

PROM Conference | Scenarios of Higher Education

Presentation | Scenario Work in Practice

How to anticipate the future operating environment of Polish universities?

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A large, striped hot air balloon is the central focus of the upper half of the slide. It is shown from a low-angle perspective, looking up at the basket and the bottom of the envelope. The balloon has vertical stripes in shades of grey and white. The background is a soft, hazy sky.

Scenario Work in Practice

PART 1

Challenge of Strategic Renewal



The Future of Higher Education

“A revolution has begun, thanks to three forces: rising costs, changing demand and disruptive technology. The result will be the reinvention of the university.”

Challenge of
transformation



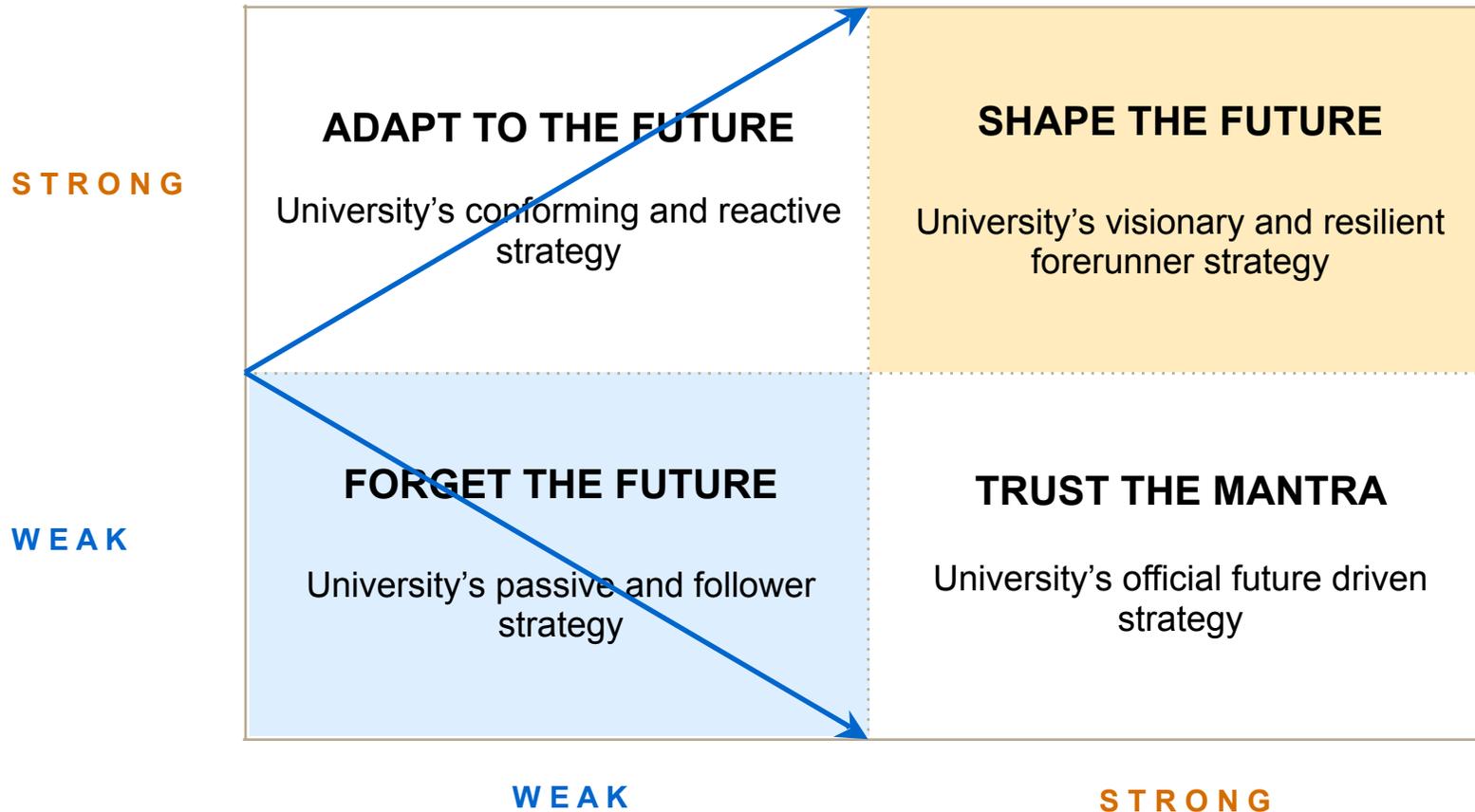
Challenge of
transformation



Seeing and Shaping the Future

Outside-in perspective

University's ability to anticipate and utilize changes in operating environment



Inside-out perspective
University's ability to execute its strategic intent

A large, striped hot air balloon is shown from a low-angle perspective, looking up from below. The balloon is white with dark horizontal stripes and is suspended by ropes from a basket. The background is a clear, light sky.

Scenario Work in Practice

PART 2

What are Scenarios?

SCENARIOS

- are holistic descriptions of possible and alternative future contextual and operating environments.
- are not forecasts
- describe possible systemic relations of interconnected factors and the holistic implications of the systems.
- deal with two worlds: the world of facts and the world of perceptions.
- describe historical developments, present trends and discontinuities as well as their logical and plausible development paths in the future.
- provide insight for building visions, strategies and political agendas.
- form a context against which strategies and strategic decisions can be tested in advance.
- are a tool for strategic thinking and decision making.

EXAMPLE | EVA's GLOBAL SCENARIOS

Playing fields of the future

Warsaw, Poland, June 25, 2009

Arto Kaunonen, Capful



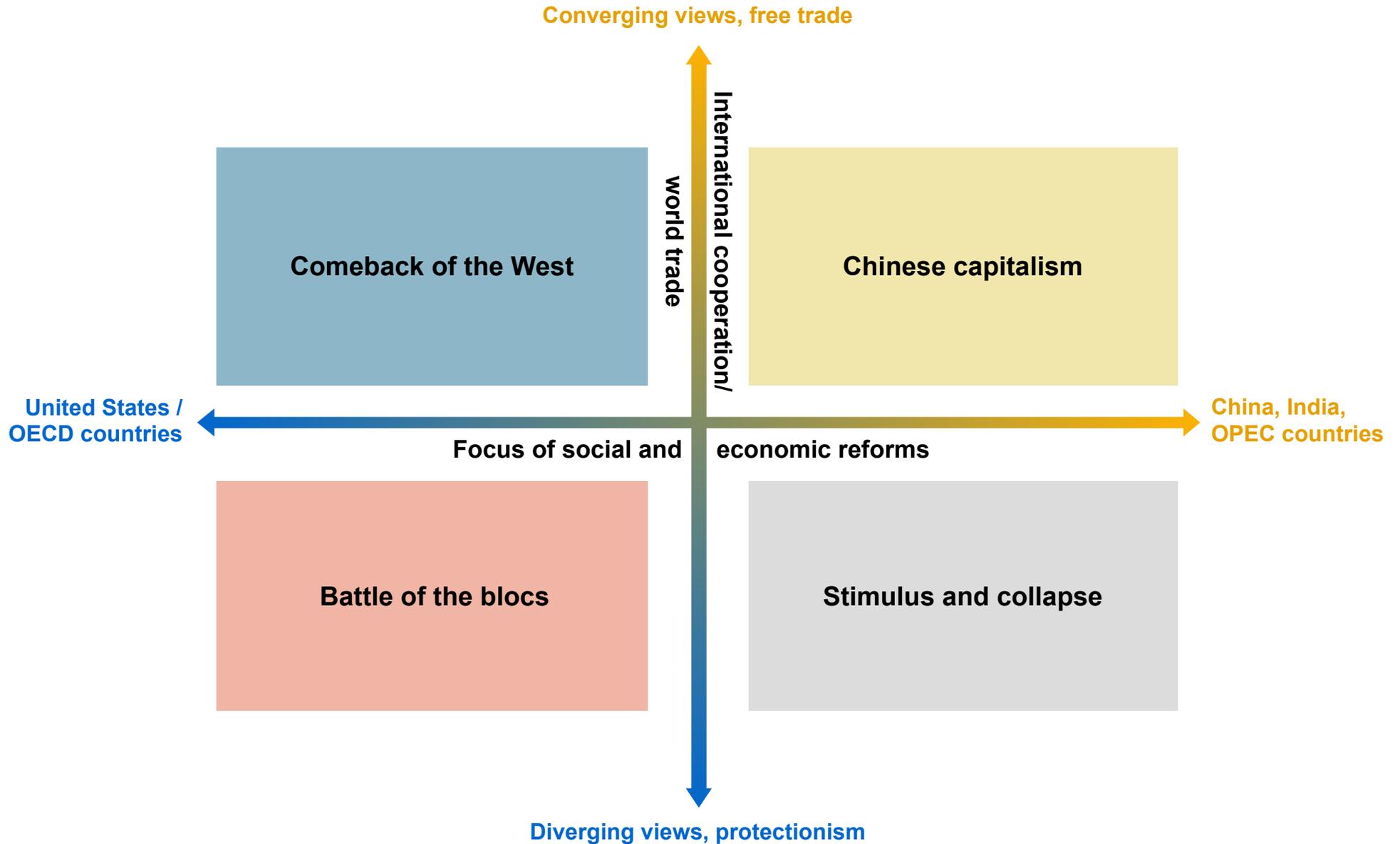
What is EVA?

Finnish Business and Policy Forum EVA

EVA is a policy and pro-market think-tank financed by the Finnish business community.

EVA is a discussion forum and networking arena for decision-makers both in business and society. EVA publishes reports, organizes debates and publishes policy proposals.

Four global scenarios



Summary | World in 2020

Comeback of the West

- The market economy and democracy show their strength once again.
- After a brief slump, the world economy recovers quickly with the West as its leader.
- The main international institutions are reformed.
- Western values strengthen around the world.

Battle of the blocs

- Long difficult recession.
- The economic and political power of the US weakens.
- Regional trade blocs, protectionism and state capitalism emerge.
- Cooperation between the EU and Russia strengthens.

Chinese capitalism

- Capitalism without democracy.
- The economic and political focus shifts to Asia.
- Metropolises and networks of experts function as the motors of growth.
- Progress is made in curbing climate change.

Stimulus and collapse

- Traditional stimulus plans and packages do not work.
- Prolonged global crisis. International cooperation breaks down, economic systems collapse, governments go bankrupt, conflicts increase.
- The European Union weakens.

Stimulus and collapse | European development

Stimulus fails

2009-2011

- The global economic crisis hits Europe hard.
- The European economy suffers. Conflicts on sharing money arise within the EU. Enlargement comes to a halt.
- The EU institutions are weak and power is shifting more and more to nations. The EU is unable to prevent the rise of nationalism, protectionism and racism.
- France witnesses strikes and riots.
- The German automobile industry lays off workers.
- Exports of export-dependent Central and Eastern European countries come to a standstill.
- Old EU countries resort increasingly to protectionism. Their own industry sectors are favoured and mobility of labour is restricted.
- The recovery package of the EU is not effective.
- The Lisbon Agreement is not ratified.
- Youth unemployment grows.
- The support for populists that favour restrictions on immigration increases.

Depression and unrest

2012-2015

- Russia strives to strengthen its superpower status but this and the extremely low price of oil have devastating effects on the country. Russia divides into power cliques, some of which are nationalist, some western-oriented.
- EU countries make more and more bilateral agreements inside and outside the EU.
- Powerful EU countries stray from common rules concerning the four freedoms (free movement of goods, people, services and capital), EMU criteria and climate objectives.
- Aspirations for local self-sufficiency increase. Investments are divided amongst numerous sectors and this undermines the development of expertise.
- The grey economy expands locally.
- Russia takes over the Crimean Peninsula and a part of Georgia.
- The Baltic countries and Poland cry for NATO's help.
- Italy and Greece are deemed to have collapsed. Populist leaders arise amidst anarchy.
- Materialism and consumption decrease.

Conflicts and command economy

2016-2020

- The US' main rival for the global dominance, Russia, is still flexing its muscles in nearby areas, which adds to problems between the EU and Russia.
- EU countries have difficulties responding to the defence cooperation demands of the US.
- European competitiveness has weakened. The economy is growing slowly and internal conflicts on the sharing of money are weak-ening the Union.
- EMU criteria have not been followed for years, and the EMU is only nominally active.
- It is difficult for the dysfunctional EU institutions to control the discontent, poverty, crime and racism brought about by the long recession.
- Unresolved conflicts between EU countries, the inconsistency of the Union and structural rigidities cause national counter-reactions.
- Proposals have been made to disband the EU.
- Cracks are beginning to form in the structures of welfare states and as pensions are lowered, especially family-centeredness and more modest levels of living increase.

Stimulus and collapse | European development – Scenario unfolding

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”**The way** you think about the future
creates the frame for
what you think about the future.
This, in turn, directs those **actions**,
you will do for the future.”

*- Markku Koli, Chief of Defence Command (ret.),
- Executive Advisor, Office of H.H. Deputy Supreme Commander of the Armed Forces, UAE –*

A large, striped hot air balloon is shown from a low-angle perspective, filling the upper half of the slide. The balloon has vertical stripes in shades of grey and white. The basket and ropes are visible at the bottom of the balloon. The background is a clear, light sky.

Scenario Work in Practice

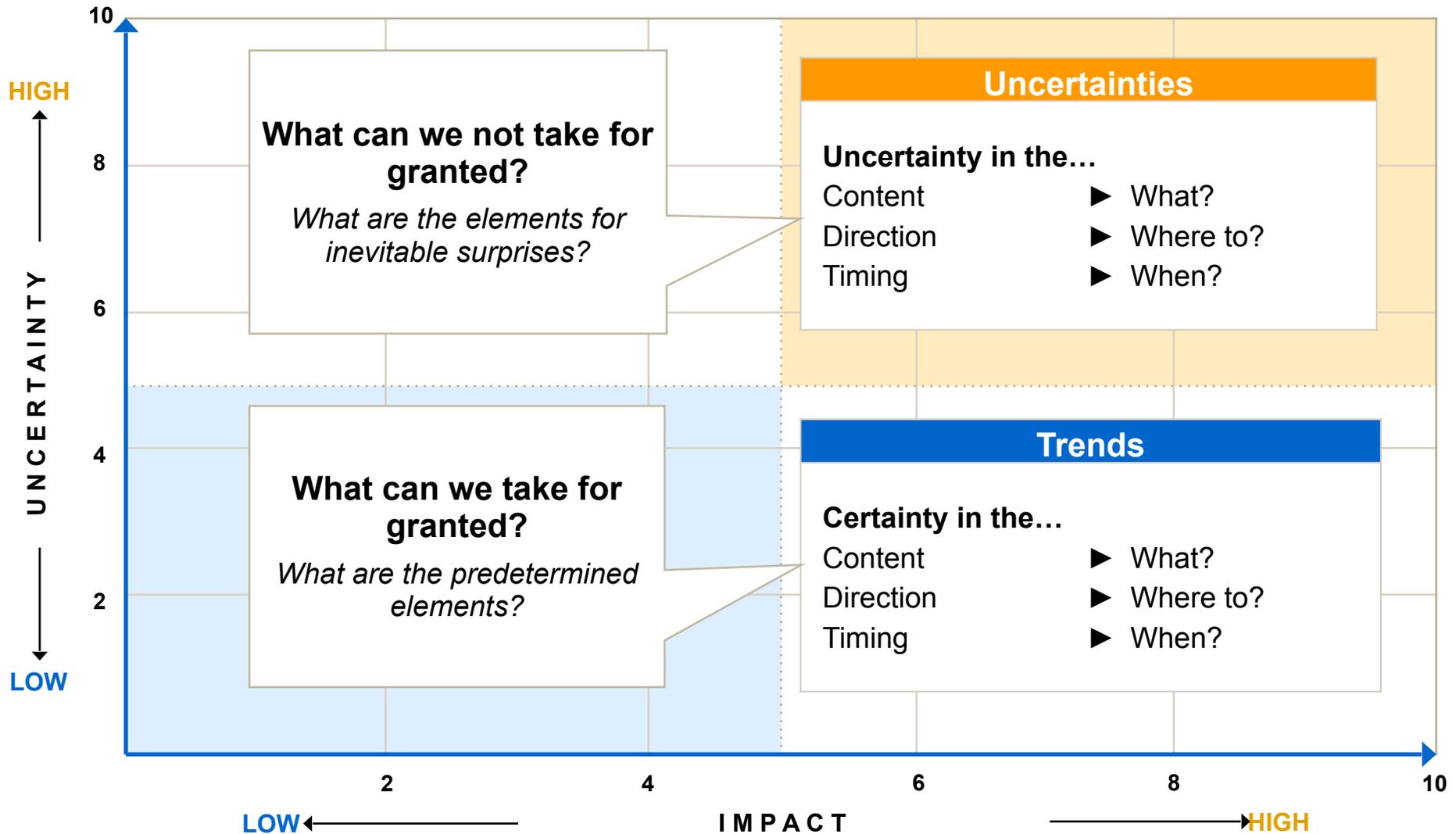
PART 3

Benefits of Scenario Work

We Are Living in Turbulent Times

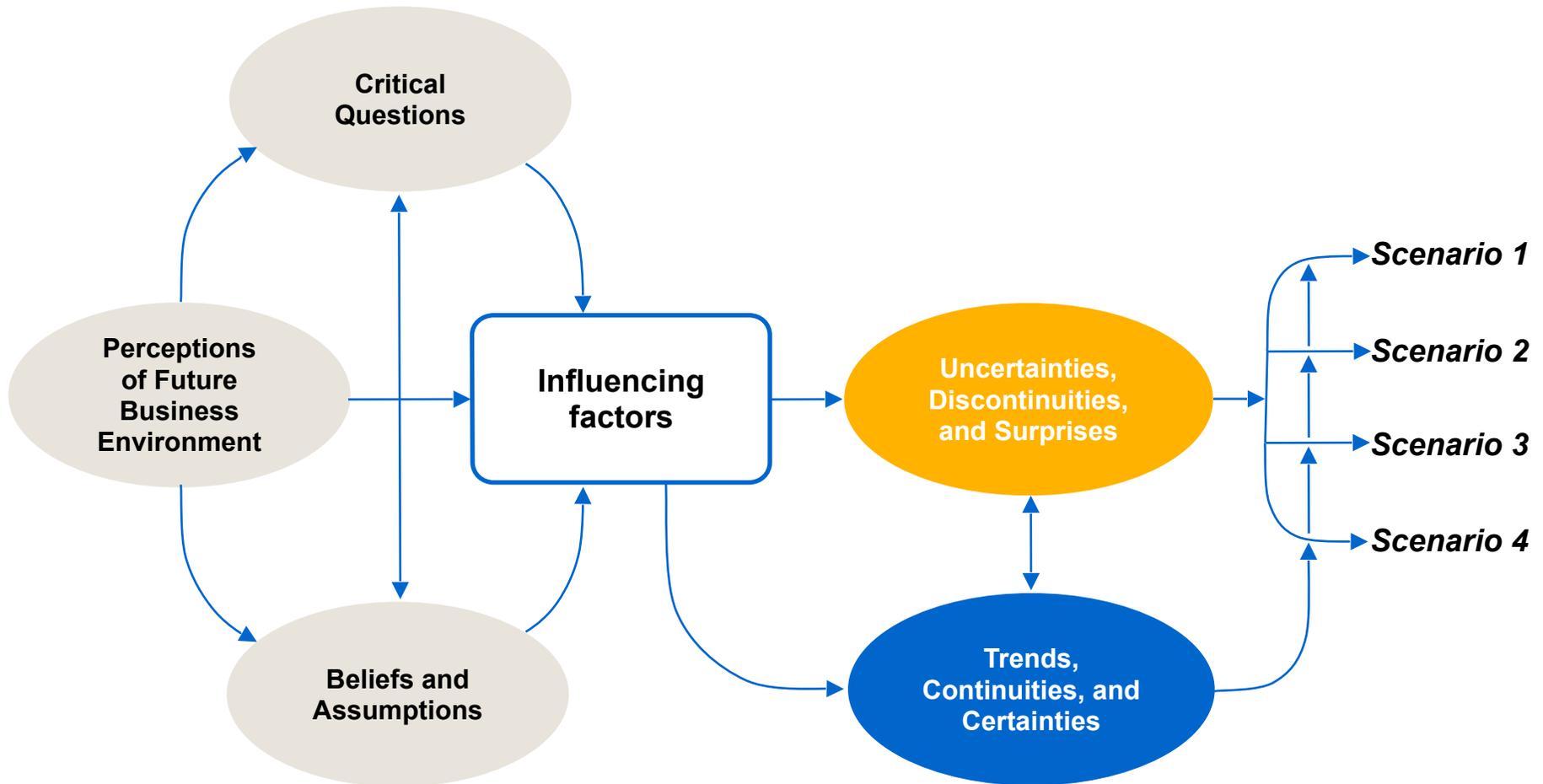


Crafting Scenarios | Factors: Trends and Uncertainties



Crafting Scenarios | Trends and Uncertainties

<p>Data gathering Scenario survey Interviews Analysis of operating environment</p>	<p>Identification and analysis of the driving forces Naming and describing the key factors Impact-uncertainty matrix</p>	<p>Building the scenarios Extreme outcomes of key factors Structure of scenarios</p>
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Benefits of Scenario Work

It helps to understand the rapidly changing, complex and uncertain operating environment

It improves an organization's reaction capability by creating back-up plans for alternative future business environments

It helps to develop flexible strategies and strategic decision making

It serves as a tool for

- identifying new business opportunities and risks
- testing strategies and strategic investments
- business environment monitoring by forming a frame of reference

It improves change management and organizational readiness to transform

It encourages creative and structured strategic dialogue that broadens and renews decision makers' strategic thinking

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Scenario Work in Practice

PART 4

How to Use Scenarios?

You Can Use Scenarios When You Create...

FORESIGHT

- Analyzing the business environment in a future-oriented way to create foresight information for strategic decision-making
- Offering a systematic approach to identifying discontinuities and changes in the rules of the game

STRATEGIES

- Building flexible strategies
- Assessing how your current strategy would play out in different future scenarios
- Developing market strategies, product strategies, technology strategies, etc.

VISION AND STRATEGIC INTENT

- Creating vision, strategic intent and strategy for your organisation or evaluating your current operating model

NEW BUSINESS OPPORTUNITIES

- Facilitating a structured dialogue and challenging your organizations's existing mindset to discover new service opportunities or product concepts

STRATEGY ALTERNATIVES

- Generating strategic options and evaluating them in the possible futures – testing how well they would fly in a “*scenario wind tunnel*”
- Sorting out strategy alternatives in a systematic manner and choosing a winning strategy

BUSINESS ENVIRONMENT MONITORING

- Creating a future-oriented frame of reference for monitoring and analysing the operating environment
- Combining market research information and decision-makers' strategic perceptions

Scenario Planning Material

PART 5

Scenario Survey Results

PURPOSE	FOCAL QUESTION	TIME FRAME
<p>Understand to what direction Polish universities should be developed</p>	<p>What kind of higher education Poland and Polish people need in the future?</p>	
<p style="text-align: center;"></p>	<p style="text-align: center;"></p>	<p>Time frame is 10 years until the year 2025</p>
<p>Understand how the future of higher education in Poland will unfold</p>	<p>How the external operating environment of Polish higher education will develop?</p>	
<p style="text-align: center;"></p>	<p style="text-align: center;"></p>	<p><i>The time frame of 2025 was chosen to enable us to make fairly well informed scenarios and define tangible implications</i></p>
<p>Anticipate the implications the future operating environment will have on higher education in Poland</p>	<p>What are the key factors influencing the future operating environment of Polish universities?</p> <p style="text-align: center;"></p> <p>For what purposes the higher education is needed in the future in Poland?</p>	

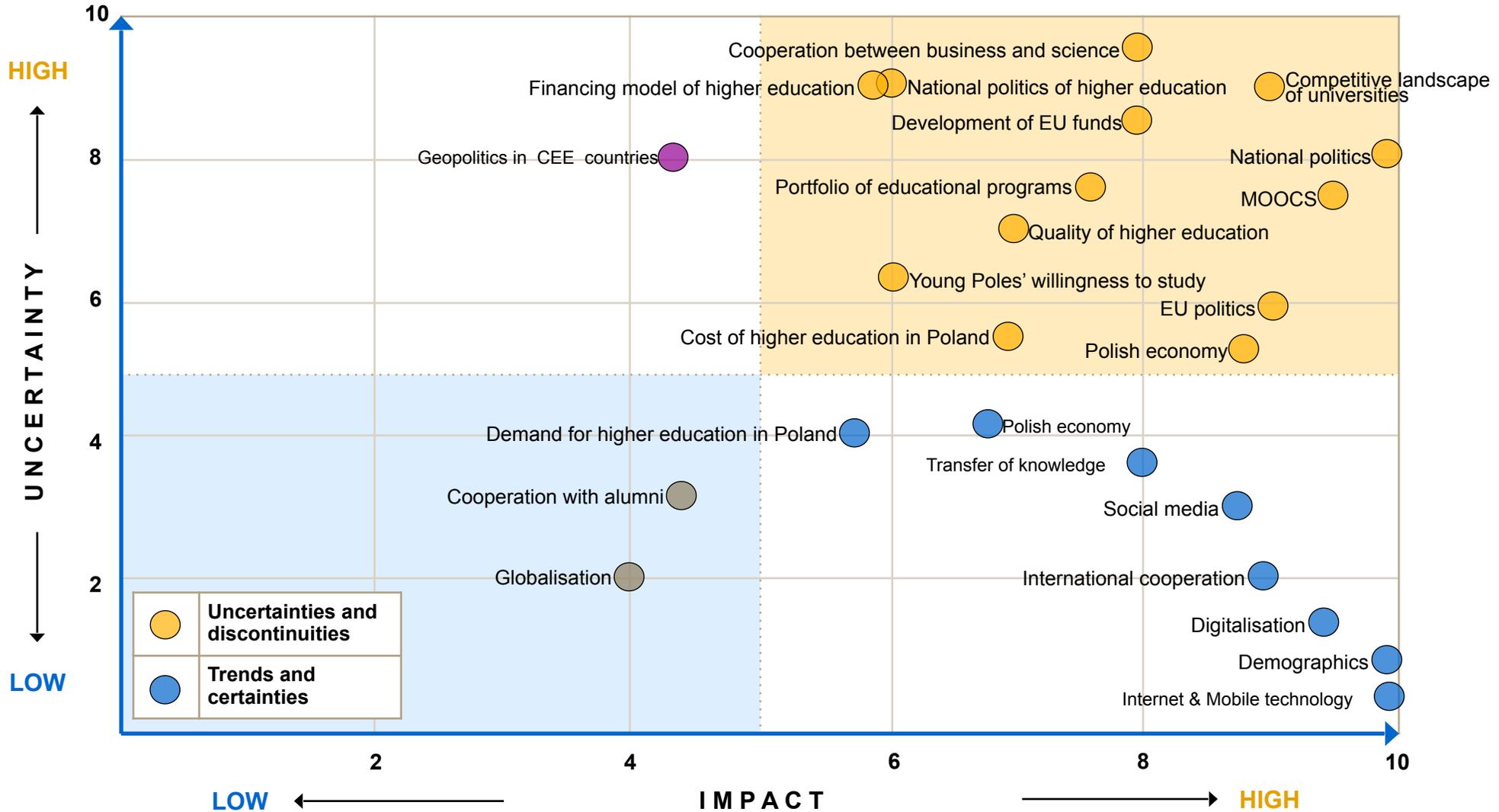
Influencing Factors | Based on the Survey

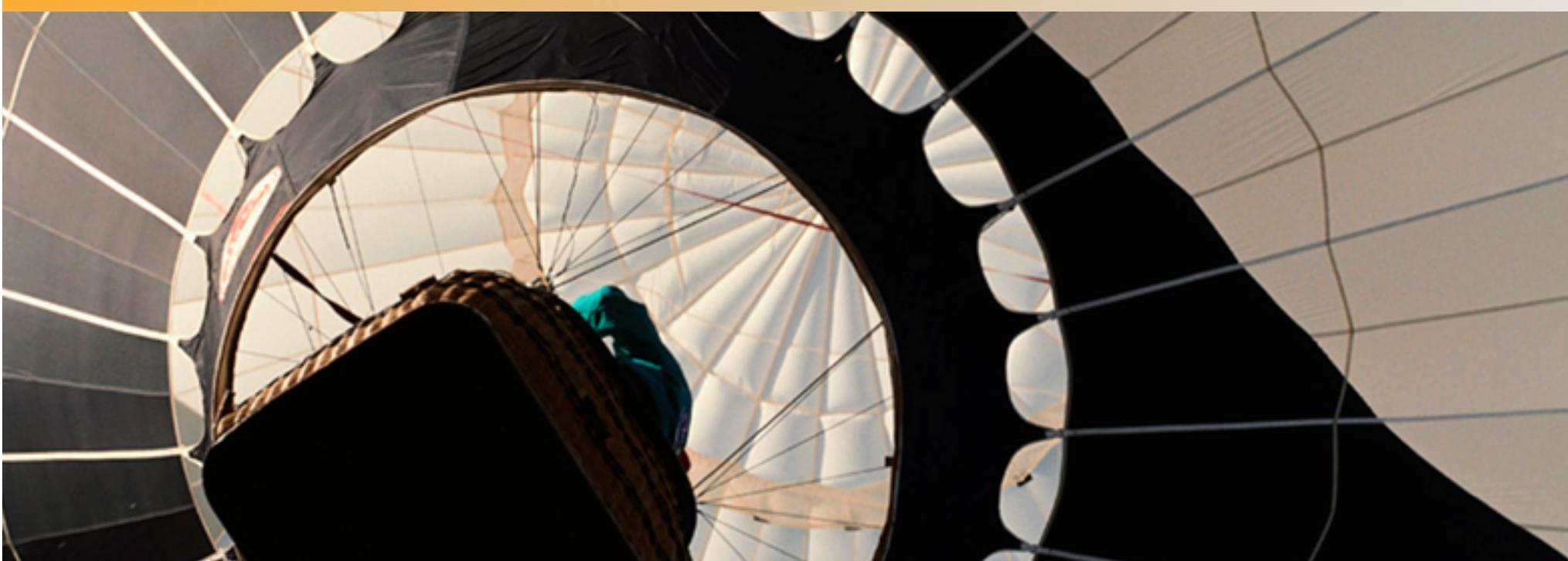
KEY FACTORS IN THE EXTERNAL OPERATING ENVIRONMENT OF POLISH UNIVERSITIES

1. Globalisation
2. Geopolitics in CEE countries
3. EU politics
4. National politics
5. Polish economy
 - GDP growth
 - GDP per capita
 - Unemployment rate
6. Development of EU funds
 - End of EU funds
7. Demographics
8. Digitalisation
9. Technology
 - Internet
 - Mobile technology
 - Disruptive technology, MOOCS
10. Social media
11. Competitive landscape of universities
12. Cooperation between business and science
13. Portfolio of educational programs
14. Cooperation with alumni
15. Quality of higher education
16. Demand for higher education in Poland
17. Young Poles' willingness to study
18. National politics of higher education
19. Financing model of higher education
20. International cooperation of universities
21. Transfer of knowledge
22. Cost of higher education in Poland

(The influencing factors are not listed in order of importance)

Influencing Factors | Impact and Uncertainty





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