

# Strategy & Management Insights

# SAMI



from SAMI Consulting

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## SAMI 20 YEARS ON

This special expanded edition of Strategy and Management Insights marks the 20-year anniversary of SAMI, which was founded in 1989 in St Andrews.

### From 1989 to 2009

SAMI was founded in 1989. That was a dramatic time. The Soviet Union pulled out of Afghanistan, and the Cold War crumbled with the Berlin Wall. Tiananmen Square sparked human rights protests and reforms across China, and the end of apartheid in South Africa paved the way for Nelson Mandela's release.

It is hard to remember the convulsions in Europe that followed the collapse of the Berlin Wall, and of course we are still living with the aftermath of Afghanistan. China's role in the world is now well established through the G20, through its investment across Africa and Latin America – and in the US. India is growing to join China as a major force and the ageing of Europe and Japan is beginning to be felt.

Until 2008, governments and companies thought they had discovered a way to

handle global 'bubbles', referring to the period from the fifties as 'The Great Moderation' – meaning the global system's ability to moderate business cycles and limit the effect of crashes.

### What can we see for the next 20 years?

In 2029, about two-thirds of the world population will live in Asia. The population of the EU will be about six per cent of the world's total, and the EU will have the highest proportion of people over 65 in the world, at 30%.

The cities in developing countries will account for the greatest part of urban growth in the next 20 years and will shelter almost four billion inhabitants by 2029. They will provide a source of many of the 250 million migrants to the developed world, moving for economic or political reasons or because of ecological disasters.

By 2029, world production will have almost doubled from today's levels. The emerging and developing countries will account for about one-

third, up from 20% today. The centre of gravity of world production will move east, with China/Korea/Japan producing as much as the EU, and exporting more, and with China the second largest national power. R&D will take a similar route.

Increasing scarcity of natural resources will dominate geopolitics, with oil still dominating energy supply. Europe will import almost 70% of its energy needs, and three billion people will be without adequate water supplies.

### What does this mean for the world?

First, there will be no return to 'business as usual' after the effects of the 2006-9 financial crisis have worked their way through the global system. The 'hangover' of paying off government and consumer debt will depress Western economies for years. Competition from the newly industrialised countries, harnessing their young, skilled work forces, will demolish some Western industries.

Economic tensions will be joined by political tensions as Western value systems clash with traditional societies and both compete for resources.

### What are the hopeful signs?

There is increasing awareness – in governments, companies and among citizens – of our interdependent 'one planet'. There is increasing awareness of the fragility of a multi-polar world and the need to establish new ways of co-operating.

Most people in 1989 would not have foreseen the challenges of 2009: we can hope that we are doing better at anticipating those of 2029.

In particular, our affiliated Think Tank, 'The Challenge! Forum', maintains detailed scenarios for 2030, on the website [www.chforum.org](http://www.chforum.org).



# SAMI: The first ten years

SAMI was launched as the 'St. Andrews Management Institute' in St Andrews on 30 November 1989, St Andrew's Day. It was founded by the University of St Andrews with support from the Scottish Development Agency and Shell.

SAMI Fellow Michael Owen spoke to Peter Grinyer, a former Vice-Principal of St Andrews and the first Chairman of SAMI, about the early days.

**Michael Owen:** What led to the formation of SAMI?

**Peter Grinyer:** Gareth Price, from Shell International, and I conceived the original idea. We then got support and encouragement from the University (particularly the Principal, Struther Arnott), Shell International (in the person of Arie de Geus, the Co-ordinator of Planning), and the Scottish Development Agency. Each organisation contributed a third of the finance. We attracted an impressive range of non-executive directors, including Lord Cuckney, Sir Angus Grossart, the distinguished Scottish banker, and John Raisman, the former Chairman and Chief Executive of Shell UK. I became Chairman, with Gareth Price as Chief Executive. The original objectives were to conduct research and deliver programmes to meet the needs of business leaders. The launch in the Signet Library in the old Parliament buildings in Edinburgh was quite a prestigious and well-publicised event, with a great deal of interest shown by academia, business and the press.

**MO:** How were the early days of SAMI?

**PG:** To start with, the vision of SAMI's role was very wide, encompassing research, both contract and grant-aided, strategic issue seminars that brought together business leaders and experts, and what we called 'enabling programmes' covering a range of strategy workshops for helping management teams get to grips with key business issues for their organisations, with a strong element of management education and training.

**MO:** SAMI was founded and launched in Scotland, but was it seen as a purely Scottish enterprise?



*Michael Owen*

**PG:** By no means. SAMI always had a national focus. The early customers included the Automobile Association, Shell, Scottish Equitable, British Rail, and a host of smaller companies in a variety of business sectors. The workload was quite demanding in the early years. We were working very hard to deliver to our customers, while also seeking to develop new business prospects. It was the classic 'feast to famine' pattern of a developing business. Gareth Price, whose energy, commitment and drive were prodigious, and Ann Hargreaves, our secretary and PA, were the only full-time SAMI employees. I was employed on a one-third-time basis. Our first company secretary/accountant, Andrew Pryde, was also part-time. John Randall, who was employed on a full-time basis, joined us later as did Brian Marsh and Adam Scott, all of whom made very considerable contributions. Others became involved on a fee-earning basis because of expertise they brought to specific projects and became 'Fellows'. This arrangement kept the salary bill down which was critical given the variability of the revenue.

**MO:** SAMI is perhaps best known for its expertise in scenarios. How did this feature in the evolution of SAMI?

**PG:** Scenarios were not the starting point of the work. Of SAMI's various work streams, the in-house strategy workshops in which we helped develop

strategic thinking in organisations using our re-formulation of Shell strategic analysis technology became a strong focus of activity. Demand was stronger for what was then a rather distinctive and very effective offering and, on balance, our expertise was probably greater in this area. Scenarios very much developed out of this process as a highly adaptable vehicle for helping organisations to work through their strategic options. Gareth Price was quite perceptive in recognising that managers often have a greater understanding of their business issues than is generally realised, and that the SAMI technology could exploit and bring out this internal know-how, and so promote organisational learning.

The SAMI 'Seven Questions' technique proved to be very powerful in surfacing the key issues facing organisations, and this was often sufficient to develop an insightful analysis of the strategic options without necessarily requiring a full-blown scenario exercise. Subsequently, SAMI got involved in some quite major scenario exercises, but always working with the organisations to achieve major breakthroughs in strategic direction.

**MO:** That's really fascinating, since that ethos is still very strong in the modern SAMI. We seek to work closely with clients to achieve an agreed way forward on the big issues they face, without presuming to impose a 'pre-cooked' solution. It's also interesting that SAMI has more recently become involved in management training and education in the way that was part of the original vision.

**PG:** I believe that the SAMI legacy owes much to Gareth Price's drive and conviction of the need to be working with organisations and not dictating to them, as many consultants presume to do!

**MO:** Thank you very much, Peter. That's been a very thoughtful and valuable reflection on the SAMI heritage of 20 years ago. It's remarkable how much of what you say still resonates with the values and mission of SAMI today.

# Changing approaches to corporate governance

In 1989 corporate governance was an idea which had yet to take shape. The 1985 Companies Act, passed in a climate of corporate scandals, including BCCI, Maxwell, Polly Peck and British and Commonwealth, had consolidated earlier law but had stopped short of prescriptive legislation on company procedures, preferring to establish codes of conduct against which companies would report annually to shareholders. To achieve this the London Stock Exchange commissioned an Inquiry, led by Sir Adrian Cadbury, into the financial aspects of corporate governance, which were seen as the most immediate threat to the credibility of the City of London as a financial market.

The Cadbury Report of 1992 and subsequent reports from the Greenbury Committee (directors' remuneration), the Hampel Committee (consolidating both), the Turnbull Committee (risk), Smith Committee (audit) and Higgs Committee (non-executive directors) now constitute the Combined Code against which all UK listed companies are obliged to report annually.

Issues of corporate governance have emerged in most studies undertaken by SAMI from its inception and have underlain key changes, such as that of Halifax from a building society into a bank. The 1995 Inquiry into Tomorrow's Company, commissioned by the RSA, opened up the non-financial aspects of corporate governance, in particular the relationship with stakeholders, other than shareholders. These usually include employees, customers, suppliers, government and communities. SAMI has been active in widening the participation of stakeholders in its studies and has even included regulators and competitors.

One of the key themes of corporate governance is the building and management of effective boards of



*Adrian Davies*

directors. At the heart of this is the development of skills and the distribution of power. Working with SAMI has been a transforming experience for a number of boards, not least those of privatised utilities, such as BAA, Severn Trent and Anglian Water, which needed to change their whole mindset. SAMI has found that full involvement of non-executive directors enriches the outcome of a scenarios study. In the case of Scottish Equitable an executive drive to globalise was diluted by a growing recognition that the company was not able to sustain such an ambition and the outcome led to action to develop the business for acquisition in the interest of shareholders.

Corporate governance based on compliance with codes has been shown to be inadequate by the failure of boards to pre-empt the recent financial crisis. Attempts to rein in hubristic chief executives, for example at RBS and Northern Rock, showed the inadequacy of many non-executive directors, a weakness which the Higgs recommendations should now address. Another burning issue is the adequacy of codes rather than legislation,

although the working of the US Sarbanes Oxley Act seems to add cost rather than effectiveness to corporate governance. Greater emphasis on compliance may not help either; compulsion is not as effective as commitment. Commitment comes through improving behaviours throughout a company and through belief in what the company is seeking to achieve. This kind of commitment can be built on the back of the SAMI scenarios process, since the results are owned by all participants who feel impelled to make them work. This approach fits well with modern thinking on corporate governance which is behavioural rather than formulaic.

Adrian Davies

Former Managing Fellow, SAMI

For details of books on Corporate Governance by Adrian Davies, and other publications by SAMI people, please see our website [www.samiconsulting.co.uk/news and publications](http://www.samiconsulting.co.uk/news_and_publications).

# TRENDS IN STRATEGIC P LESSONS FROM

By the late 1980s the practice of strategic planning in both the private and public sectors had changed considerably compared to the previous decades which seemed to represent a halcyon age of strategic and corporate planning. Then, almost every respectable private sector organisation had its five-year planning system, staffed largely by economists, statisticians and accountants, with targets, operating assumptions and volumes of data and forecasts. In the public sector, the Treasury had developed an increasingly complex economic forecasting model which formed the basis for much financial and budgetary decision-making in government.

However, as the 1990s evolved this traditional - or what might be called 'mechanistic' - approach to planning in the private sector came to be questioned for two somewhat contradictory reasons.

First, organisations became unhappy with the results of the traditional processes. Plans seemed to contain an in-built tendency towards optimism about the future, however gloomy the environment was at the time. When the optimism failed to materialise after the first year of the plan, the optimism was pushed forward into the following plan period, producing what became known as the 'hockey-stick effect'. Senior management consequently came to question whether all the time and resources expended in such planning processes were worth the effort and cost.

Secondly, this growing disillusion with formalised planning coincided, ironically, with a less volatile economic environment, which seemed to promise greater stability. The downfall of communism in Eastern Europe ushered in a new era in which the primacy of markets and free enterprise were seen to have triumphed. A new stable world order had been established. By the end of the 1990s, there was a belief in virtuous circles, which had eliminated the traditional economic cycles of earlier generations.

It is now clear that these developments also ushered in a less seemingly side – corporate greed and excess, as Adrian Davies highlights elsewhere in this edition.



By the turn of the 21st century, doubts had begun to emerge about the extent of global imbalances. A consumer and property boom, light government regulation and low interest rates had created a new world prosperity. Even economic shocks, such as the Asian financial crisis, were seen to have been satisfactorily resolved by means of global economic co-ordination among governments and central banks. Nagging doubts remained in many quarters as to whether there were bubbles that would eventually burst – both in economic and corporate governance spheres – but the voices of complacency and optimism were in the ascendant.

In the public sector, many of the challenges of strategic planning and risk are different. They are strongly linked to public policy objectives and have both political and public

accountability components. In the late 1980s planning was largely based on annual budget rounds and expenditure was managed on a cash basis. It was also centralised and driven by the annual expenditure reviews.

Strategic futures analysis undertaken in the late 1980s was often not strongly linked to the planning process and risk analysis. Plans were mainly internally driven and based on internal analysis, with limited synthesis of the 'external world.' However, strategic futures and risk analysis were set to grow over the succeeding 20 years.

In 1989 the Forward Studies Unit was set up in the European Commission reporting directly to the President. Its early work included developing scenarios for Europe in 2010', and many of the subsequent scenarios developed by UK government

# PLANNING AND RISK: THE LAST 20 YEARS



across UK government departments; horizon scanning and risk analysis are now central to public sector management. At the highest level there is a National Risk Assessment<sup>3</sup> against which response capabilities and mitigation measures are assessed.

There has thus been a wide range of public sector reforms over the last twenty years, including a move to accruals accounting, three-year expenditure plans, published targets and the adoption of a wide range of tools such as the 'balanced scorecard.' Much has been written on these reforms, and strategic futures now have an established position in public sector planning and risk management. Nevertheless, despite all the reforms, there remains a tendency to adopt an 'official' view of the future. This can restrict innovation and originality in policy making and, even worse, it reduces flexibility and preparedness for when events fail to turn out to plan.

The events of the past two years need no repeating here. There is now a reawakening of public and private sector interest in managing risks and uncertainty. It has never been more important to realise that the future is not an extrapolation of the recent past and to be aware and prescient of the alternative and possibly very different futures that we could face – not just the conventional or 'official' future.

We remain in an unstable equilibrium, uncertain of the shape of economic recovery, and which letter of the alphabet will best describe it? V, U, W, L – take your pick!

Some of the key factors and uncertainties that may bear heavily on how the future course of events unfolds include:

- Cost and availability of capital – how severe will the credit crunch be, and what are the prospects in respect of future sources and cost of finance for corporates?
- How will rising unemployment in the West affect mobility of labour, unionised

wage pressures and relative capital/labour costs?

- To what extent are the major imbalances in the global economy, especially those between the US and China, being papered over, rather than being fundamentally addressed?
- What are the risks of cataclysmic shifts in exchange rates between major currencies?
- What will be the impact and consequences of Chinese competition for raw materials and energy?
- How will international trade policies evolve? Will there be a rise in protectionism and more complex global disputes – perhaps leading to fragmented regional trading blocs?
- Will the West over-regulate? Could this reverse the West's competitive position against countries that currently pursue a relatively tough approach?
- What about the ever-present spectre of climate change – and mechanisms of carbon trading?
- Could changes on a number of these fronts combine in a way that radically alters the economics, feasibility and security of existing international supply chains?
- In what manner and timescale will burgeoning public sector deficits in a number of developed economies be brought under control without undermining economic recovery?

In the light of these uncertainties, it has probably never been more important for organisations in all sectors of the economy to explore scenarios and options as to fruitful ways forward.

Michael Owen  
[mike.owen@samiconsulting.co.uk](mailto:mike.owen@samiconsulting.co.uk)

Colin Fletcher  
[colin.fletcher@samiconsulting.co.uk](mailto:colin.fletcher@samiconsulting.co.uk)

John Reynolds  
[john.reynolds@samiconsulting.co.uk](mailto:john.reynolds@samiconsulting.co.uk)

departments owed much to the comprehensive analysis behind this project.

In the UK, the Foresight Programme was established in 1993 by William Waldegrave. This was part of a strategy<sup>2</sup> to support wealth creation and the quality of life. There were also a growing number of scenario projects launched by departments and their regional offices, such as the Madingley health scenarios produced in 1994. (Developments in scenario planning in the Department of Health are covered in more detail in our case study overleaf). One of the early actions of the Labour government was to set up an internal think tank, the 'Future Unit'. Since then strategic futures analysis has increased significantly

<sup>1</sup> [http://ec.europa.eu/comm/cdp/scenario/scenarios\\_en.pdf](http://ec.europa.eu/comm/cdp/scenario/scenarios_en.pdf)

<sup>2</sup> William Waldegrave, *Chancellor of the Duchy of Lancaster, White Paper 'Realising our Potential - A Strategy for Science, Engineering and Technology'*

<sup>3</sup> [http://www.cabinetoffice.gov.uk/media/cabinetoffice/corp/assets/publications/reports/national\\_risk\\_register/national\\_risk\\_register.pdf](http://www.cabinetoffice.gov.uk/media/cabinetoffice/corp/assets/publications/reports/national_risk_register/national_risk_register.pdf)

# How do YOU think about the future?

Ancient methods of exploring possible futures could be distinguished by their degree of messiness, from star-charts (tidy) to goat entrails (very messy). In post-enlightenment futures practice, research methods are more usually classified along a quantitative versus qualitative/interpretive continuum. And the last fifty years of futures methods trace a shift of emphasis from the quantitative to a more integrated balance with the qualitative and interpreted.

In the fifties and sixties in the USA, futures research saw a quantitative focus on data compilation and emerging issues management; econometric modelling and systems dynamics; expert forecasting, scenario drafting and Delphi surveys; and technology road-mapping and technology impact assessment.

In contrast, futures research in Western Europe often focused on more philosophical dimensions that wrapped issues of culture, identity, values, and ethics into methods that incorporated images of the future and long-range planning. The European perspective contributed much to the emphasis on image, deep narratives, and inclusive dialogues on which participatory scenario thinking and vision workshops are based. The best approaches meld logical rigour with inclusive and dialogue-based approaches.

All fields of enquiry experience paradigm shifts and fads in methods over time. Delphi surveys are still common in Europe but have become less popular in the USA and UK. While resource-intensive methods such as quantitative forecasting and dynamic modelling are still used, scenarios are now overwhelmingly the techniques of choice in private and public sector futures work. Scenarios are followed closely in popularity by horizon scanning and risk assessment, technology road-mapping and impact assessment.

Notably, these techniques are all relatively qualitative; they are also less resource-intensive and potentially more participatory, promoting dialogue with a wide variety of stakeholders. Bishop, Hines, and Collins, in their 2007 article, "The current state of scenario development: an overview of techniques" (*Foresight*, 9, 1, 5-25), provide a useful overview of the range of techniques available to embed futures exploration into a research project. Visioning has also been rendered more participatory by facilitated processes such as appreciative inquiry,



**Wendy Schultz**

future search, and open space workshops.

If the early years of futures studies were quantitative, and the last two decades participatory, what does the future hold? First, computing and the internet have created new media for old methods that render them simultaneously easier, more efficient, cheaper to use and more sophisticated in output; Delphi studies are now easily and rapidly administered on-line. More inclusive, bottom-up approaches to scanning, impact analysis and systems mapping are available on-line, for example, via Shaping Tomorrow<sup>1</sup>, Fountain Park<sup>2</sup>, SouthBeach<sup>3</sup> and EIDOS<sup>4</sup>.

New software capabilities enable extraction of meaning from fragments of stories and narratives collected from communities – see Cognitive Edge's Sensemaker software<sup>5</sup>. The notion of our communities as complex evolving systems that can produce futures insights via disseminated but networked activities is at the core of the TrendWiki scanning software<sup>6</sup>.

We can also look forward to the evolution of new methods. Critical futures and integral futures have already contributed techniques that enable a deeper exploration of social structures, worldviews, paradigms, and value shifts. Lum and Bowman's Ethnographic Futures Framework (EFF) also re-focuses futures work on how change affects people – how we define ourselves and our world, and how we inter-relate with others. 'Mash-

ups' combining old techniques, such as 2-axis scenario building, with new methods, such as EFF, are proving highly productive for clients (see Natural England's *Scenarios for England's Natural Environment 2060*). 'Mashing' systems thinking with technology road-mapping produced the 3-horizons analysis pioneered by Sharpe and Hodgson in the UK Foresight Programme's *Intelligent Infrastructures* report.

Perhaps the most exciting new developments are those that take this emerging re-emphasis on deep narratives and images of the future, and add an experiential component. Why 're-emphasis'? Because Fred Polak's *The Image of the Future* originally identified in 1961 the necessity for society-wide articulation and discussion of images of a positive future as a means to reinvigorate civilisation. The Web gives us the means, and engaging artists and designers and the creative community in expressing myriad futures vividly helps draw more people to the dialogue. The Institute for the Futures' 'Superstruct' massive multiplayer on-line forecasting game<sup>7</sup> demonstrated both the drawing power and the creative power of an experiential approach. So do the various experiential public installations created for the FoundFutures project by Jake Dunagan and Stuart Candy of the Hawaii Research Center for Futures Studies<sup>8</sup>, which 'inject futures into the present'.

SAMI has created multimedia expressions of scenarios for Natural England and Surrey2020. Take a look at what the next generation of futures thinkers has created to provoke dialogue in their communities, and ask yourself "How can I help my colleagues, clients and neighbours encounter alternative futures as both deep narratives and multi-sense, participatory experiences? How can I involve not just researchers, but artists and designers?" Let's amplify innovation in futures thinking.

Wendy Schultz

wendy.schultz@samiconsulting.co.uk

<sup>1</sup> <http://www.shapingtomorrow.com>

<sup>2</sup> <http://www.fountainpark.com/en/services/>

<sup>3</sup> <http://www.southbeachinc.com/>

<sup>4</sup> <http://www.parmenides-foundation.org/application/parmenides-eidos/>

<sup>5</sup> [http://www.cognitive-edge.com/sensemaker\\_suite.php](http://www.cognitive-edge.com/sensemaker_suite.php)

<sup>6</sup> <https://secure.trendwiki.fi/login>

<sup>7</sup> <http://www.superstructgame.org/>

<sup>8</sup> <http://futuryst.blogspot.com/2007/10/outdoor-installation-takes-cover.html>

# Scenarios and policy making in the health sector

Scenario planning goes back a long way in the health and social care sectors – both in the Department of Health and the National Health Service (NHS). Work in the Department on horizon scanning was first reviewed in 1992, and this was followed by a scanning and scenario planning study ‘Ageing Futures’ in 1993. Meanwhile in Anglia and Oxford NHS Region a pilot study resulted in the groundbreaking ‘Hemingford Scenarios’ in 1994.

In 1996/7 two major scenario exercises were carried out in the Department. One was an internal board exercise on possible futures for health and ‘consumerism’ – a theme which has been revisited several times since. The other was on health and the pharmaceutical sector – which also included external stakeholders. Big lessons were learnt about the special requirements and advantages of the process in health sector planning. A critical requirement was the need to move beyond merely developing scenarios to using them in planning and policy development. The author, as head of strategic planning at the time, was involved in refining scenario techniques in the Department to reflect this requirement and the lessons learnt were fed into further exercises, for example on the future of social care carried out in 2000 which had the direct involvement of the responsible government minister, board members and senior external stakeholders.

The key advantages of the process were to engage policy makers in responding flexibly to the unexpected, to develop new policies in an imaginative and forward looking manner – beyond the simple ‘gap-analysis’ of getting from A to B as was normally prevalent – and to promote shared language and analysis across different divisions, departments and organisations. The added value of this to the interdepartmental groups, which are traditionally set up to address cross-sector issues, was highly significant.



Scenario planning techniques were adopted in other government departments and at the very centre of government following their success in the Department of Health. They are now mainstream to the extent that departments are judged on ‘fitness for purpose’ in part on their long-term strategic thinking capability.

In 2001/2 one of the most important scenario planning exercises in UK central government was carried out. This was Sir Derek Wanless’s report for the Treasury on the long-term future of the NHS. Not only did this report influence the Government’s decision to raise the level of UK spending on health to the EU average but it also linked success and levels of expenditure to forces which have been addressed since by SAMI Consulting such as:

- Patient and public behaviour and expectations – the upside being the Wanless ‘fully engaged’ scenario. In 2008 SAMI carried out a review of public and patient empowerment in the NHS for the Department of Health
- Financing – where alternative funding methods were ruled out. In 2008/9 SAMI jointly facilitated scenario planning events on the impact of the recession on the NHS, involving CEOs from foundation trusts and

health commissioners. We also produced a report for a reinsurance company on the future of long-term care funding in the run-up to the government’s green paper

- Quality of care and changing healthcare needs – topical now with the 2009 House of Lords report on genomic medicine. In 2009 SAMI produced a report for the UK Forum for Genetics and Insurance on the future of the genetics and insurance moratorium which prevents insurers using predictive genetic tests to assess an individual’s risk apart from in exceptional circumstances
- The future NHS workforce – in 2008 the author participated in the workforce planning strand of Lord Darzi’s review of the NHS, and in particular the setting up of a national centre of excellence which will carry out long-term strategic planning.

Themes such as these will remain important in long-term health and social care planning, and we look forward to continuing engagement with Government, the NHS and the third and private sectors.

Richard Walsh, SAMI Fellow

[richard.walsh@samiconsulting.co.uk](mailto:richard.walsh@samiconsulting.co.uk)

# Beyond crisis, the purposefully self-renewing organisation

A team from SAMI – Gill Ringland, Oliver Sparrow and Patricia Lustig – were invited by John Wiley to write a book that explored the aftermath of the financial crisis. The result will be published in spring 2010, entitled *Beyond Crisis: achieving renewal in turbulent times*.

The message of this book is that the management approaches of the 1990s will not serve for the decades ahead. The unique economic and political situation of the period of consistent growth masked some and exploited others of the powerful and accelerating global trends. The financial crisis has removed that mask. The industrial countries will labour under a mountain of debt for years to come, as well as facing new global systemic challenges, rapid advances in technology and the changing world order.

Over the past decades, most organisations have been managed with a common set of methodologies focused on core competences and efficiency. This means they are not equipped to adapt to the new world's turbulent conditions, in which they need to combine the ability to operate under a regime of increasing competition, with the ability to adapt quickly.

Intense competition and very rapid innovation can be met only through equally swift renewal. However, it must also be a purposeful renewal. Purposeful renewal rests on five qualities – *values, narrative, insight, generation of options* and *machinery* to underpin moving from generalities to concrete proposals and implementation.



This machinery connects people at the front end – the organisation's antennae – to the questions the organisation needs to ask in order to sense the changes in the environment, and to the processes for turning this information into proposals and selecting those which give purposeful renewal. An organisation able to do this is called a *purposeful self-renewing organisation* or PS-RO.

A PS-RO is a blueprint for an organisation that uses its knowledge and contacts to build a purposeful response to the challenges around it. It is a flexible blueprint that is applicable to all organisations, of whatever scale or orientation. It is a prescription for success in the turbulent and difficult years ahead.

A comment on the book from Rupert Pennant-Rea, formerly editor of *The Economist* and Deputy Governor of the Bank of England: "In today's stormy waters, beware the guide who promises to take you safely back to port: that way lies the scrap-yard. If instead you want to know how countries, companies and individuals can master the winds and the waves that will dominate the next decade, this is the book for you."



*Gill Ringland, CEO*

Gill Ringland, Chief Executive of SAMI, believes that the thinking behind the book reflects SAMI's essential purpose:

"Our core expertise is future-proofing our clients' organisations. We understand political, international and regulatory risk, economic uncertainty, social and cultural change, and the opportunities of technology. These challenges can surface at many times and in many parts of the organisation. SAMI Consulting works for private, public and NGO sector clients. We tailor what we do for each client from a range of tools and methods including conferences, workshops, reports, audio-visual presentations, executive mentoring, action learning, horizon scanning and training courses.

"While we have world-beating experience of scenario planning, that is not our USP. **We believe it is far more important to help organisations use the scenarios to hone their strategies and policies in the light of future uncertainty. Helping organisations to understand what they can do to respond to and influence uncertainty also enables them to manage change and develop action plans to achieve their goals.** We are able to offer this because our consultants have practical experience of doing just that at senior level in large public and private sector organisations."