteria

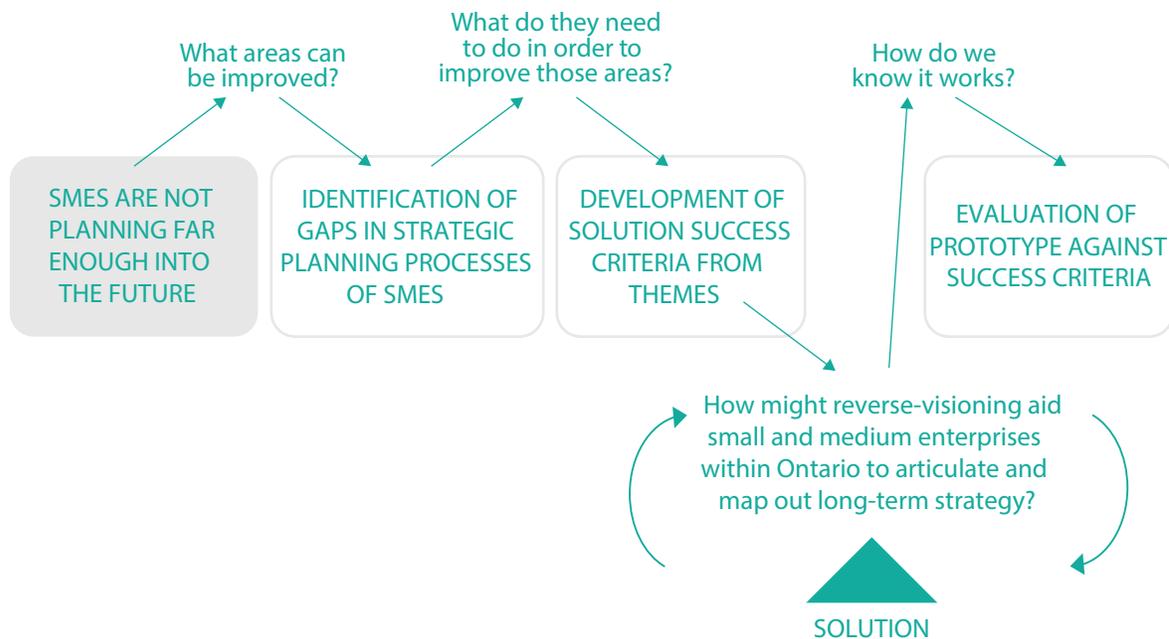


Figure 10 Solution Design Process

GAPS IN STRATEGIC PLANNING PROCESS

SMEs do not have a clear view of where they want to be in the future

SME employees' mental models of their organisation and its future are not aligned

SMEs are lacking a straightforward view of the steps they need to take

SMEs do not feel prepared or knowledgeable in regards to the developments in their industry and others that may have an impact

SMEs are not currently able to see where their current progress fits in the big picture of their desired future

SMEs lack collaboration in regard to their company's future direction



Gaps in Strategic Planning Process	Solution Criteria <i>Therefore, a successful solution will...</i>
SMEs do not have a clear view of where they want to be in the future	Provide a clear direction to SMEs of where they want to be in the future
SME employees' mental models of their organisation and its future are not aligned	Enable discussion and negotiation in order to attain agreement on a future
SMEs are lacking a straightforward view of the steps they need to take	Result in a roadmap to achievement of a desired future state
SMEs do not feel prepared or knowledgeable regarding the developments in their industry and others that may have an impact	Encourage trend scanning and analysis of external environment
SMEs are not currently able to see where their current progress fits in the big picture of their desired future	Enable strategic progress to be widely understood and easily revisited
SMEs lack collaboration in regard to their company's future direction	Provide a way for stakeholders to collaborate on the future of the organisation

SOLUTIONS DESIGN

SOLUTION DESIGN: ADDRESSING THE PROBLEM

The problem of Ontario SMEs not thinking big enough is addressed by encouraging them to acknowledge the possibilities of the future of their organisation, align with one another's mental models to co-create a desirable future and use that vision to form the strategy required to attain it. The six gap areas were addressed by comparing the elements of SME current best practices and revisiting the literature to attain a new approach for the problems SMEs are currently facing. To address the fact that SMEs are not thinking, and likewise planning, far enough into the future, a strategic visioning approach was used. Understanding the importance of collaboration across organisational roles, a tool and accompanying activities were created to facilitate collaboration on a desired long-term vision of the future of the organisation.

The process is designed to help tell a story that organisation's members can believe in with a 'satisfying authenticity'—combining reality and the desirable in a compelling way to motivate them (Manu, 2010). It will be continuously iterated on as it is a first version prototype. Similarly, the facilitator's guide was designed to act as a minimum viable product offering that is easily absorbable. It can have many variations and is open to interpretation—the hope is that companies will share the different ways they use the tool, in order to continue to inform the design throughout its iteration process. Feedback is welcome and encouraged.

PROCESS DESIGN

The proposed solution began as a tool on its own. Facing the problem of users using the tool incorrectly, it evolved into a workshop design. Upon realizing the influence of internal and external factors, the workshop expanded into a longer-term engagement including five phases. This was due to the needs that surfaced throughout the process: a need for organisational context, environment scans, and more opportunities for interaction in order to truly solve the challenges SMEs face.

The tool was developed and iterated on several times. Feedback was sought from external parties with expertise in facilitation, backcasting, and organisational behaviour. The current tool is the result of many iterations, however, it remains a prototype that is expected to develop with its practice.

The length of time and steps included in each phase of the process may vary depending on the organisation. Staggered testing, starting with smaller organisations, is recommended for the engagement's first field tests.

FUTURE CO-CREATION ENGAGEMENT

In an engagement, an external party (consultant) acts in an advisory capacity in order to lead an organisation (client) through a transformational change process. The length, frequency of meetings, and conversations differ depending on needs, size, culture, desired outcomes, and other factors of the organisation (in this case referred to as the client).

The outcome of the engagement will be a guiding vision to lead transformational change. With that vision, actionable next steps will be laid out for participants to move forward, understanding that they are crucial to the achievement of the long-term vision for a desired future. This engagement model is also a prototype, meant to be tested and improved upon.

PHASE 1: INTRODUCTION

Phase 1 includes an initial meeting with the client to understand what they hope to get out of the relationship. Once the purpose is identified, the organisation is asked to identify problems and challenges. One partner within the organisation may be identified as a champion of the project at this point.

Using a process -consultation approach, the client and consultant collaboratively assess the situation or problem.

PHASE 2: DISCOVERY PROCESS

Phase 2 is a thorough understanding of the organisation and the way it functions. It entails getting an understanding of the different departments and their relationships, challenges that may not have already been identified, understanding new perspectives within the organisation, and getting a feel for the organisational culture and its dynamics. At this point, differing measures are recorded as benchmarks to be compared with at the end of the process.

The discovery phase allows for unequivocal understanding of everything that there needs to be known about the client including past, present, and future. When the client and the consultant work as a whole, the discovery phase allows for an understanding of the priority of change and how to efficiently and successfully address it (Chelliah, 2010). A consultant is in the field to gain an understanding of the internal culture, its challenges, and the barriers that exist. The discovery phase also holds opportunity to explore organisation's macro environment through foresight scanning. A consultant can lead this process, teaching participants so that they can conduct foresight scans in the future. The results of these scans will provide constraints for the workshop.

A consultant is asked to partner with at least one member of the organisation, making the relationship one of a Process -consultation approach in which the client and consultant collaboratively assess the situation or problem. In order to create measurable results, the status of the organisation before intervention are recorded. Depending on the specific situation that needs improvement, benchmarks can be taken from an administered survey before and after the

intervention, sales numbers, accuracy of meeting targets, dollars spent, etc. Grim's (2014) Foresight Maturity Model may be used to assess the maturity of the organisation in regard to future thinking.

PHASE 3: CO-CREATING A SHARED VISION

The Future Co-Creation process begins with a cross-functional group. In larger organisations, the leadership group will participate first, then senior staff. If the desired futures differ, an important conversation must take place.

This phase of the process includes a tool and a facilitation guide with suggested activities in order to most effectively use the tool.

THE BACKCAST CANVAS

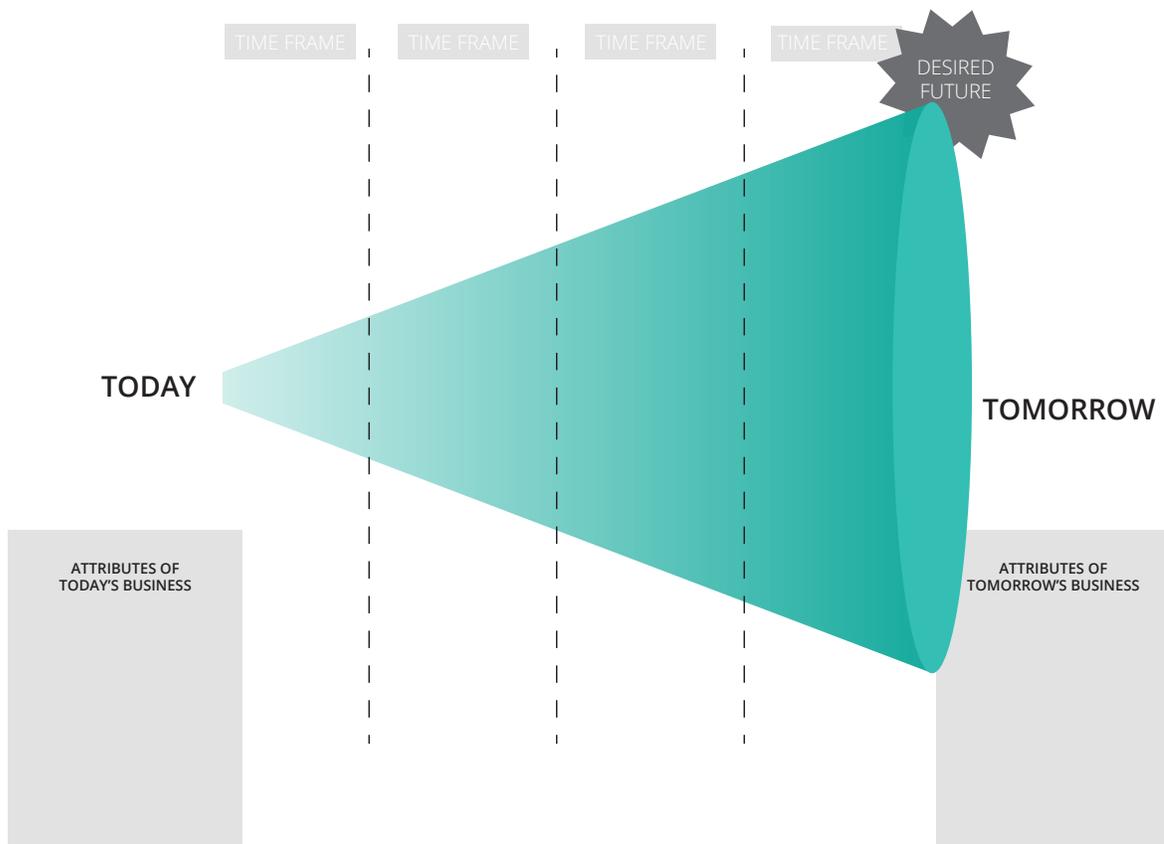


Figure 11 The Backcast Canvas

Shape: The facilitation tool, named The Backcast Canvas, got inspiration for its cone shape from Voros's futures cone (2011). The futures cone, shown in Figure 4, is used to demonstrate the array of possible futures the further one thinks from the present. The wide end of the cone represents all possible futures, with a smaller amount as plausible. Within those that are plausible, few are preferable and even less are probable. The Backcast Canvas is designed to outline the aspects that make certain futures preferable and make them probable.

Background: The original concept for the tool included a background which gets increasingly blurry to represent the uncertainty of futures. The cone remained clear, as it was the guiding framework that mitigated uncertainty. This blurred background concept was decided against in the end because it took away attention from the more important elements of the tool.

Time Frames: Each organisation has specific needs; the time frames used on the tool were left open to decision by the group. It is suggested that, since most SMEs think less than five years out, doubling that time frame to 10 years is a far enough stretch to start. Time frames were initially written as “3 Years”, “5 Years”, “10 Years”. Due to the fact that this project encourages SMEs to embrace their individual strengths, the decision was made to suggest time frames without limiting participants to them. It is for this reason that the light grey boxes read “Time Frame” in a subtle matter. They are designed to be written over by participants who decide collectively on the time frames that suit their organisation.

Desired Future: As the most important element on the Backcast Canvas, the desired future was emphasized in a manner that would make the tool easy to be understood by a third party. One’s eye is drawn to the dark Desired Future star, even though the tool is read from left to right. This visual order was designed to match the way participants go through the process. The emphasis on the desired future element causes participants to read the other elements backward, mimicking the backcast process.

Size: The Backcast Canvas was designed to fit as many sticky notes as possible. The A0 size was chosen based on other successful business planning canvases. A0 was found to be large enough for collaboration but small enough to be easily stored and transported.

Today and Tomorrow: Initially “Now” and “The Future”, “Today” and “Tomorrow” were chosen as headings because of their relationship to each other. Tomorrow closely follows today, and so calling the future “Tomorrow” inspires participants to realize the future is closer than they may realize, while visually representing their ability to design it.

Attributes: As the facilitation steps were prototyped, it became increasingly clear that the attributes of a desired future, compared with the attributes of the current business, were the most important factors in the process. Instead of designing one very specific future and becoming disappointed if its achievement is not possible, participants outline attributes that make a future desirable. This way, there are multiple desirable outcomes that the organisation is working toward instead of one.

Made with SMEs in Mind: Based on the specific needs identified for SMEs in Ontario, The Backcast Canvas is appropriate due to its short time requirement of one day or less, it’s easy-to-follow and fun process, and its affordable facilitation tool. It addresses needs specific to SMEs, enables them to think broadly about the potential future of their organisation, and urges them to commit to tactical steps in order to achieve it. The process is designed to be able to be conducted independently after an initial introduction by a consultant.

FACILITATION GUIDE

The process includes the use of the tool in a group setting, therefore a guide was created for the facilitation of the tool's use. The guide includes suggested activities and time frames, though it is recommended that participants do not rush through the process. Participants are expected to put at least half a day aside in order to workshop the future of their business. Though targets are agreed upon during the process and are meant to be taken seriously, participants are encouraged to be ready to revise targets regularly and change them if need be. A workshop should use examples relevant to the company participating, after gaining insights from the discovery process. Facilitators should be prepared to discuss negative or provocative contributions.

Diverge and Converge

The Backcast Canvas activities followed a pattern of divergence and convergence, typical of design thinking processes. The purpose is to expand possibilities then narrow in on the priorities.

Diverge: Exercises 2 and 3 asks participants to dream big about the future of their organisation.

Converge: Transitioning to Exercise 4, participants begin merging similar ideas and eliminating far out ones, reducing the total number. This exercise asks participants to form agreement on a desirable yet realistic future for their organisation.

Diverge: In Exercise 5a, participants shout out possible steps of achievement.

Converge: Exercise 5b asks participants to agree on realistic steps in a chronological order and the time frame at which they should be achieved.

Diverge: In Exercise 6, they consider possible changes in the environment that may pose threats of challenges.

Converge: This final step encourages participants to hold one another accountable for the first section of milestones on the Canvas. This part of the workshop ensures participants continue the conversation beyond that day.



Figure 12 Divergent and Convergent Process

Exercise 0: Introductions + Warm Up

This activity was selected to encourage participants to bring their creativity into the room. Not only does the workshop open with a drawing and laughter, it smoothly transitions into the purpose of the workshop and identifies a common misconception that will be solved throughout the day.

Because the research has shown that it is common for members to have a different idea of the company vision in their minds, it is necessary to spend time individually to write and speak about each person's perspective on the current purpose of the company and its vision for the future.

Exercise 1: What the Organisation Stands For

This activity connects the mindset back to the organisation. It asks how members view the organisation and its perceived values, beliefs, and goals. This conversation can go on as long as is needed. After the participants converge on the values, beliefs and goals as they perceive them, they compare that with the official vision, mission, and values statements of the organisation in order to identify and address any gaps or misalignments. The participants should eventually align on their motto and pillars that help them support it.



Exercise 2: A Future Headline

Participants are instructed to dream big, and to consider there are no constraints in the future. Participants get to be creative in their representations of the future by designing a magazine cover from the future (10 years out). Step 2 enables the participants to expand their minds and get excited about all of the possibilities the future may hold.



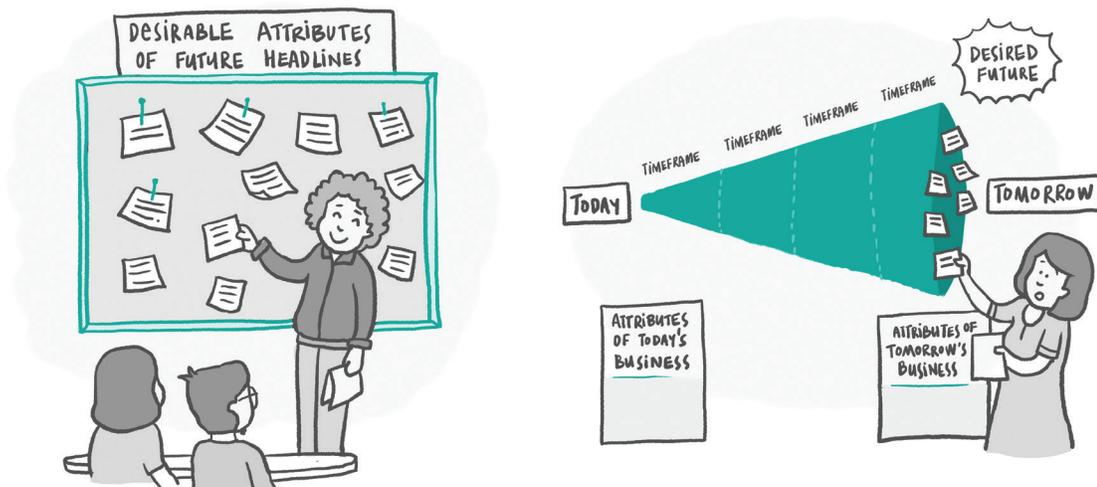
Exercise 3: Co-Creating the Future

This activity begins with a share-out of the different magazine covers created by participants. This leads to a discussion of the commonalities between the participants' big dreams for the future of the company. This discussion is where the alignment truly begins. It enables participants to truly take a glimpse into the future and realize that the accomplishments they can see for the company are goals they share with other participants.



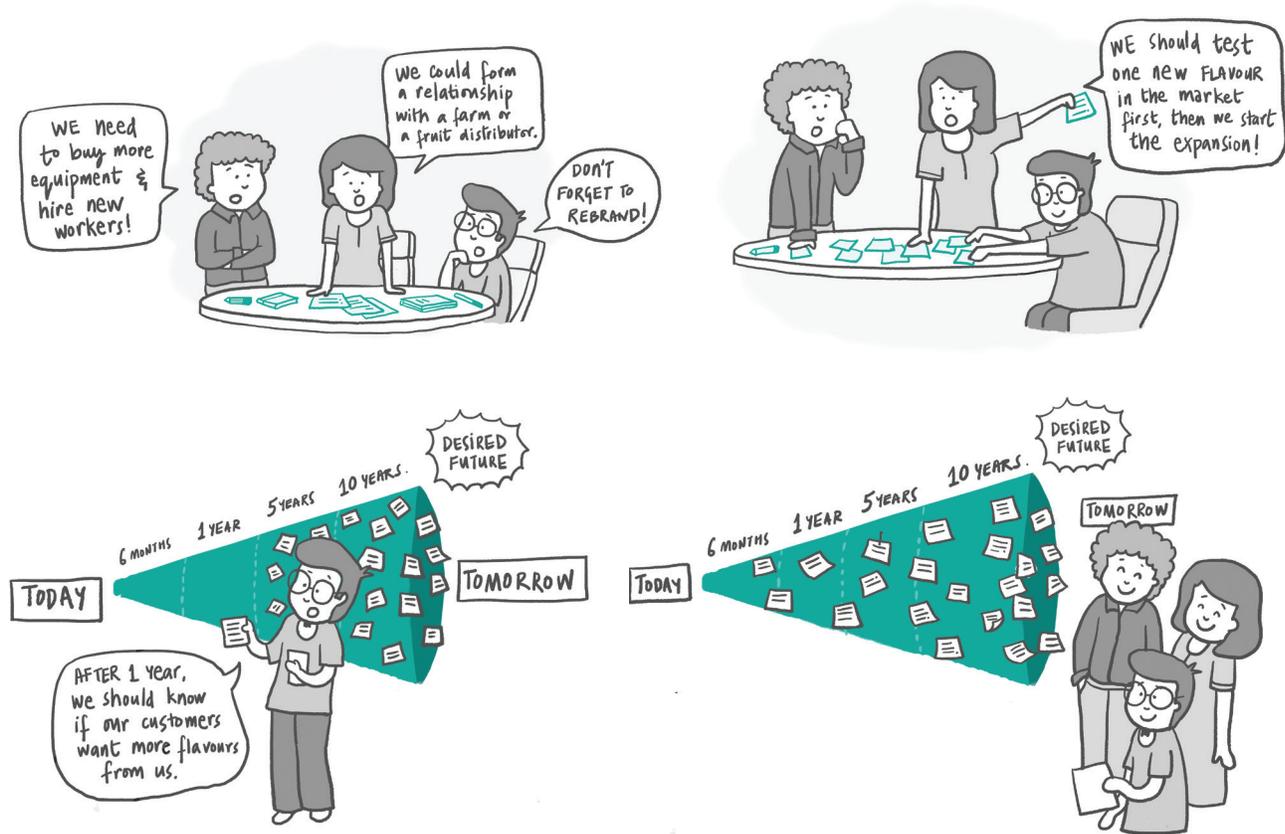
Exercise 4: Aligning on the Preferable

This part of the process is to form agreement on not only the larger vision, but a detailed understanding of what that future looks like. Success factors may be quantifiable, qualitative, structural, etc. depending on the needs of the organisation. It is important that participants reflect back on the pillars identified at the beginning of the workshop and discuss whether the future vision is still aligned with their pillars today. If not, the vision or the pillars may need to change; this would be the beginning of a very important conversation for the participants on what they strive to be as an organisation.



Exercise 5: Getting There

Once a clear and detailed vision is created collaboratively, participants are asked to shout out steps of achievement. The shout-out style is designed to create excitement about all of the possible ways their desired future is, in fact, attainable. Agreeing on the chronological order of events is critical to achieving a joint understanding of the change process. Without it a coherent story about that evolution towards the preferred future cannot be told.



Exercise 6: What if?

Before getting the participants too focused on tactics, the facilitator will ask them to consider possible changes in the environment that may pose threats or challenges to their achievement of the long-term vision. The facilitator will advise that a lot of research should be done to have an informed understanding of potential threats at a later point in time. In that moment, the exercise is simply to ensure that participants consider the external environment and the changes it may lead to when they look far into the future. Participants can also be asked to read condensed versions of scenarios developed by the consultant and partner before the session.



Exercise 7: Ownership

At this point in the process, participants will have reached new understanding of their organisation's potential future and outlined steps that will lead to its attainment. It is now the facilitator's duty to ensure that the discussions and early tactics move beyond the workshop. They ask participants to partner up and hold each other accountable for the first section of milestones listed on the board. A Responsibility Assignment Matrix may be used. Participants also discuss how often the progress on the tactics will be reviewed and when the vision will be reviewed next. They are encouraged to write down signals of change that they observe in the environment to bring to future meetings and share with the group.

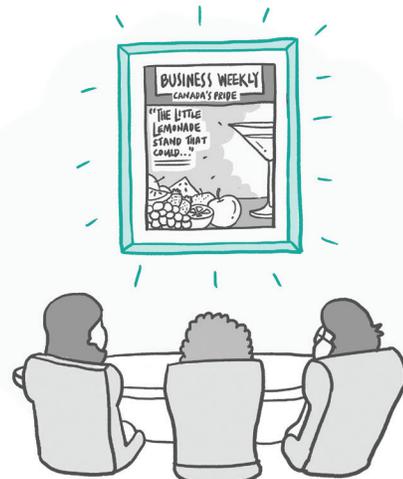


PHASE 4: COMMUNICATION AND EXECUTION

The client and consultant have a post-workshop meeting to discuss outputs. A communication plan is devised that is most effective for the organisation. After having conducted the visioning process with the appropriate parties, the consultant follows up on the tactics outlined, recording benchmarks as the tactics progress.

Follow-Up Output

The optional, but recommended output is a final magazine cover page based on the desired future aligned as a reminder of their vision. It will be sent to the organizer to share with all participants in hopes that they will share it with their teams. It is especially effective if printed and posted.



Review

The organizer is reminded to schedule periodic meetings, as has been decided on, to assess progress of the tactics outlined. Participants are instructed to track external drivers and their changes, and indicate whether the evolution is proceeding close to the backcast projection, or if it is diverging. This creates the iteration loop needed and keeps the current activities (tactics) connected to the strategic goals of the preferred future.

PHASE 5: FOLLOW-UP

After the period agreed upon by the client and consultant has passed, the consultant can choose to share the benchmarking results with the client. They can ask for feedback to improve future practice and testimonials to help them gain future clients.

From the client's point of view, the consultant should be considered a "friend in change", having helped the organisation reach new heights and having taught them how to continue on their prosperous path. Though the contract will be coming to an end, the client should feel comfortable reaching out to the consultant in the future to share progress and request services, as needed.

From the consultant's point of view, the client can help with their credibility by spreading word of mouth, and providing feedback to improve the practice. Benchmark results act as proof of delivering value in addition to client testimonials. Because of the critical nature of an organisation's long-term strategy, a strategic foresight solution should be considered as one tool among a package of tools to facilitate strategic planning for SMEs. After gathering both internal and external intelligence, building trust, and partnering with a member of the organisation, the practitioner becomes a great part of the value.

The problem of Ontario SMEs not thinking big enough is addressed by encouraging them to acknowledge the possibilities of the future of their organisation, align with one another's mental models to co-create a desirable future and use that vision to form the strategy required to attain it.

SOLUTION CRITERIA REVISITED

Evaluation of success criteria

As previously mentioned, the tool and supporting process were designed to meet success criteria gleaned from research insights. During and after the articulation of the tool's process, success criteria were evaluated in order to ensure all needs were met.

Gaps in Strategic Planning Process	Success Criteria <i>Therefore, a successful solution will...</i>	How Solution Meets Criteria <i>The solution meets success criteria because...</i>
SMEs do not have a clear view of where they want to be in the future	Provide a clear direction to SMEs of where they want to be in the future	<i>SMEs have a clear view of where they're going</i> By co-creating a vision for the future, SMEs can use this tool to get an understanding of where they are going.
SME employees' mental models of their organisation and its future are not aligned	Enable discussion and negotiation in order to attain agreement on a future	<i>SME members' mental models align</i> The engagement, using The Backcast Canvas as a facilitation tool, enables SMEs to discuss their perceptions of potential futures of their business and decide what a desirable future looks like.
SMEs are lacking a straightforward view of the steps they need to take	Result in a roadmap to achievement of a desired future state	<i>SMEs know the steps they need to take</i> The Future Co-Creation Engagement results in participants understanding the steps required to attain the future they desire.
SMEs do not feel prepared or knowledgeable in regards to the developments in their industry and others that may have an impact	Encourage trend scanning and analysis of external environment	<i>SMEs are more confident about their resilience in the future</i> The Future Co-Creation Engagement enables participants to think long-term about the future and what may affect their organisation's environment, although it requires research independent of the tool.
SMEs are not currently able to see where their current progress fits in the big picture of their desired future	Enable strategic progress to be widely understood and easily revisited	<i>SMEs can measure their progress</i> The Future Co-Creation Engagement includes discussion and commitment by participants to meet and review progress periodically. Participants are expected to comply and continue with their commitments beyond the original application of the tool.
SMEs lack collaboration in regards to their company's future direction	Provide a way for stakeholders to collaborate on the future of the organisation	<i>SMEs co-create their future direction</i> The Future Co-Creation Engagement process places significant emphasis on the importance of collaboration within the organisation. It brings participants into a room and asks them to share their dreams for the company and collaborate on a shared dream.



CONCLUSIONS

CONCLUSIONS

With the knowledge that SMEs make up 99% of Ontario businesses, this research began with the exploration of SME strategic planning needs specific to long-term visioning. To validate the strategic planning needs of SMEs in Ontario, eight semi-structured interviews were conducted with decision-makers of different sized organisations.

The primary research conducted showed a significant shortage in long-term planning by the participating SMEs. In terms of visioning, participants had the tendency to “think small” and fear the unknown. Creating a shared vision of the future by thinking bigger can mitigate uncertainty. By omitting this kind of analysis, strategists have an incomplete picture of change shaping the organisation’s future and, as a result, may miss significant disruptors for which the organisation should be preparing. Without thinking far into the future, organisations make short-term and temporary decisions that may hurt them in the long run. They focus their energy on staying afloat rather than future growth.

Throughout the process, it became increasingly clear that SMEs struggle with planning long-term. As a result, resilience to environmental change was identified as a weakness. Insights from interviews with Ontario SME decision-makers lead to themes of specific, yet varied, needs for the group. Overall, analysis shows that Ontario SMEs are not planning far enough into the future.

- They do not have a clear view of where they want to be in the future
- SME employees’ mental models of their organisation and its future are not aligned
- SMEs are lacking a straightforward view of the steps they need to take
- SMEs do not feel prepared or knowledgeable in regards to the developments in their industry and others that may have an impact
- SMEs are not currently able to see where their current progress fits in the big picture of their desired future
- SMEs lack collaboration in regards to their company’s future direction

The 6 gap areas were addressed by comparing the elements of SME current best practices and revisiting the literature in order to attain a new approach for the problems SMEs are currently facing. A minimum viable product solution was designed to fill the identified gaps. The resulting solution took form as a 5 phase engagement titled : The Future Co-Creation Engagement. Commencing in Phase 1 with an introduction to the organisation, their challenges, and desired outcomes, Phase 2 of engagement includes a thorough discovery process by the consultant. Phase 3 is a co-creative workshop in which participants create a shared vision for the future using a new tool called the Backcast Canvas. The outcome of the engagement will be a guiding vision to lead transformational change. With that vision, actionable next steps will be laid out for participants

to move forward, understanding that they are a crucial part to the achievement of the desired future. Phase 4 is the communication and execution of that vision. Finally, Phase 5 is the follow-up relationship including feedback, benchmarked results, and a tangible visualization of the organisation's change journey.

A reverse-engineering approach was explored to add tactical applicability to the vision. Steps to achievement of the desirable future contribute to an actionable strategy for the organisation to move forward. A high-level investigation of organisational barriers that may exist was also performed in preparation for implementation challenges.

The design was not about creating a tool. It was about showing SMEs that their dreams can become reality; they just have to think big. It was about expanding the currently limited mindset around the scope of possibilities for SMEs. Making an enterprise resilient against the future's uncertainties can affect not only an individual enterprise, but Ontario's economy and GDP. A resilient Ontario is of benefit to the entire nation.

The main idea of this process is not to attain a concrete plan for the future. Though the result is a roadmap, what is most important about the process is the dialogue it brings about. The goal of encouraging debate and learning is to bring about consensus, but it is possible that it will not come to that result. This is an indication that further important conversations are necessary in order to create alignment on what the enterprise ultimately hopes to achieve. The result is that leaders gain clarity in how to invest in both the short term and the long term.

The design is now about what is done with the organisation's vision in an ongoing process. It is about gaining commitment to the continuous use of visioning processes, encouraging deep strategic conversations, challenging assumptions about the organisation in the future, trusting emerging ideas, and reframing strategic processes to include more long-term thinking.

ASSUMPTIONS AND LIMITATIONS

Rather than studying a statistically representative sample superficially, this qualitative study was aimed at gaining deep insights into human behaviour in the Ontario SME sector. It is important to outline the assumptions that are embedded into this research.

- First, the research was conducted on a small sample of participants willing and able to be interviewed. This means that, despite efforts to use a variety of different participants in the Ontario SME category, the results may not be representative of all SMEs and their processes.
- Second, though Ontario was the target audience, the researcher's location in Toronto and the majority of the data coming from the Greater Toronto Area, may have led to a larger representation of Southern Ontario than Northern Ontario.

- Recruiting for the research for four different categories was difficult, especially when it came to recruiting decision-makers in organisations with 301-500 employees. It is assumed that the reason for this is the decision-makers' increased responsibilities to a larger management structure and so many employees.
- During the first few interviews, participants understood the term “visioning” in different ways. For example, one participant believed the questions were about the use of visual language—a relevant, but not synonymous tool. The learned best practice was to define the term and provide a simple example before asking about it.
- All organisations operate differently, with different end goals in mind. This research attempts to generalize some of the SME strategic visioning needs, but recognizes the importance of processes that are unique to each individual SME. Another limitation of this research is in the constraints of time and resources available for an MRP.
- This research focuses on SMEs. It may be also be applicable to larger organisations, but has not yet been tested on that audience.

NEXT STEPS

This research and proposed solution may work as an addition to a range of tools being developed by the Strongly Sustainable Business Model Group (SSBMG), an applied research hub based out of OCAD University's Strategic Innovation Lab (sLab) dedicated to fostering strong sustainability through business models.

This work will be published online and presented to different networks in Ontario. Participants will be contacted and sent a copy of the final text and encouraged to provide feedback on the study findings and the idea of The Backcast Canvas. Feedback on the tool can be solicited from an alpha testing group of SMEs. Before entering the field, the process will be tested on several SMEs in the smallest size category. The organisation size that it is used for can increase gradually as the practice develops. After some pressure testing, first explorers and first adopters will be identified. The value it provides will be measured by comparing pre- and post- solution benchmarked values.

Ideally, this tool will help spread the practice of backcasting and foresight in strategic planning among SMEs and start a bigger conversation about the importance of alignment on long-term vision for organisations of any size. Future consideration includes how foresight and design thinking tools can earn wider recognition for the value they offer.

FURTHER RESEARCH

A focus on Ontario allowed for a reasonable scope given the time and resources available for this project, but subsequent research studies could later be carried out in other jurisdictions within Canada, or internationally, since SMEs represent the bulk of businesses worldwide. It would be valuable to compare the data and find patterns or insights that emerge across various jurisdictions. It is hoped that The Backcast Canvas, though designed for the needs of SMEs, can be useful for a variety of different organisations of various sizes. Further research could include testing beyond SMEs.

One of the limitations of the study was the sample size of 8 organisations. As there was not a wide variety in the size of the organisations, further research may be appropriate to understand how an organisation's size, age, and other characteristics may affect strategic planning. Further research may consider investigating the maturity of a company and compare the results with arguments on process of change for internal organisational change such as these five points uncovered from Barnett and Carroll (1995):

- Structural inertia theory by Hannan & Freeman (1984) states that organisations become increasingly inert over time as procedures, roles, and structures become well established (Barron et al, 1994).
- The likelihood of organisational change decreases with an organisation's age (Delacroix & Swaminathan, 1991; Amburgey et al, 1993; Halliday et al, 1993; Miller & Chen, 1994).
- Hannan & Freeman (1984) also argue that larger organisations would be less likely to change due to the bureaucratic structure that typically accompanies size.
- Others contend that larger organisations may be more likely to change because of their greater access to resources. (Kimberly, 1976; Aldrich & Auster, 1986).
- Work by Haveman (1993a) finds medium-sized organisations as the most prone to change.

Future research may include more interviews within each SME to compare responses that belonged to CEO, decision-makers and non-decision-makers against one another. Lastly, because the one outlier was from the largest SME category, it may be also be worth exploring the correlation between the size of an organisation and the importance it places on alignment.

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APPENDIX A

GLOSSARY OF TERMS

Co-creation: an initiative that brings together different parties in order to jointly produce an outcome.

Decision-maker: this term referred to any individual in a position to make or contribute to decisions on behalf of the organisation.

Desired future: (also referred to as a preferred future) a long-term vision, destination or outcome that an organisation hopes to achieve.

Backcasting: Also referred to as reverse-engineering futures, hindsight, retrospective analysis, the term “backcasting” refers to an approach to futures studies involving the development of normative scenarios aimed at exploring the feasibility and implications of achieving certain desired end-points.

Business as usual (future): the normal or unchanging execution of operations in a business.

Forecast: projected direction of future trends based on historic data.

Organisational Behaviour: the study of human behaviour in organisational settings.

Organisational Change: the process in which an organisation changes and the effects of changes on the organisation.

Strategy: a chosen plan to bring about a certain achievement.

Strategic Planning: “a disciplined effort to produce fundamental decisions and actions that shape and guide what an organisation is, what it does, and why it does it, with a focus on the future” (Mathison, 2005).

Strategic Foresight: a planning-oriented discipline that considers possible futures and probable futures in order to develop a preferred future.

Vision of the future: a desired or preferable future is envisioned collaboratively in order to inform decision-making.

Strategy: A general direction set for the company and its various components to achieve a desired state in the future under conditions of uncertainty.

Small Enterprise (SE): organisation with 1-99 employees (Innovation, Science and Economic Development Canada, 2014)*

Medium Enterprise (ME): organisation with 100-499 employees (Innovation, Science and Economic Development Canada, 2014)*

Small and Medium Enterprise (SME): organisation with under 500 employees (Innovation, Science and Economic Development Canada, 2014)*

* While in the USA the limit is 1,000 and in Europe it is 250 (with revenue criteria), under 500 employees is the definition of a Small and Medium Enterprise in Canada

APPENDIX B

In order to understand how SMEs currently articulate strategy, semi-structured interviews were conducted with a number of enterprises to gain first hand accounts of their processes. From the data collected in the interviews, analysis would reveal how SMEs in Ontario currently articulate their strategy and their strategic planning processes.

The following participant profiles are interpretations of the responses given by interviewees.



PARTICIPANT 1:

Chief Innovation Officer, Marketing Consultancy

This B2B Marketing Consultancy with fewer than 100 employees shared that they found themselves subject to morphological pressures. They explained that the agency sector has been in a constant state of disruption, and so they do not expect to be able to set a stable long-term strategy. Because of this mindset, they find themselves using informal processes around the exploration of new business possibilities and opportunities.

How do they currently articulate strategy?

They understood the need for more formal processes including an integration council of the president and direct reports that is socialized and acted upon. The participant explained that they felt they had limited leverage, as their industry is one where business models are highly conservative. They believe every person they hire is a strategic bet. Though revenue model diversification was cited as part of their strategy, it has been throttled as they focus on the business' needs. They also mentioned the impact their actions have on the context of the organisation and its future.

The perspective for this Participant was temporary. They were constantly in a state of seeking temporary competitive advantage, feeling that their industry was moving too fast for a competitive advantage to be permanent. The participant explained that they go with the way members feel: "it creates a sense of 'we've got a roof over the house and we're okay here.'" They believe the company needs longer-term visioning on an ongoing basis.

Since the organisation has been around for more than 40 years, the participant explained that diversity of perspective is part of what has kept them successful. They stressed the importance in their company culture of not letting one person's ideas dominate and referred to it as "a collaborative, somewhat chaotic, process." The participant explained that they exist in "a certain level of strategic confusion". A disadvantage is that their client work always takes priority over their own development. Though revenue diversification is part of their strategy, it is throttled trying to meet daily business needs. Agenda items are postponed because of this. They explained that their collaborative culture in combination with the need to act quickly means members get upset when they are not a part of decisions. Their industry is one where business models tend to be highly conservative, giving them limited leverage. Their biggest strategic asset is the people they hire, though they acknowledge that this is often a strategic gamble. The participant wondered aloud how much bigger an operation of their nature can get.

The participant explained that if the company were to launch a profitable new product, it could change who they hire to support a change in direction. Their model included a lot of probes and experiments in which they would invest energy according to the response received. In this organisation, members do not appreciate being left out of decisions, pointing to a tension between the need to act quickly and the desire to have a collaborative environment. The team has an organic resistance to the dominance of any one party. As a result, they lack dynamic agility but do have anti-fragility. This organisation cites “strength in numbers”-type thinking, but does not find itself highly resilient. They cited using backward thinking in their planning for “a room designed for thinking better together.”

Do they use visioning?

Visioning techniques have been used in the past, when external facilitators were brought in. Some techniques had been more playful—writing a letter retrospectively from the future; others had been very structured—referencing Vrio Analysis, a tool used to analyze internal resources and capabilities for a source of sustained competitive advantage (Jurevicius, 2013). The participant explained that the enterprise has learned the different strengths, weaknesses, and style differences among their facilitators and chooses them according to current needs. They plan using a vision that is about five years from the present. Their current initiative focuses on

the year 2020, though the participant said it cannot be taken seriously because the time is practically here. The participant explained that they will not ever be done with the visioning process.

Is backcasting currently practiced?

When asked if they choose a desired point in the future to work backwards from, the participant said yes. They explained that a backcasting mentality is not yet an ethos among the leadership team.

They provided the example of a brainstorming facility. The enterprise has been sponsoring and paying rent for a space for a while. They decided to take back control of the facility and so turn it into a space that helps members think better. They used a reverse-planning mindset by imagining the possibilities for the facility and worked backwards to attain all that was needed.



PARTICIPANT 2:

Director of Customer Service and Inside Sales, Business Intelligence Technology

This organisation in the technology industry has more than 150 employees and plans 3-5 years out from the current day. They explained that technology brought them where they are, "despite themselves." The participant explained that growth barriers such as physical space and members ill-suited in some roles caused them to bring in a consultant within the past few years. They explained that it was a family business and, as such, family members were given roles for which they were not necessarily qualified. They stressed the need for an environment in which upper management could provide feedback.

How do they currently articulate strategy?

To the knowledge of the participant, no members at the decision-making table had worked there more than five years. When the potential for a tool to help decision-makers was mentioned, the participant thought it would be helpful, though they expressed concern that technological developments would create additional challenges. The organisation's vision is communicated by the CEO to the company through a monthly newsletter. The CEO also communicates it to the executive Vice President who conducts one-on-ones with members in different parts of the enterprise. The enterprise CEO participates in meetings with other CEOs who meet and take turns getting feedback on issues. The meetings include approximately 20 members from different industries. Sales and size are their vision, though they want to have a unique value proposition to be on the leading edge in technology. In order to do this, they "need to know what is coming down the pipe." The participant believes their biggest challenge is leading innovation.

Do they use visioning?

Participant 2 indicated that the enterprise recently realized they need tools to help them envision the future of their business. Their vision was set by a consultant the first time and has maintained relatively consistent. The latest vision is a sales figure.

Is backcasting currently practiced?

When asked if they choose a desired point in the future to work backwards from, the participant provided the example of building another layer in their organisational hierarchy, "Customer Service and Inside Sales", in order to improve inside sales and customer services processes that were identified as an area not getting enough attention.



PARTICIPANT 3:

VP Operations and Quality, Medical Industry Operations

This participant from the medical industry found their strategy to adjust almost every week. Believing that success starts with the people in an organisation, they use the motivating vision "to save lives."

How do they currently articulate strategy?

This small company is in the midst of shifting their competitive advantage. They emphasized the importance of being able to change and said they would appreciate a change roadmap. They plan five years out because "some things can't be anticipated." An example was provided in which the company had a five-year contract with a client in the United States and the Canadian dollar decreased in value. They found themselves committed to a contract that was unsustainable.

Do they use visioning?

They provided the example of an organisational process redesign as a result of a failure. The whole company was remapped in over a year. They held four-hour meetings once a week in order to do it. Throughout said process, they found visualization an effective tool and liked to use red, yellow, and green to indicate progress on monthly goals. They try to conduct to monthly financial and operational forecasts. This participant indicated that their organisation would find value from a long-term visioning and roadmapping tool.

Is backcasting currently practiced?

The participant explained that they often work backwards from high financial goals. They explained the organisational re-mapping which took place over a year. The process included weekly meetings for four hours in which the organisation's operations were analyzed in detail.



PARTICIPANT 4:

COO (Chief Operating Officer), Not-for-profit Foundation

Participant 4 belongs to a charitable foundation of 150 employees. Due to their status as a charity, there are limitations to their business model. Twice a year, they have day-long planning sessions. The participant found that the sessions work best when facilitated by a third party.

How do they currently articulate strategy?

After dealing with a setback that was beyond their control, they were in an unsustainable financial situation. During that period, it was very hard to articulate their organisation's vision and mission.

After that period, a new department was created along with a five-year plan. For that plan, preparation took six months. The programming and finance took another five months. They believe it will take an additional six months before they are able to focus on the mission.

Do they use visioning?

When it comes to the vision of the future for this organisation, the CEO is the one who leads the discussion. The CEO has been there a long time, having watched the foundation go from five to 150 employees, and consequently the CEO writes the vision and strategy. They typically start with the vision, then build a strategy document. The business plan then includes VPs of strategy and development and it trickles down from

there. The vision is reviewed every three years or so and is typically accompanied by an environment scan. Though they admitted the communication of the vision could be improved, they also explained that the visioning is improving as more input is being included in the process, but alignment is a challenge. The organisation's vision of making Canada a better place to live tries to encompass the wide range of services with which they are involved. The participant explained that, with 45 projects, members often only buy in to their slice. The participant was excited about the possibility of a tool to help with vision alignment.

Is backcasting currently practiced?

The participant references a system replacement project as an example of reverse-planning. The organisation conducted requirements analyses and functional analyses for the system, requested and obtained approval, then worked to meet high level milestones. The entire process will take four years in total with iterations. They are currently on year three.



PARTICIPANT 5:

Research Manager, IT Advisory Professional Services

This participant in management at a technology advisory services company with 450 employees plans between one and three years out, though typically only focuses on one year out. The participant manages the research department. They explained that topic selection is a large part of the research department's role because it contributes to the products they sell.

How do they currently articulate strategy?

This organisation's strategy meetings happen every three years or so and often end up focusing on some areas more than others. The participant explained that the meetings typically result in to-do lists that then have more items added. With a top-down structure, the founder chooses the direction of the business and is involved in a lot of the product development. Periodically, the founder seeks to unify the company's value proposition. The vision is also communicated through the founder in department-wide meetings. The participant feels that the vision has not changed, but it has gotten confused. The vision was compared to a language being changed as different dialect emerge and eventually becoming a different language; the language the founder thinks is not the same language that the employees are speaking. The participant cites a need for vision reorienting and ensuring alignment, especially when a new product is introduced.

Do they use visioning?

The participant tried to blend foresight work into the company strategy approaches using scanning, clustering, and drivers which led to critical uncertainties and eventually scenarios. The process outputs were used as an agenda for topic selection, though they explained it had been tough to organize a unified format that would include everyone's input. They

noted that more pre-work should be issued before the impact analysis. The participant is implementing a spreadsheet-based surveying tool for participants to defend why they want to write about a particular subject.

The participant seemed to be using value proposition and vision interchangeably. When asked the difference, they explained, "Value proposition is to operationalize [the] vision, but the vision you're always driving toward." This participant hoped to be able to co-create a long-term vision with their company soon.

Is backcasting currently practiced?

This participant seemed to practice similar thinking with backcasting for projects, but not for the organisation's direction as a whole. They start with the value proposition and due date, then outline what constitutes success. The roadmap becomes more detailed the closer it gets to the present.

Questions they ask are:

- To who it is a what? (What does this mean to a given individual/department?)
- What does it do?
- How is it unlike what currently exists?

In their perspective, everything can be divided into: current state, future state, gap, and roadmap. They mentioned that when financials are added, it becomes a strategy. The goals this company has are mainly revenue targets.



PARTICIPANT 6:

Co-Founder, Head of Operations, Finance Startup

How do they currently articulate strategy?

This finance startup of four employees was still in its early stages of development. As a result, their vision of the future was within the year and quite blurry, in order to maintain flexibility. They believe their employees (also part-owners) are their biggest asset and like to include all employees' input in brainstorming. The participant admitted their roadmapping and execution could use work, as their direction is constantly changing. The participant showed a desire for a tool to help with long-term planning for their growing company.

Do they use visioning?

The participant referenced growth, funding, and customers as their organisational vision. As they are currently in their fundraising stage, their vision tends to waiver as they try to meet the desires of fundraisers.

Is backcasting currently practiced?

The participant used the startup in its current state as an example of a desired end state toward which they worked. They outlined the resources and infrastructure required to get where they wanted to be and used those requirements step-by-step to attain them.



PARTICIPANT 7:

Founder, Custom Manufactured Goods

How do they currently articulate strategy?

This organisation of 30 employees in the custom-manufacturing business bases its resources on demand. This means that they accept orders based on what they feel they can handle at the time and stop when they cannot fill the orders in time. They add workers and machinery as needed, so that there is no pre-emptive commitment. They recently bought new equipment to manufacture larger orders so that they would no longer have to outsource the production.

Do they use visioning?

The vision of this organisation is simply to make money. They prefer to cut out the "middleman" in order to get a greater margin. Their goal is always higher sales. The participant explained that they do not have a long-term vision, but they do have a general direction. In the past, their strategy was reviewed every four months but with new partners it has not yet been reviewed.

Is backcasting currently practiced?

No. They need to "put the vision on the table and have a plan." The participant said that starting with a desired future and working backwards to make a roadmap is a great way to start.



PARTICIPANT 8:

President & CEO, Industry-Specific Electronics

This participant was confident that their positioning in the market and investment decisions had led them to demonstrable success on more than one continent. They indicated that the enterprise had a good long-term vision, though levels of commitment to it varied.

How do they currently articulate strategy?

Their “dream” (as opposed to vision) is communicated through vision, mission, and values and is posted on the wall in several locations around the company. The participant indicated that their dream is updated annually, though it does not change much. Their dream mainly focuses on revenues and increased profitability.

The dream is communicated at quarterly employee meetings. Before that, there was a circle-of-life graphic with nine words with the title “how to achieve operational excellence.”

Pre-work for a strategy meeting would include analysis of the market and competitors so that the implications could be discussed. Though strategy meetings would include the participant, their management team, and the individuals that run their sites, the participant stated that they created over 90% of the strategy independently. Since it was practically their own strategy, the participant had strong views on the way strategic planning should be conducted and enforced.

They explained that the enterprise was headed for bankruptcy until they were asked to step in. Part of the strategy to make it more successful included partnering with a different plant. Since the partner’s management did not align with this participant’s, Participant 8 “got [them] kicked out”. This reverse-takeover acquisition was possible because the participant had more chairs on the board who voted in their favour.

This participant referenced the book *The Degree* as inspiration for their leadership style. They explained that one person in the organisation could develop an effective long-term strategy, and that was them

(the participant). They believed that the best way to achieve alignment from members of the enterprise was to remove members who did not comply. They explained that it helps other members understand the importance of compliance.

This participant believed “alignment is good because it’s forced to be good”; they believed that obeying orders means that the actions members are taking are aligned—their mindset does not have to be aligned. They compared them self to a hockey coach, indicating that it does not matter if the ‘players’ agree with the play, they have to obey the coach in order to win. They argued that hierarchical top-down alignment is still alignment toward one end goal and believed that most successful manufacturing plants operate this way.

Do they use visioning?

The response from this participant indicated that their client and customer needs influenced their business more than a long-term vision would. However, it was clear that the participant had a clear image of “the dream.” This enterprise conducted strategic planning, though collaboration on said strategy and the desired ends was seldom a part of the process. To this point, the participant argued “not every group decision is a good one.” They believe that there is no right answer when it comes to strategic planning.

Is backcasting currently practiced?

This participant was not a fan of backcasting. Their perspective was that the organisation knows the present and knows their goal and so they plan forward, not backward. The participant gave the example that if there are ten steps from the present to the goal, the only one that matters is number 1.

APPENDIX C

INTERVIEW SCRIPT

SEMI-STRUCTURED INTERVIEW SCRIPT

[Introductions]

Thank you so much for taking the time to participate in this research. It means a lot to me, and will hopefully contribute a lot to the community of Ontario SMEs.

[Review of Consent Form, Emphasizing the right to withdraw within 14 days]

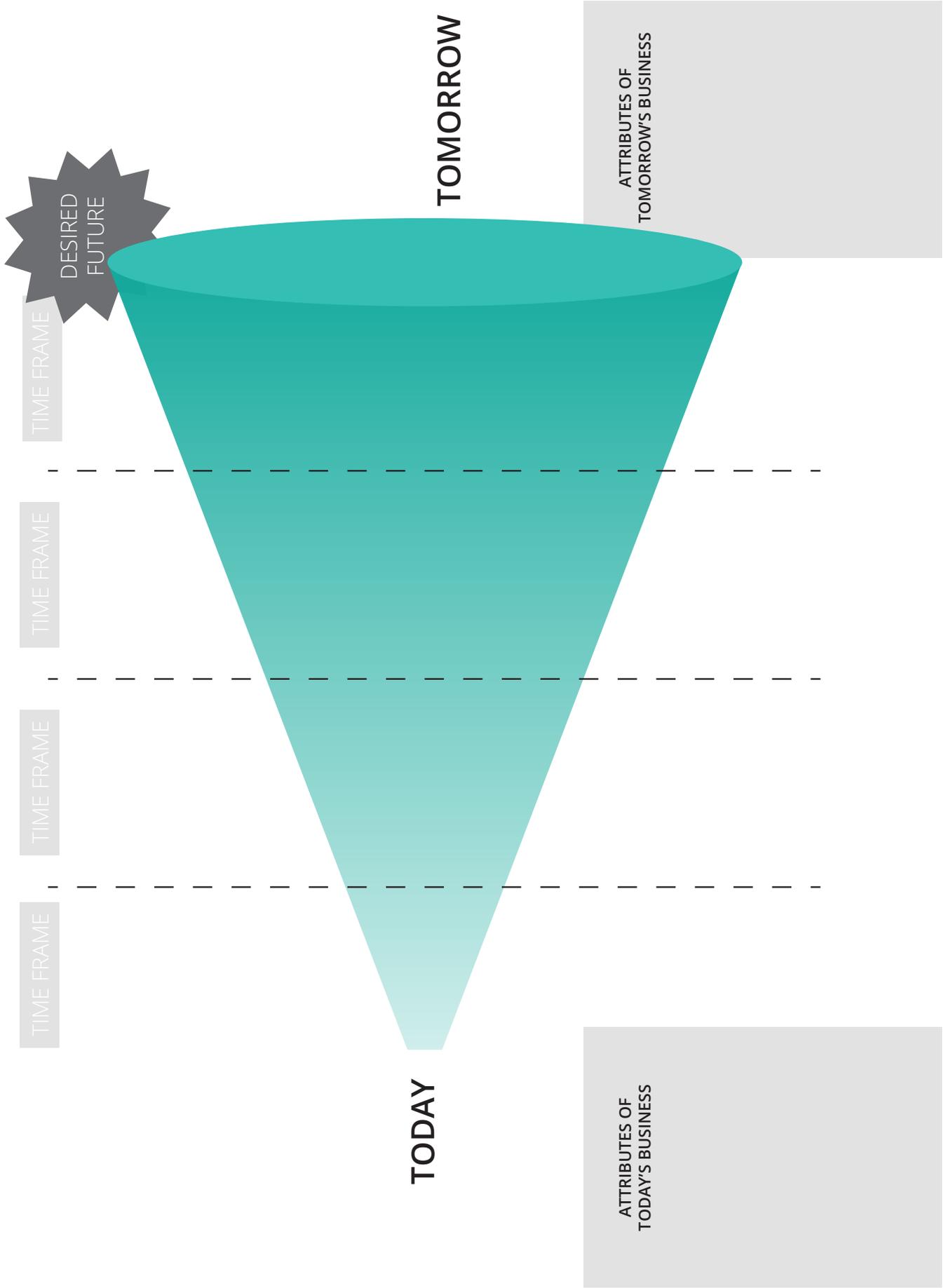
[Consent Form Signatures]

1. First, can you please tell me your position title, organisation, and industry to confirm the information I have? Your personal identifiers will be secured and private, nothing will be published or publicly accessible.
2. What is the approximate number of employees in your organisation?
3. Do you have a role in your organisation's articulation of strategy? Please explain the process.
 - a. What works well and what doesn't work well?
 - b. Are there any aspects that could be improved?
 - c. How far into the future does your organisation plan?
4. Were visioning techniques used to develop a shared vision of the future and, if so, which?
 - a. If yes, were they useful?
 - b. If no, do you think your organisation could benefit from the use of visioning techniques?
5. Does your organisation ever use a goal you want to reach and work backwards to the present?
6. How does your organisation articulate its vision? Has it changed?
 - a. How often is it reviewed?
 - b. Do you think your organisation would benefit from periodic reviews of the vision and its progress?
 - c. Please provide examples.
7. Thank you so much. Is there anything else you would like to add?

Thank you again for sharing your time and experiences with me.

APPENDIX D

THE BACKCAST CANVAS



APPENDIX E

FACILITATOR'S GUIDE

Suggested time frames: 3, 5, 7, 10 years

WORKSHOP OUTCOMES

Time frame	Goal
<i>Short term - by the end of workshop</i>	<ul style="list-style-type: none"> • Stakeholders have shared important conversations about the future of their company and feel confident to continue those conversations • Stakeholder awareness and alignment on vision • Sense of ownership in the long-term vision • Actionable tactics to move forward following the workshop
<i>Medium term - within one month of workshop</i>	<ul style="list-style-type: none"> • Increasing organisational awareness and alignment on vision • A meeting occurs following the workshop in which tasks are outlined and assigned in more detail and a plan for vision execution is agreed upon • Senior members have added tasks (outputs from workshop) to their team's goals and assigned next steps
<i>Long term - within six months of workshop</i>	<ul style="list-style-type: none"> • Organisation-wide awareness and alignment on vision • Team-members across the company have an understanding of their progress toward the long-term vision • Members know how their actions contribute to the long-term vision of the organisation • Members feel a sense of ownership of the company and are committed to helping it achieve its desired future

PREPARATION

- Interdisciplinary teams with at least one member from each department
- Participants are encouraged to have an understanding of current trends in the environment
- Participants are expected to reserve at least a half-day for the workshop
- An even number of participants is preferred
- Try to encourage the "least powerful" to speak first and "most powerful" to speak last

GENERAL TIPS

- **It's all about learning:** Remind participants to maintain an open mind. Participants are encouraged to learn from one another and the process to gain greater insights on the company and point out potential differences in perceptions of the company.
- **Mind the process:** Hand out materials (i.e., worksheets) only after having explained the step.
- **Listen:** Encourage participants to listen to the point of view of others in the room. Everyone should feel heard.

PROCESS

Exercise 0: Introductions + Warm Up (20 minutes)

Purpose	Ensuring all participants feel welcome and will feel heard throughout the workshop. Providing a big picture idea of the purpose of the workshop for participants.
Materials	Blank paper, pens
Process & Prompts	<p>Today, we're all on the same level. All input is important and may provide a new perspective. This is an open space for discussion of ideas new and old. We use "yes, and" instead of "no but" language.</p> <p>Take a few minutes and draw out the process of how to make a sandwich.</p> <p>Facilitator points out how different the process looks depending on who drew it. They also explain that context plays a big part—one may be in Mexico, using a tortilla instead of bread, one may use eggs if it's a breakfast sandwich. The purpose is to realize the different ways one concept can look and/or be interpreted—a company's purpose and/or strategy can also be perceived very differently by different people. Today is about aligning upon where we are, where we're headed, and how we plan to get there.</p>
Tips	Encourage discussion, laughter, and comparison transitioning into the purpose of the exercise.

Exercise 1: What the organisation stands for (30-60 minutes)

Purpose	Identifying and understanding the values of the organisation.
Materials	Group exercise conversation—stickies.
Process & Prompts	<p>What is [organisation name]?</p> <p>What does it value, believe, want to achieve?</p> <p>Appreciative Inquiry—What does it do well?</p> <p>What is our motto? What pillars achieve that?</p> <p>Throughout today and the future, we want to ensure that all organisational activities touch on at least one of these pillars.</p> <p>To prompt discussion, ask:</p> <ul style="list-style-type: none"> • What do we stand for? • If someone were to think of your brand, what should they associate it with?
Tips	<p>An example is E.g.: Wilfrid Laurier University—“Inspiring Lives”:</p> <ul style="list-style-type: none"> • Pillar 1: Advancing Academic Excellence • Pillar 2: Expanding Experiential Learning • Pillar 3: Enhancing Diversity <p>(Wilfrid Laurier University)</p>

Exercise 2: A Future Headline (20-40 minutes)

Purpose	Expanding perception of future possibilities for the organisation.
Materials	Group exercise, done individually at first. Blank paper, markers. Optional: magazines, glue and scissors
Process & Prompts	<p>“The year is 2035, and your organisation is on the cover of Business Weekly. Congratulations! I want you to show me what the cover says.”</p> <p>To prompt discussion, you can ask:</p> <ul style="list-style-type: none"> • What is the headline? • What is the story behind it? • Be ridiculous! Dream big!
Tips	This activity can be done in partners if there is a large number of participants. If there is a concern with dynamics, try to have the person with the most power speak last, encouraging others to provide input that may teach the more powerful more about the other sides of company.

Exercise 3: Co-Creating the Future (20-40 minutes)

Purpose	Helping participants understand which factors contribute to a realistic desirable future and design it collaboratively.
Materials	A discussion about the differing headlines. Discussion outputs go on stickies.
Process & Prompts	<ul style="list-style-type: none"> • Share-out • What do they have in common? • What factors contribute to a desirable future for the organisation? • A discussion about the differing headlines. Discussion outputs go on stickies. Final agreed upon stickies are placed in the largest section of the cone tool.
Tips	<ul style="list-style-type: none"> • Discussion outputs can be clustered and discussed, as needed. • Dot-ocracy (means for a group of stakeholders or individuals representing different interests or perspectives to establish a single or multiple priorities by placing dot stickers or drawing symbols on their preferred stickies) can be performed if trouble deciding.

Exercise 4: Aligning Upon the Preferable (20-40 minutes)

Purpose	Alignment on a desired future for the organisation.
Materials	Stickies (2 colours)
Process & Prompts	<p>A discussion of what the desired future of the organisation looks like, with details. A name for said desired future. The name of the desired future goes on the top of the largest end of the cone, with its attributes listed below.</p> <ul style="list-style-type: none"> • Create a framing statement. "In 2027, [org name] [achieves] _____" • What's a headline we can all agree on? • What's the story behind our headline?
Tips	<ul style="list-style-type: none"> • Bring in 5 pillars.

Exercise 5: Getting there (20-40 minutes)

Purpose	Brainstorming steps to achieve the desired future.
Materials	Stickies
Process & Prompts	Encourage participants to shout out steps on how to get to the desired future and put them on stickies. They are then mapped according to potential time frame, prompting discussion. What can we do within the first quarter? Year? 5 years? 10 years?
Tips	<p>When possible, the exact time frame is filled out after the discussion in order to avoid limiting commitment. If more than one potential frame emerges, consider SMART objectives to decide which should be used (focus on S, M, and T mostly)</p> <ul style="list-style-type: none"> • Specific—target a specific area for improvement. • Measurable—quantify or at least suggest an indicator of progress. • Assignable—specify who will do it. • Realistic—state what results can realistically be achieved, given available resources. (Bogue, 2005) • Time-related—specify when the result(s) can be achieved.

Exercise 6: What if? (20-40 minutes)

Purpose	Considering the external environment's potential changes and their impact on the future of the business.
Materials	Stickies, cone tool
Process & Prompts	<ul style="list-style-type: none"> • Based on what is happening in the industry currently, what can we logically expect the future to hold? • What about illogically; what unpredictable futures could happen? • Let's think bigger: What impacts the industry? What external drivers may impact our future? • What would a "unicorn" be that could significantly impact the organisation? • As part of the workshop, we will only be considering potential external factors. It is up to participants to scan the environment and discuss findings in the future.
Tips	<p>Clarify that these are "What if?" conversations that do not necessarily have research to back them—encourage participants to keep their eyes peeled for signals of these changes. Thinking out-of-the-box is a good thing. Maintain an "anything is possible in the future" mindset. Stickies plotted are assumptions.</p> <p>Use Uber as an example of a "unicorn"—a game-changer that taxi companies were not prepared for.</p>

Exercise 7: Ownership (20-40 minutes)

Purpose	Ensuring participants have actionable tactics to move the vision forward after the meeting.
Materials	Papers and pens for each partner to write tasks. They must hold the other accountable for the tasks and have dates for the accomplishment of each task.
Process	Participants partner up and break down roadmapped tasks. Each partner must hold the other accountable for the tasks listed.
Tips	What comes first? Take the first step immediately (e.g. scheduling first meeting).

A great way to ensure commitment to the vision and its achievement is the creation of a Future Vision Committee with monthly meetings. Ideally, all participants in the room would be considered members of this committee. Participants are instructed to track external drivers and their changes to indicate if the evolution is going close to what was projected in the backcast or diverging from it.

Recommended Follow-Up Output: A magazine coverage sent to organisation based on the desired future aligned as a reminder of their vision. It will be sent to the organizer to share with all participants in hopes that they will share with their teams. It is especially effective if printed and posted.

APPENDIX F

FUTURE CO-CREATION ENGAGEMENT

LET'S DESIGN THE FUTURE OF YOUR BUSINESS.

An engagement: an external party (consultant) acts in an advisory capacity in order to lead an organisation (client) through a transformational change process. The length, frequency of meetings, and conversations differ depending on needs, size, culture, desired outcomes, and other factors of the organisation.

The outcome: a guiding vision with actionable steps to lead transformational change.

PHASE

1

INTRODUCTION

Using a process -consultation approach, the client and consultant collaboratively assess the situation or problem.

PHASE

2

DISCOVERY & INITIAL BENCHMARKING PROCESS

Consultant, in partnership with the client, gains a thorough understanding of the organisation and the way it functions. After gathering both internal and external intelligence, building trust, and partnering with a member of the organisation, the practitioner becomes a great part of the value.

PHASE

3

CO-CREATING A SHARED VISION

Participants in cross-functional groups are led through a series of activities, including a specially designed tool to help participants envision their desired future for the organisation.

PHASE

4

COMMUNICATION & EXECUTION

A communication plan is devised that is most effective for the organisation. Parties follow up on the tactics outlined, recording benchmarks as the tactics progress.

PHASE

5

FOLLOW-UP

The consultant remains the client's "friend in change", continuing to share progress.

