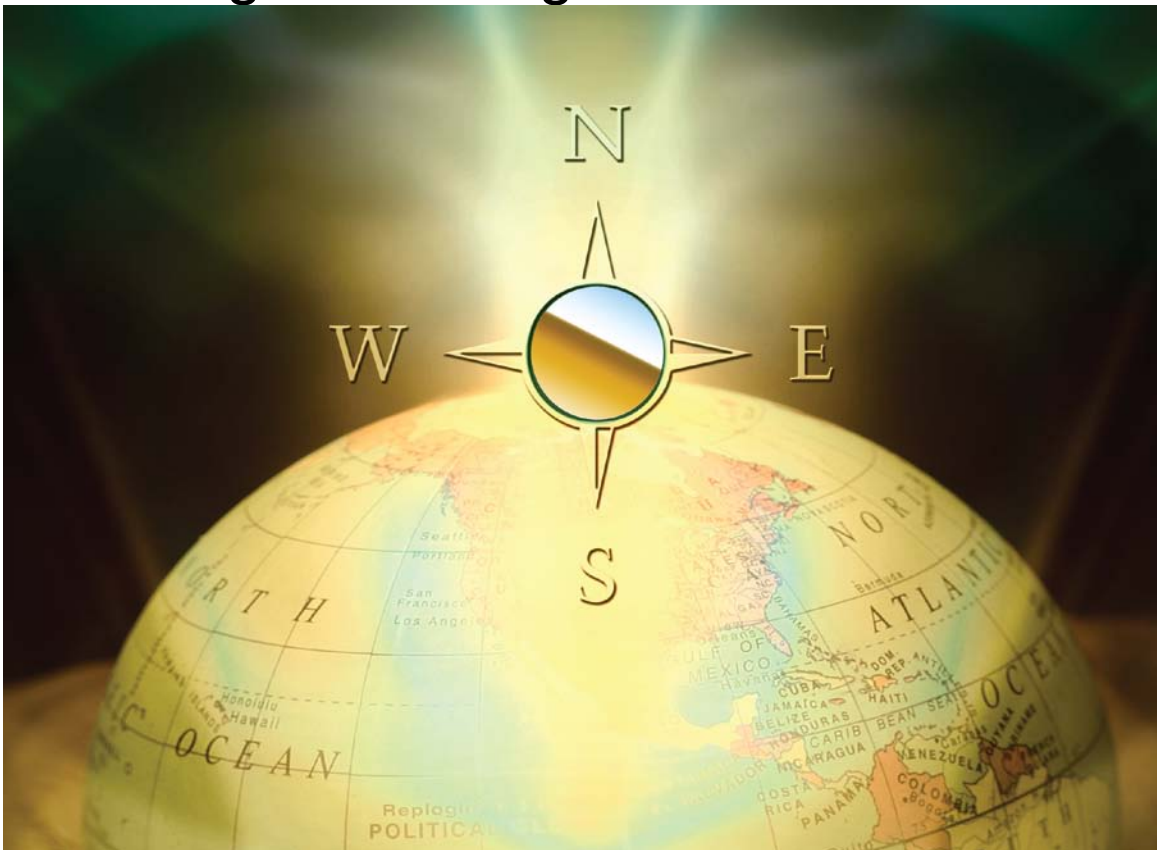


# Small Business Foresight

Long Term Perspective, Scenarios, and  
Strategic Planning for Small Business



A workbook companion to  
It's YOUR Future... **Make it a Good One!**  
Verne Wheelwright, Ph.D.

This workbook is derived from and designed to be used with the author's book,

## *It's YOUR Future... Make it a Good One!*

This book offers a comprehensive look at the methods and tools used by futurists, an excellent system for learning how methods for studying the future work and how they can be applied to your life and your business. The book is 254 pages with 110 diagrams and tables. Examples show how one person might complete each of the worksheets.

*It's YOUR Future... Make it a Good One!* is available at most online book stores and can be ordered from many local bookstores. List price is \$17.50 US. Amazon.com also offers an eBook version for the Kindle at \$8.99 US and Apple offers a version for the iPad at the same price. Other eBook versions are pending.

You can also order books (signed by the author) directly from the author at [www.vernewheelwright.com](http://www.vernewheelwright.com) for delivery anywhere in the world.

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Cover photo- The cover photo from *It's YOUR Future... Make it a Good One!* The image shows an artificial horizon or heading indicator, a navigation instrument found in most aircraft, superimposed over an image of the world globe..

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# Contents

Introduction	5
Section One – Look at YOUR Business - Where You Are Now?	6
Stages of business development	6
Stakeholders in Your Business	9
Forces and Driving Forces in a Small Business	10
External Forces that Shape Your Worlds	21
Anticipating Events	24
Values Worksheet	26
SWOT (Strengths-Weaknesses-Opportunities-Threats)	27
The Futures Wheel	29
Section Two – Creating Scenarios for Small Business	31
Worksheets for four scenarios	32
Scenario narratives	37
Section Three – A Strategic Plan for a Small Business	41
YOUR Vision of Your Business’s Future	42
Strategies to Achieve YOUR Vision	44
An Action Plan for the Future	46
Contingency Planning	48
Vulnerability Analysis	49
Gap Analysis	50
In Conclusion	51
The Author	53

# The Small Business Workbook

This version of the Workbook has been written to be used in workshops and with my book ***It's YOUR Future... Make it a Good One!***

This workbook is created in Adobe Acrobat, which permits PDF copies to be saved, with your filled-in data, in your computer. Or, the workbook can be printed out and filled in by hand.. To learn more about Small Business Futures and Personal Futures, visit our web site [www.personalfutures.net](http://www.personalfutures.net).

Any book of this type can be improved. If you have suggestions, criticisms or comments about this workbook, please let me know at [verne@personalfutures.net](mailto:verne@personalfutures.net). I will appreciate your help in making this workbook better.

Now just a few thought on Small Business Foresight, and what this workbook should do for you.

In the 1950s and 1960s, think tanks and academics developed concepts, theories, and methods for thinking about the future. The resulting tools and methods for exploring the future were embraced by large organizations, so refinement of those methods has tended to be aimed at the needs of large entities. Small business has the same needs for understanding the future, but in some cases the large-business methods don't fit. They need to be scaled down tailored to fit.

Fortunately, the methods of foresight and futures studies are scalable. Research by the author published in 2006 demonstrated that scalability in *Personal Future: Foresight and Futures Studies for Individuals*, available as a free download at [www.personalfutures.net](http://www.personalfutures.net). In many respects, personal futuring is closer to the needs of small business than the practice of the same methods by large organizations. More information about personal futuring, planning for yourself and your family, along with free workbooks is also available at [www.personalfutures.net](http://www.personalfutures.net). In 2010, *It's YOUR Future... Make it a good One!* was published, and provides considerable detail about understanding and planning for the future in an easy-reading format. This book explains many tools and methods presently used by professional futurists worldwide.

If you have questions or suggestions about any of this material, please email me at [verne@personalfutures.net](mailto:verne@personalfutures.net). I look forward to hearing from you!

Verne Wheelwright

## Introduction

Why should you be interested in learning about methods to explore small business futures?

The answer is pretty simple. The methods employed by futurists and large organizations worldwide are successful. They work.

Unfortunately, what works well in a large organization may not scale down directly to a small organization. Some adjustments or changes are necessary. This workbook offers you the same methods used by businesses and governments all over the world to explore, choose and prepare for the future. The methods are scaled down and adjustments made to make the methods more effective for small organizations.

What should you be able to expect from studying about the future? The approach you will take with this workbook consists of three steps:

1. Build a framework of information about your organization.
2. Based on the framework information, explore potential futures with scenarios.
3. From the scenarios, develop a vision, strategies and action plans for your future.

You will use the same methods that have been practiced by futurists for decades all over the world. At the end of this process you should have a vision for the future of your business, specific plans for the next ten years, and contingency plans to deal with unexpected changes and events.

Here are the steps you will be following in this workbook as you prepare for your future:

- **Research**
  - Business development stages
  - Internal domains and driving forces
  - External forces
  - Your strengths, weaknesses and values
- **Scenarios**
  - Develop a scenario matrix
  - Examine the driving forces
  - Create four or more scenarios
- **Strategic Planning**
  - Create a vision for the next ten years
  - Develop strategies
  - Develop action plans
  - Develop contingency plans
  - Analyze your plan

# *Section 1*

## Conducting Internal Research

Before you can apply futures methods to your business, you must have a base of information from which to draw conclusions about the future of your business. In this section, you will learn about 1) the typical stages of a business, 2) the driving forces that bring about change in a small business, and 3) common events that can be anticipated, both as to probability of occurrence and extent of impact. This section will conclude by your exploring strengths, weaknesses, and values of the business. This research will become the foundation from which you will create scenarios in section two.

## Stages of Business development

### **Stages of a business**

On the next page are listed nine stages that are common to all businesses with a very brief description of each stage. As you learn about the stages, be aware of the change periods between stages. These transitions are important and sometimes difficult times in your business, but preparation and understanding will help you deal with them.

It is helpful to know which stage your business is in now and which stage will be next.

These stages apply to any size business, from the single-person or professional firm to businesses with many employees and sizable facilities.

## Stages of Business Development

Below are listed nine stages that are common to all businesses. with a v ery brief description of each stage. As you learn about the stages, be aware of the *change periods* between stages. These transitions are important and sometimes difficult times in your business, but preparation and understanding will help you deal with them.

Stage	Characteristics of Stage
<b>Concept</b>	The idea.
<b>Planning</b>	Seriously testing your concept on paper (or in the computer) and planning how to make it work. Deciding what you really need in terms of capital, location, equipment, people, and legal structure. Understanding the industry and the competition. Develop a business plan.
<b>Startup</b>	Business now exists. Testing your concepts in the real world with a location, product or service, and customers.
<b>Struggling/Surviving</b>	Adapting, accepted as a viable business, struggling to grow and become profitable.  Some businesses do not survive this stage.
<b>Growth</b>	Sales and revenues are increasing. Additional employees or contractors may be added to carry the additional work loads. Adding new customers.
<b>Maturity</b>	Established. Maintaining balance
<b>Expansion</b>	Physical plant, equip, products, markets, acquisitions or mergers.
<b>Decline</b>	Shrinking profits, shrinking sales, aging systems or equipment. Firm may lose competitive edge or industry may decline.
<b>Exit</b>	Sell, transfer or close

Which stage is your business in now? What is the next stage? What changes or impacts result when you move to the next stage? Understanding the business stages helps you prepare for those changes and their resulting impacts.

Visualize the next stage. Think of your business and visualize it as you believe it can or will be in the next stages.

<b>Present business stage is</b>	
<b>Next stage(s)</b>	
<b>Business stage in 10 years</b>	

# Stakeholders in Your Business

**What/who is a stakeholder and why are stakeholders important?**

- Owners/Shareholders
- Employees
- Lenders
- Suppliers
- Customers
- Contractors

Stakeholders are persons, groups or organizations who affect your business or who are affected by your business.

Who are your stakeholders?

Stakeholder	Interest	Positives	Negatives
Partners/Investors			
Key Suppliers			
Key Customers			
Key Employees			
Advisors			
Lenders			

# Forces and Driving Forces in a Small Business

## Internal Domains

Internal domains are made up of the forces and sub-forces that are a direct part of your business. These are forces that affect your business directly and with which you must interact. When these forces pressure you or motivate you, they are called driving forces .. Here, we recognize five categories of forces that are common to all businesses and are a part of each Management throughout the firm's existence.

A domain is a category of internal forces. Finances for example. The category may contain several different forces (cash, payables, receivables, taxes, etc.), and any one of these forces may be a dominant or driving force over a period of time. Cash may be a driving force when there is either too little or too much of it. Taxes may be a driving force when you have a problem with your taxes.

**Finance-** Everything related to finances. For example:  
Capital, cash flow, income, assets  
Expense, debt, liabilities, financial risks, insurance.  
Taxes, Insurance, Accounting

**Location-** The building(s), facilities and place(s) where your business is located.  
Building(s), facilities, zone, neighborhood  
City, state and country

**Operations-** Production of goods or services  
Processes, quality control  
Logistics in and out  
Inventories

**Management-** Management, Administration, Leadership  
Legal structure  
Core business and divisions  
Legal and regulatory

**Marketing-**  
Sales  
Publicity, promotion  
Advertising

**People-** Everything to do with people in and related to your Management.  
Interactions, communications  
Owners, staff, suppliers, advisors, contractors

## A few tools for evaluating forces and trends

### Create a time series and a trend line

For each domain, you can use a chart like the one below to rank the quality or performance of that domain for your business over the past five years. Using the graphs on the Domain pages that follow, and following the examples below, your first step is to make a line (hand drawn) or mark (keyboard) in the box for each of the five past years, ranking the performance level of that domain for that year, up to the present (P). You now have a trend line representing quality or performance over the past five years.

	5	4	3	2	1	P	1	2	3	4	5	6	7	8	9	10
<b>Very Hi</b>																
<b>High</b>					xx											
<b>Average</b>			xxx	xx	x	xx										
<b>Low</b>	xxx															
<b>Very Lo</b>																

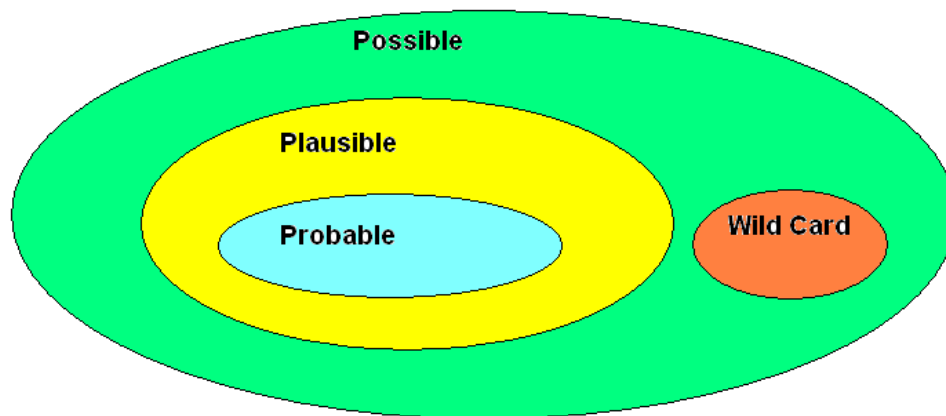
Next, project one line into the next ten years, as seen below. This (upper) line will represent your best estimation of the highest plausible performance over the next ten years. This is your optimistic projection for this domain.

	5	4	3	2	1	P	1	2	3	4	5	6	7	8	9	10
<b>Very Hi</b>													xx	xx	xx	xx
<b>High</b>				xx			xx	xx	xx	xx	xx					
<b>Average</b>		xx	xx		xx	xx	xx									
<b>Low</b>	xx							xx	xx	xx	xx					
<b>Very Lo</b>													xx	xx	xx	xx

Finally, make another line from the present through the next ten years, as shown above, but representing the *lowest* plausible performance for the next ten years. This is your pessimistic projection. This example shows how your graph may look if filled in on your computer.

## Possible, Plausible and Probable

In the graph examples, I've used the word "plausible." How do we define or describe "plausible" futures?



This diagram illustrates the possibilities that exist in the future, and shows that everything is within the realm of Possible, (the outer ring). Plausible is a smaller area within Possible, but is a much larger area than Probable. Wild cards (like winning the lottery, being hit by a meteor, etc) are in the possible area, but not in the Plausible or Probable areas.

## Finance Domain

Everything related to finances. For example:  
 Capital, cash flow, income, assets, accounting  
 Expense, debt, liabilities, taxes  
 Financial risks, insurance.

	5	4	3	2	1	P	1	2	3	4	5	6	7	8	9	10
Very Hi																
High																
Average																
Low																
Very Lo																

### To create a graph

- 1- Determine the quality or performance levels of the *Finances* Domain in your business during each of the past five years up to the present (P). Draw a line across each period (the line can slope up, down, stay level or have changes), stopping at the present year. On your computer, you can use “xxxx” to make your line. This line represents your opinion of the *quality* of this group of forces in your business over the past five years (or years of existence) to the present. Note the direction (up, down, level) at the present. This indicates the direction of the current trend of the *quality* of these forces.
- 2- Starting at the present (P) draw a line that represents the best plausible projection through the next ten years.
- 3- Starting at the present (P), draw a line that represents the worst plausible projection through the next ten years.

What is your present level of satisfaction with this domain?

What would you like to change?

What would you have to do to initiate a change?

## Location Domain

The building(s), facilities and place(s) where your business is located.

Building(s), facilities, zone, neighborhood

City, state and country

	5	4	3	2	1	P	1	2	3	4	5	6	7	8	9	10
<b>Very Hi</b>																
<b>High</b>																
<b>Average</b>																
<b>Low</b>																
<b>Very Lo</b>																

### To create a graph

1- Determine the quality or performance levels of the *Location* Domain in your business during each of the past five years up to the present (P). Draw a line across each period (the line can slope up, down, stay level or have changes), stopping at the present year. On your computer, you can use “xxxx” to make your line. This line represents your opinion of the *quality* of this group of forces in your business over the past five years (or years of existence) to the present. Note the direction (up, down, level) at the present. This indicates the direction of the current trend of the *quality* of these forces.

2- Starting at the present (P) draw a line that represents the best plausible projection through the next ten years.

3- Starting at the present (P), draw a line that represents the worst plausible projection through the next ten years.

What is your present level of satisfaction with this domain?

What would you like to change?

What would you have to do to initiate a change?

# Operations Domain

Everything related to the production or creation of goods and services including  
 Designs, materials, processes, quality control  
 Inventories, logistics

	5	4	3	2	1	P	1	2	3	4	5	6	7	8	9	10
<b>Very Hi</b>																
<b>High</b>																
<b>Average</b>																
<b>Low</b>																
<b>Very Lo</b>																

**To create a graph**

1- Determine the quality or performance levels of the *Operations* Domain in your business during each of the past five years up to the present (P). Draw a line across each period (the line can slope up, down, stay level or have changes), stopping at the present year. On your computer, you can use “xxxx” to make your line. This line represents your opinion of the *quality* of this group of forces in your business over the past five years (or years of existence) to the present. Note the direction (up, down, level) at the present. This indicates the direction of the current trend of the *quality* of these forces.

2- Starting at the present (P) draw a line that represents the best plausible projection through the next ten years.

3- Starting at the present (P), draw a line that represents the worst plausible projection through the next ten years.

What is your present level of satisfaction with this domain?

What would you like to change?

What would you have to do to initiate a change?

## Tææ^{^}cDomain

Everything related to the organizational and administrative structure of the organization including

- Management, Administration
- Legal and regulatory

	5	4	3	2	1	P	1	2	3	4	5	6	7	8	9	10
Very Hi																
High																
Average																
Low																
Very Lo																

**To create a graph**

- 1- Determine the quality or performance levels of the *Opci go gpv*Domain in your business during each of the past five years up to the present (P). Draw a line across each period (the line can slope up, down, stay level or have changes), stopping at the present year. On your computer, you can use “xxxx” to make your line. This line represents your opinion of the *quality* of this group of forces in your business over the past five years (or years of existence) to the present. Note the direction (up, down, level) at the present. This indicates the direction of the current trend of the *quality* of these forces.
- 2- Starting at the present (P) draw a line that represents the best plausible projection through the next ten years.
- 3- Starting at the present (P), draw a line that represents the worst plausible projection through the next ten years.

What is your present level of satisfaction with this domain?

What would you like to change?

What would you have to do to initiate a change?

## Marketing Domain

Everything related to marketing of goods or services including

Sales

Publicity, promotion, public relations, advertising

	5	4	3	2	1	P	1	2	3	4	5	6	7	8	9	10
Very Hi																
High																
Average																
Low																
Very Lo																

### To create a graph

1- Determine the quality or performance levels of the *Marketing* Domain in your business during each of the past five years up to the present (P). Draw a line across each period (the line can slope up, down, stay level or have changes), stopping at the present year. On your computer, you can use “xxxx” to make your line. This line represents your opinion of the *quality* of this group of forces in your business over the past five years (or years of existence) to the present. Note the direction (up, down, level) at the present. This indicates the direction of the current trend of the *quality* of these forces.

2- Starting at the present (P) draw a line that represents the best plausible projection through the next ten years.

3- Starting at the present (P), draw a line that represents the worst plausible projection through the next ten years.

What is your present level of satisfaction with this domain?

What would you like to change?

What would you have to do to initiate a change?

## People Domain

Everything to do with people in and related to your organization.

Interactions, communications

Owners, staff, suppliers, advisors, contractors

	5	4	3	2	1	P	1	2	3	4	5	6	7	8	9	10
Very Hi																
High																
Average																
Low																
Very Lo																

### To create a graph

- 1- Determine the quality or performance levels of the *People* Domain in your business during each of the past five years up to the present (P). Draw a line across each period (the line can slope up, down, stay level or have changes), stopping at the present year. On your computer, you can use “xxxx” to make your line. This line represents your opinion of the *quality* of this group of forces in your business over the past five years (or years of existence) to the present. Note the direction (up, down, level) at the present. This indicates the direction of the current trend of the *quality* of these forces.
- 2- Starting at the present (P) draw a line that represents the best plausible projection through the next ten years.
- 3- Starting at the present (P), draw a line that represents the worst plausible projection through the next ten years.

What is your present level of satisfaction with this domain?

What would you like to change?

What would you have to do to initiate a change?

## Internal Domains

Use this work area to write in current or future concerns or interests in any of these areas.

<b>Domain</b>	<b>Attributes, description, forces</b>
<b>Finance</b>	
<b>Location</b>	
<b>Operations</b>	
<b>Management</b>	
<b>Marketing</b>	
<b>People Domain-</b>	

## Driving forces in your Business

During *each* stage of business existence, one or two domains will probably dominate the important changes in your business. The table below shows some of the common driving forces in each stage of a business. These are simply indicators, a starting point.

Business stage	Driving force 1	Driving force 2
<b>Concept</b>	Production	Marketing
<b>Planning</b>	Finances	Management
<b>Startup</b>	Finances	People
<b>Struggling/Surviving</b>	Marketing	Finances
<b>Growth</b>	Marketing	Production
<b>Expansion</b>	Finances	Management
<b>Maturity</b>	Management	Finances
<b>Decline</b>	Finances	People
<b>Exit</b>	Finances	Management

## External Forces that Shape Your Worlds

Awareness of changes in your community and the national economy as well as changing social or technological trends in the world around you should be built into your strategies and action plans. This can translate into simple awareness – for example, in your community, be aware of planned future projects that might affect your family or your property, positively or negatively. Be aware of movements or activity to create laws or regulations that may impact you.

Many futurists use the mnemonic “STEEP” to remind them of some of the outside forces that may affect our lives.

- S**ocial forces
- T**echnological forces
- E**conomic forces
- E**cologic forces
- P**olitical forces

Use the space below to make notes about how any of these forces may affect your life in the future, and keep them in mind as you create your strategic plan.

### **Social**

### **Technology**

### **Economy**

### **Ecology**

### **Politics**

## STEEP Scanning Worksheet

Which of these forces are likely to have a strong impact on your business at one or more of these geographic levels, and how?

	World	National	Local
Social			
Technology			
Economic			
Ecologic			
Political			

# Optional Industry Scanning Worksheet

## Forces Within Your Industry

Which forces of change are likely to have a strong impact on your industry?  
Which of those forces of change will impact your business?

	World	National	Local
Social			
Technology			
Economic			
Ecologic			
Political			

## Anticipating Future Events

### Examples of common business events

<b>Business Stage</b>	<b>Common</b>	<b>High impact</b>
<b>Concept</b>	Idea Proof of concept Available target	Opportunity offered
<b>Planning</b>	Prove long term viability Business plan Structure (Corp. Partner, Prop.)	Finance approval/disapproval
<b>Startup</b>	First production Work out bugs First sales	
<b>Struggling/</b>	Not enough buyers Cash flow problem Inadequate funding Taxes	Rejections/returns Loss of funding/partner Loss of supplier Loss of receivables
<b>Growth</b>	Increasing demand Supply problems Logistics problems	Quality control Materials shortages
<b>Expansion</b>	Facilities Market areas People	Acquisition or merger
<b>Maturity</b>	Slow growth	
<b>Decline</b>	Reduced sales Reduced profit Reduced demand	Negative profit
<b>Exit</b>	Sale Transfer Close	Tax problem Foreclosure

## Events Worksheet

Use the following worksheet to list events that you anticipate during the next ten years for which you are going to plan. Use the forces listed in the “Domains” column as reminders for events.

Domains and Sub-forces	High probability, high impact events (for strategic planning)	High impact-stakeholders	Wild card events
<b>Finance</b>			
<b>Location</b>			
<b>Operations</b>			
<b>Management</b>			
<b>Marketing</b>			
<b>People</b>			

## Values Worksheet

Values- what's important to you and to your business? This worksheet asks you to compare and rank your values. In the "Rank" column, select the value that is most important to you and enter the number 1. Then pick the second, third and on to the end of your list. For future reference, list your values in numerical order in the last column.

Value	Rank	List your Values in order of importance to you	Rank
Profit			1
Professional relationships			2
Personal recognition			3
Organization recognition			4
Power or influence			5
Personal income			6
Financial security			7
Net worth			8
Growth			9
Stability			10
Personal/family image			11
Ethics/principles			12
Volume			13
Independence			14
Contribution to others			15
Challenge/risk			15
Geographic location			16
Pride in product			17
			18
			19
			20

Do you see any conflicts between your personal values and the values held by the business?

# Strengths, Weaknesses, Opportunities , and Threats

This worksheet calls for an honest assessment of your Management and its products, services, and management. What can be done to take advantage of the Managements strengths? How can the business be strengthened wherever it is weak?

## Strengths and Weaknesses

Internal	Strengths	Weaknesses
Finance		
Location		
Marketing		
Operations		
Management		
People		

## Opportunities

What are the opportunities for this business over the next ten years? What must be done to take advantage of those opportunities?

External Opportunities	Global	National	Local
Social			
Technology			
Economy			
Ecology			
Politics			

## Threats

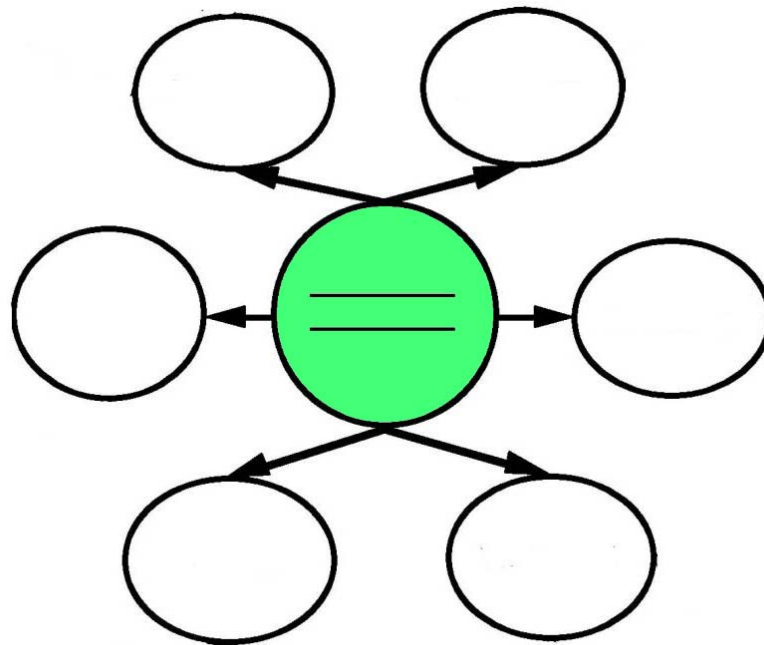
What are the threats to this business over the next ten years? What must be done to deal with those threats?

External Threats	Global	National	Local
Social			
Technology			
Economy			
Ecology			
Politics			

## The Futures Wheel

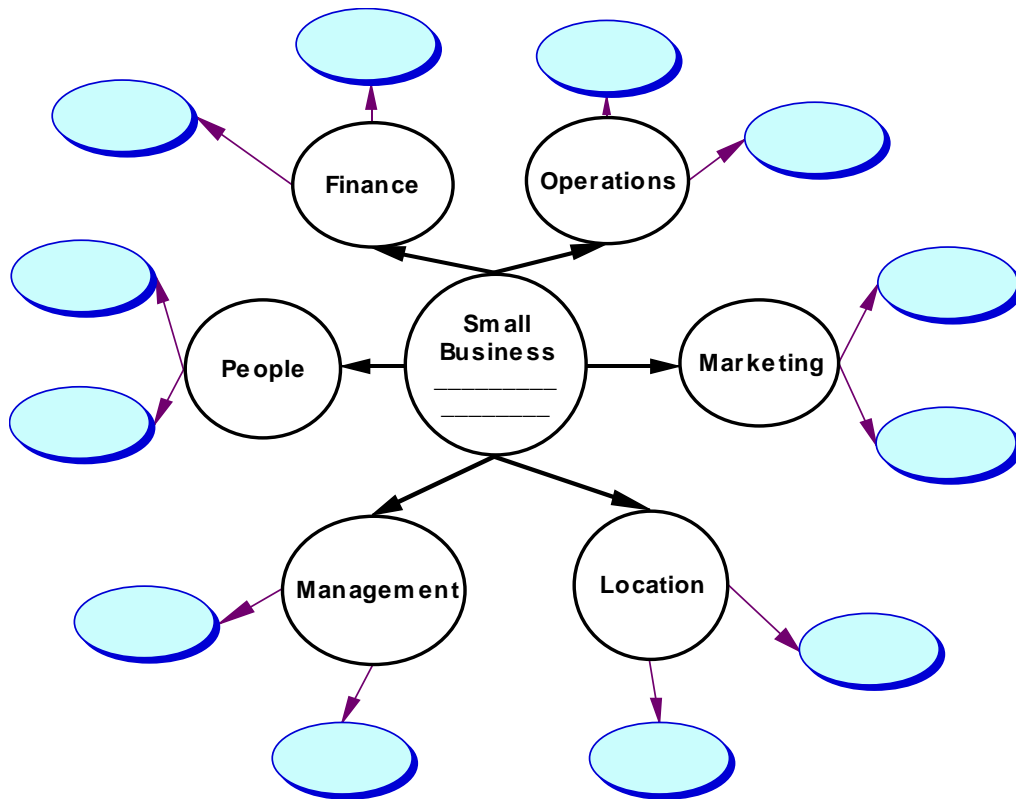
The futures wheel is a tool that is used by most futurists. It is also called a mind map, and can be very simple, like the example below. Futures Wheels can become complex as more levels are added. The futures wheel is very effective for brainstorming, whether you are working alone or in a group. You can draw one anywhere, on paper, on a whiteboard or in your computer.

The idea is to start with a question, situation, or problem, then branch out from that idea to directly related ideas, effects, impacts or whatever you are considering.



A basic futures wheel showing spaces for the first level of impacts.

The futures wheel is very versatile. You will find it helpful in sorting out ideas or simply thinking about the future or other concepts. If you have occasion to speak to a group at work, the futures wheel is a great tool for brainstorming and collecting ideas or information. All you need is a blank space and something you can write with.



### Second level of impacts

From each of the direct impacts in the first ring around your main question or idea, branch again to secondary ideas or impacts. From there, branch out to the third ring and so on. When you are drawing on paper or a whiteboard, futures wheels start getting messy at this level, but they still work!

If you have occasion to speak to a group at school or at work, the futures wheel is a great tool for brainstorming and collecting ideas or information.

# *Section II – Creating Scenarios for a Small Business*

(An opportunity to rehearse the future)

## Exploring plausible futures

### **Worksheets for four scenarios**

Using information from the worksheets that you have already created, fill in the scenario worksheets on the next pages with events that fit within each scenario column.

Refer back to the graphs you created in the Personal Domains section and the two lines you extended into the future for each graph. The top lines for each domain are the basis for the “Best Plausible” scenario. The lower lines make up the forces of change for the “Worst Plausible” scenario.

The “Continuation of the Present” scenario is based on your estimate of the probable future if there is no major change and you take no action to create change. The “Wild Card” scenario includes events that are possible, but not probable as you see your future at this time.

Also from the chapter on internal domains, recall the two domains (driving forces) that you expected to be dominant in bringing about change in your business during this stage. As you fill in the worksheet, think about how events may vary in those two domains in each of the scenarios you are building.

For example, if a dominant domain during this stage of your business is the Marketing Domain and specifically your sales, how might your sales vary between the positive scenario and the negative scenario? In the positive scenario you may have great successes in your career, while in your negative scenario you may struggle or even fail.

<b>Forces and factors</b>	<b>Continuation of the Present scenario</b>
<b>Finance</b>	
<b>Location</b>	
<b>Marketing</b>	
<b>Operations</b>	
<b>Management</b>	
<b>People</b>	
<b>Goals, plans &amp; values</b>	

<b>Forces and factors</b>	<b>Best Plausible scenario</b>
<b>Finance</b>	
<b>Location</b>	
<b>Marketing</b>	
<b>Operations</b>	
<b>Management</b>	
<b>People</b>	
<b>Goals, plans &amp; values</b>	

<b>Forces and factors</b>	<b>Worst Plausible scenario</b>
Finance	
Location	
Marketing	
Operations	
Management	
People	
Goals, plans & values	

Forces and factors	Aspirational scenario
Finance	
Location	
Marketing	
Operations	
Management	
People	
Goals, plans & values	

<b>Forces and factors</b>	<b>Wild Card scenario</b>
<b>Finance</b>	
<b>Location</b>	
<b>Marketing</b>	
<b>Operations</b>	
<b>Management</b>	
<b>People</b>	
<b>Goals, plans &amp; values</b>	

## Scenario Narratives

From the information you have placed in each scenario column of the worksheet, write a story about your business during this ten years. Spend some time and use your imagination to make each story fit together in a logical manner. Keep in mind that what you're doing in this workbook is making educated guesses about the future. By creating narratives you are developing an understanding of what must happen to make the elements in your scenario work together

In future years, you will see signals that will indicate which scenarios will or will not come about. That should give you time to adjust and prepare to deal with those changes.

### Scenario I – Continuation of the present



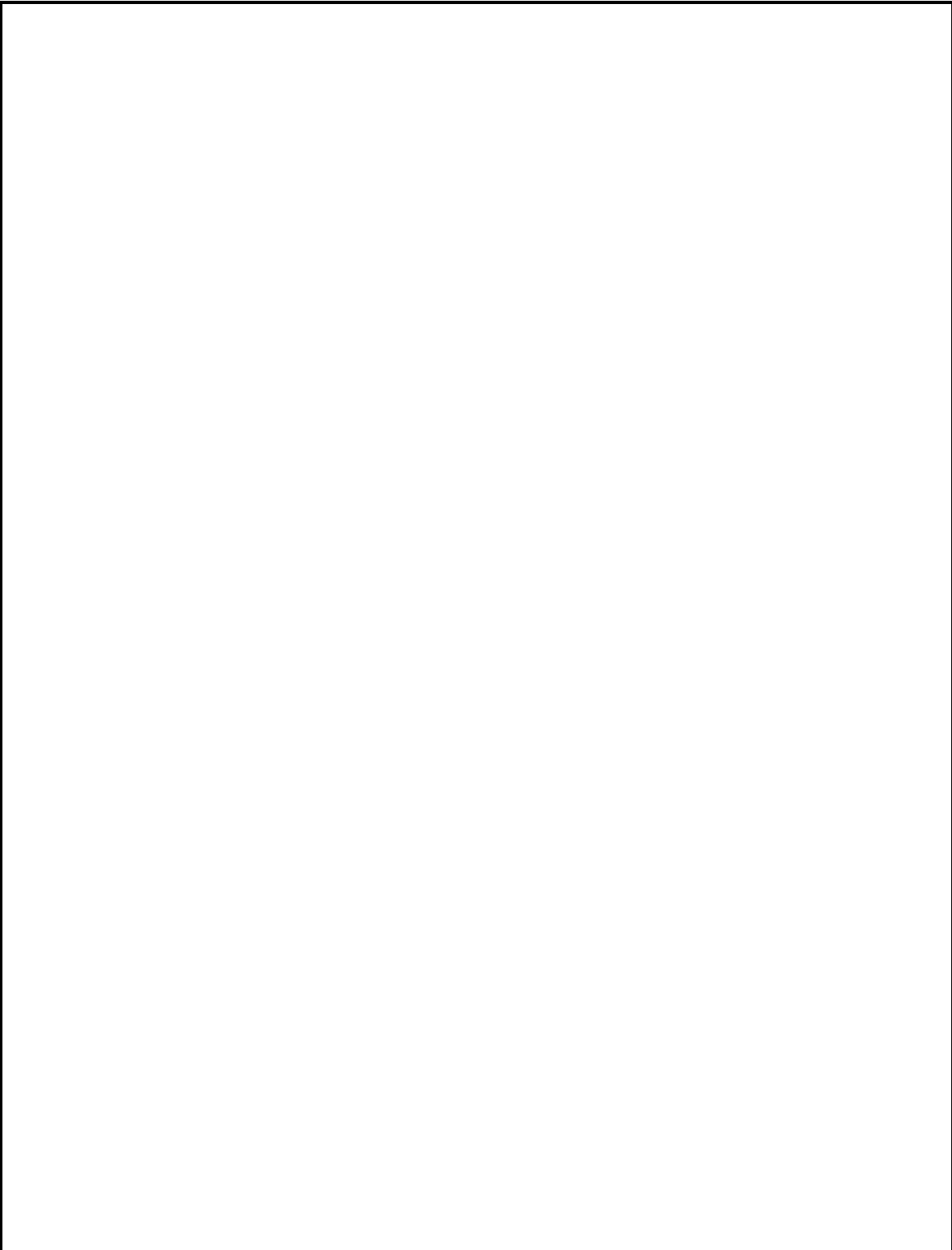
## Scenario II – Best plausible scenario



Scenario III – Worst plausible scenario



## Scenario IV – Aspirational or Wild card scenario



## *Section III- Creating a Strategic Plan for a Small Business*

A strategic plan is just what the name implies- a plan for the future based on strategies to achieve a future that you have envisioned.

This implies that in order to strategize and plan, you must first determine what future you want (vision). If you think about the future you would like to experience during the next ten years, what future do you see, or envision? That will be the first step in your strategic plan, creating a vision of the future—the preferred future.

Next, you will consider the high impact events that are likely to happen during the time period for which you are planning. Do you have a mission for this period? Something critical that must be achieved? Do you have goals or desires that that you have not included in your vision? Now is the time to write all the things down in one place and get ready to plan to achieve or deal with your interests and concerns over this time period.

The third step in your strategic planning process is to create strategies that will help you achieve your goals and your vision of the future as well as deal with anticipated high impact events that may occur.

Fourth, you will develop an action plan— a sequence of actions you will take each year, to execute each of your strategies,

Fifth you will devise contingency plans to deal with the wild cards that may occur during this stage of your business. These are high impact events that are unlikely to occur, but if they do, you will have a contingency plan in place.

The final step is to live the plan you have created. Take the actions and follow the strategies you have selected to achieve your vision, but continue to monitor your plan, your business and the world around you. Has anything changed that affects your plan? If so, then adjust your plan to fit the new circumstances. Your strategic plan is simply a tool that you can use. Use it to help you achieve the future you prefer.

## Your Vision of Your Business's Future

Visualize what you want your business to look like in ten years in each of these five domains.

<b>Worksheet</b>	<b>Your vision for each domain for this stage</b>
<b>Finance</b>	
<b>Location</b>	
<b>Marketing</b>	
<b>Operations</b>	
<b>Management</b>	
<b>People</b>	

Describe in one or two sentences your vision of where you want your business to be at the end of ten years.

Let's take this one more step. What do you want for your business beyond ten years? Do you have a vision of how and when to exit the business?

## Strategies to Achieve Your Vision

This is the “strategy” area of your strategic planning. A strategy is a general approach or technique for dealing with a situation. A more detailed plan for *achieving* your strategy will come later in your Action Plan.

For your vision of the future for your business, identify and develop strategies to achieve that vision. Review your scenarios and devise strategies to deal with futures that may occur. For the negative or “worst plausible” scenario where everything goes wrong, devise strategies to prevent, avoid or deal with that future. Think in terms of “If...then” strategies. “If this happens, then my strategy becomes...”

## Strategies to Achieve Your Vision



A strategy is simply one way to do something. Chess is a game of strategies in which the player with the best strategies will probably win. You are looking for strategies to achieve your vision of the future, so spend some time thinking about how to devise the *best* strategy to achieve your vision.

Domains	Strategies to achieve goals, mission and vision	Strategies to avoid or reduce impacts of probable events
Finance		
Location		
Marketing		
Operations		
Management		
People		

Consider strategies for each domain, particularly for events that are high impact events that have a high probability of occurrence. You will also (on another worksheet) develop contingency plans for high impact events with a low probability of occurrence.

## An Action Plan for Your Future

Now you must turn your strategies into actions. What actions must you take, starting today, to achieve your preferred future? What is the best sequence for those actions?

These are the actions that can change your future. Until you actually take action, nothing in your planning will change your future.

This is the central document of your strategic plan. You can (and should) modify or change your plan as you go along, because events in your life will not unfold according to plan, so stay flexible, but keep working toward your preferred future.

<b>Year</b>	<b>Actions to be taken</b> Finances-Operations-Organization-Marketing-Production
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	

## Backcasting

Backcasting is a tool that futurists use to develop a sequence of actions that are necessary to execute a strategy successfully. The concept is simple—imagine yourself and your business ten years from now, having achieved your vision for the company’s future.

What does the future look like now? What was the last action you had to take to achieve your vision? What was the action before that—and before that? This technique helps build the sequence of actions necessary for your action plan.

<b>Year</b>	<b>Actions to be taken</b> Finances-Operations-Organization-Marketing-Production
2025	
2024	
2023	
2022	
2021	
2020	
2019	
2018	
2017	
2016	
2015	
2014	
2013	
2012	
2011	

## Contingency Planning

What happens if one of your “wild card” scenarios occurs? Or the “worst plausible”? Develop contingency plans to deal with these. “If...then” strategies are also helpful for contingency planning.

Wild card or Worst Plausible event	Strategy ( <u>how</u> will we deal with this event?)	Plan (what <u>actions</u> will we take to deal with this?)

Use the strategy column to identify your general approach to dealing with this wild card or low probability event. Will you try to minimize, maximize, profit or avoid loss? Consider all the low-probability, high-impact events you listed, including internal (FOOMP) and external.(STEEP) events.

Give each of these events serious thought. They may never occur, but if an event does happen, you'll be prepared with a contingency plan.

## Vulnerability Analysis

Think of your business as a table with five legs. If one leg collapses, will the other four hold the business up? Or would the collapse of one leg cause others to fail? What are the risks and what can you do about them?

	Vulnerabilities	Risk reduction
Finance		
Location		
Marketing		
Operations		
Management		
People		

## Gap Analysis

Analyze your plan for gaps. Look at each strategy, each goal or objective. Are they achievable with your present funding, facilities or personnel? Are there any gaps between your plan and your resources or abilities?

	<b>Plan</b>	<b>Potential gap</b>	<b>Possible solution</b>
<b>Finance</b>			
<b>Location</b>			
<b>Marketing</b>			
<b>Operations</b>			
<b>Management</b>			
<b>People</b>			

## In Conclusion...

You have now explored your business' present and future, created four or more future scenarios, designed a preferred future, devised strategies to achieve that preferred future and developed an action plan to take your business to that preferred future. You have also considered contingencies and should be prepared to make adjustments to your plan if that becomes necessary. The next, most important step is very simple: Start following your action plan and working toward your preferred future. Enjoy the benefits of your plan!

# Live your plan!

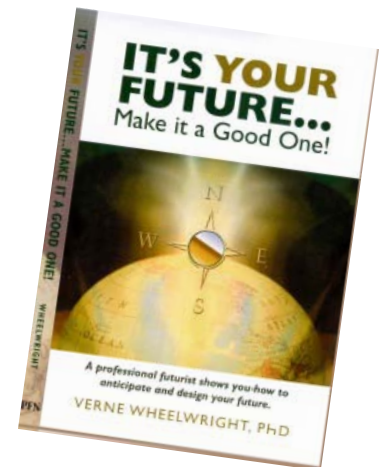
After you have completed your workbook, wait a day or two, then review what you have done. You accomplished a lot by completing this workbook. Now reflect on what you have done and decide what you can do to improve your plan. Re-evaluate your strategies, your action plan and your contingency plan. What did you leave out? What do you want to change? Go ahead. Make changes and improvements. This is your plan.

In six months or a year, look over your plan again. What has changed in your business that affects your plan? What outside forces are affecting your plan? Are you making progress? Is a different scenario unfolding than you expected? Adjust your plan as necessary to deal with the changes, but keep moving toward your personal vision. You can even change or re-define your vision.

Monitor the changes in your business and the world over the years, and keep adjusting your plan whenever you feel that's necessary. If no changes are needed, then just keep following and living your plan.

This workbook is derived from and designed to be used with the author's book, *It's YOUR Future... Make it a Good One!*

This book offers a comprehensive look at the methods and tools used by futurists, an excellent system for learning how methods for studying the future work and how they can be applied to your life and your business. The book is 254 pages with 110 diagrams and tables. Examples show how one person might complete each of the worksheets.



*It's YOUR Future... Make it a Good One!* is available at most online book stores and can be ordered from many local bookstores. List price is \$17.50 US. Amazon.com also offers an eBook version for the Kindle at \$8.99 US and Apple offers a version for the iPad at the same price. Other eBook versions are pending.

You can also order books (signed by the author) directly from the author at [www.vernewheelwright.com](http://www.vernewheelwright.com) for delivery anywhere in the world.

## The Author

Verne Wheelwright earned a Master's degree in Studies of the Future at the University of Houston (Clear Lake) then, convinced that there was a need, began research in personal futures for his Ph.D. dissertation. This workbook, along with his book, *It's YOUR Future... Make it a Good One!* are results of that research.

Verne was convinced that the foresight methods that have been so successful for businesses, governments and other organizations should work for individuals as



well. During his research, he developed a step-by-step approach that would teach individuals how to organize information from their own lives, then apply futures methods to explore and prepare for their futures.

His broad background in international business and his travels to much of the world have provided Verne with a strong foundation for his futures research, and added an understanding of cultural and economic differences that affect people's lives and businesses.

Verne has tested his work in presentations and workshops with people of different ages and varied cultural backgrounds, with gratifying results. He continues to receive compliments and expressions of gratitude from people who have attended his workshops, read his articles or visited his web site at [www.personalfutures.net](http://www.personalfutures.net). Verne plans to continue research, speaking and writing about personal futures, and is encouraging futurists around the world to help people change their lives and businesses with personal foresight methods