

# Navigating Uncertain Times: How to Use Scenario Planning to Chart a Course in New Environments

League of American Orchestras Webinar

January 27, 2021

League  
of American  
Orchestras



## Agenda

- 1) Why scenario planning? Background & goals
- 2) AEA approach and process + Q&A
- 3) Trends to consider
- 4) Scenario planning in practice

Q&A



## About AEA Consulting

Since 1990, we have successfully delivered more than 1,000 assignments in 35 countries, helping clients around the world plan and realize vital and sustainable cultural projects

- Focus on strategy & planning for the cultural and creative sectors
- Known for candid and impartial advice that draws on our multidisciplinary team's deep knowledge of the cultural sector as well as robust research and analytical insight
- Team of 13, based in New York and London

Find out more at [aeaconsulting.com](http://aeaconsulting.com)

### Selected Clients

American Symphony Orchestra  
Banff Centre for Arts & Creativity  
Barbican Centre  
The Barnes Foundation  
British Museum  
Brooklyn Bridge Park  
The Cleveland Orchestra  
Georgia O'Keeffe Museum  
Jacob's Pillow

Kennedy Center  
National Museum of Australia  
New York Philharmonic  
Pittsburgh Symphony Orchestra  
Sage Gateshead  
The Shed  
Stavros Niarchos Foundation  
Theodore Roosevelt Presidential Library  
University of Arizona



# 1. Why scenario planning?

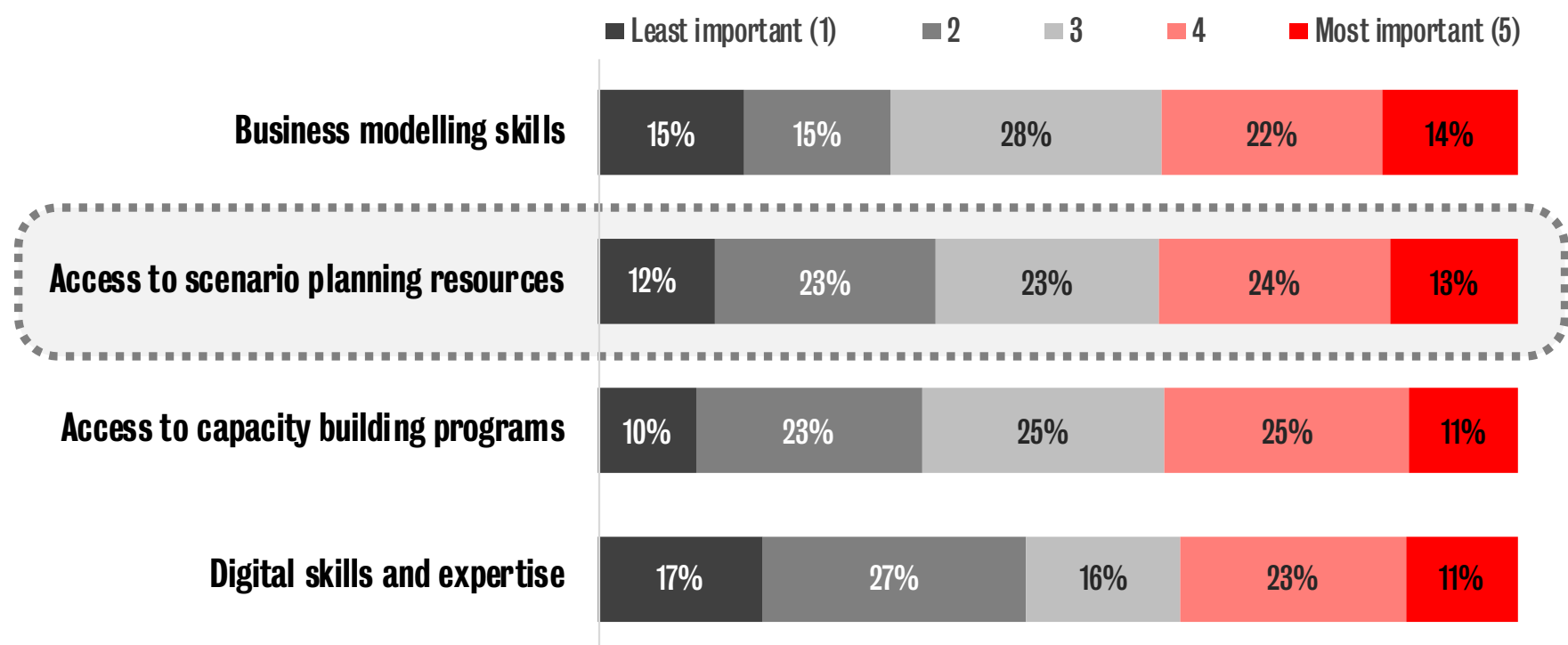
■ Background and goals



# Arts Organizations' Early Response to COVID-19 Uncertainty

## Insights from the Field

What skills, non-financial resources and data do you feel a lack of most acutely in responding to the impacts of the COVID-19 situation personally?



Data excerpts from survey of arts leaders

Key tools to deal with the impacts of COVID-19 –

- Business modeling
- Access to reliable audience data and projections
- Leadership skills and capacity building
- **Scenario planning tools**



## Scenario Planning Background

### Navigating Uncertain Times A Scenario Planning Toolkit for the Arts & Culture Sector Literature Review

Literature on the practice of scenario planning is abundant within the business sector, focusing primarily on how to develop scenarios and use them in a way that benefits a company. Literature from around the 1970s – 1990s focused on high level theory and methodology, with case studies of the advertising agencies, financial services, or the Shell corporation (the archetypal example of business scenario planning). More contemporary studies also include urban planning, transportation, or other public services.

The most helpful literature discussing the value of scenario planning often comes from sector or workshop summaries, enumerating the value each individual group received from the practice alongside general assumptions. Key takeaways from these show that scenario planning makes people comfortable in uncertainty, expands thinking, confronts change and possibilities, and prepares leaders to adapt for futures “that might happen, rather than the future they would like to create” (Wilkinson and Kupers).

Below is a selected list of general literature on the best practice of scenario planning and helpful summaries of other scenario planning processes, demonstrating what that best practice might lead to.

#### Scenario Planning Methodologies

1. Aldrich, S., Field, P., and Fierman, E. “Managing Risk and Uncertainty: Collaborative Approaches to Climate Change.” Lincoln Institute of Land Policy: Landlines, 2012. <https://www.lincolninstitute.org/publications/articles/managing-risk-uncertainty>
2. Ansoff, H. I. “Managing Strategic Surprise by Response to Weak Signals.” *California Management Review*, 18(2), 21–33, 1975.
3. Burt, G., & van der Heijden, K. “Towards a framework to understand purpose in Futures Studies: The role of Vickers’ Appreciative System.” *Technological Forecasting and Social Change*, 75(8), 1109–1127, 2008.
4. Chakraborty, A. “Enhancing the role of participatory scenario planning processes: Lessons from Reality Check exercises.” *Futures*, 43(4), 387–399, 2011.
5. Courtney, H., Kirkland, J., and Viguerie, P. “Strategy Under Uncertainty.” *Harvard Business Review*, 1997. <https://hbr.org/1997/11/strategy-under-uncertainty>
6. Dator, J. “Alternative Futures at the Manoa School.” *Journal of Future Studies*, 14(2): 1 – 18, 2009.



**Mostly focused within the corporate / business sector, emerging in 1970s; more contemporary studies also include urban planning, transportation, or other public services**

### Key takeaways

#### Scenario planning makes leaders:

- **comfortable in uncertainty**
- **expand thinking**
- **confront change and possibilities**
- **prepare to adapt for futures “that might happen, rather than the future they would like to create”**



## Scenario Planning Goals

- To provide a framework for planning in conditions of uncertainty
- To ensure that planning accounts for wider social, economic, and other exogenous forces that are likely to have significant impacts
- To guard against systemically optimistic or pessimistic thinking, and against “groupthink”
- To find commonalities within possible futures that can be planned for today, and to promote nimble response when outcomes are in doubt
- To identify how individuals and organizations can focus on their core purpose and be proactive “shapers” within and between potential futures



# 2 Approach and process

- Introduction to AEA process in developing the toolkit





# Approach to Scenario Planning

## Scan major forces

Identify current **trends** for **CSTEEP** framework

Map out **critical future uncertainties** to develop a 'scenario coordinate system'



## Craft future scenarios

Develop **potential set of scenarios** for an agreed time horizon

Complete **SWOT analysis** for each scenario

Develop **performance metrics** and describe future state for each indicator and scenario



## Plan future directions

Analyze **impacts across scenarios**

Make **recommendations for preparedness**



# Navigating Uncertain Times: How to Use Scenario Planning to Chart a Course in New Environments

## Scanning major forces + trend analysis

Scenario Planning Worksheet

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	Social	Technology	Economic	Environmental	Political							
Major Force	Demographics	Social Behaviour & Leisure	Health & Wellbeing	Travel	Technology/Digital	Economy	Government Spending	Philanthropy	Employment	Climate Change	Politics	Civic Engagement
Current Trends	<p><b>Rural/urban disparity:</b> urbanization and social, economic, technological disparity</p> <p>In 2018, about 82.26% of the total US population lived in cities and urban areas. (<a href="https://www.statista.com/statistics/269967/urbanization-in-the-united-states/">https://www.statista.com/statistics/269967/urbanization-in-the-united-states/</a>)</p> <p>Nearly a third of the rural working poor faced extreme levels of deprivation, with family incomes below 50 percent of the poverty line, or approximately US\$12,000 for a family of four. (<a href="https://theconversation.com/six-chart-that-illustrates-the-divide-between-rural-and-urban-america-72934">https://theconversation.com/six-chart-that-illustrates-the-divide-between-rural-and-urban-america-72934</a>)</p> <p>The nation's 53 large metros (those with more than 1 million people) represent just 2% of all places across America, yet account for nearly three-quarters of employment growth since the economic crash of 2008. Meanwhile, since 2010 more than 200,000 small towns and rural "micro" communities have seen negative economic growth. (<a href="https://www.citylab.com/equity/2018/11/worsening-inequality-urban-rural-major-cities/576175/">https://www.citylab.com/equity/2018/11/worsening-inequality-urban-rural-major-cities/576175/</a>)</p> <p>BroadbandNow 2020 study estimates 42 million Americans don't have access to broadband, especially in areas with larger rural population. (<a href="https://broadbandnow.com/research/cc-underestimates-unserved-by-50-percent">https://broadbandnow.com/research/cc-underestimates-unserved-by-50-percent</a>)</p>	<p><b>Self Improvement:</b> boom of self-development (spiritual and otherwise) that is focused on the self.</p> <p>In 2016, the U.S. self-help industry was worth about \$9.9 billion dollars, according to a report from Research and Markets. Market researchers have predicted that the industry will be worth \$13 billion dollars by 2022. (<a href="https://medium.com/s/story/no-please-help-yourself-981058f3b7cf">https://medium.com/s/story/no-please-help-yourself-981058f3b7cf</a>)</p>	<p><b>Rise in wellbeing habits/practice</b></p> <ul style="list-style-type: none"> <li>- Top 10 meditation apps pulled in \$195M in 2019, up 52% from 2018 (Tech Crunch)</li> <li>- 'Goop' economy</li> </ul>	<p><b>Solo trips:</b> rise in solo trips globally and in the US</p> <ul style="list-style-type: none"> <li>- 72% of US women have now taken a trip alone;</li> <li>- 58% of millennials travel alone</li> <li>- Google search trends show a 131% increase in the number of searches for "solo travel" between 2016 and 2019 (<a href="https://www.condorferries.co.uk/solo-travel-statistics">https://www.condorferries.co.uk/solo-travel-statistics</a>)</li> </ul>	<p><b>Ethical data use:</b> use of data and understanding of privacy considerations to build trust with consumers</p> <ul style="list-style-type: none"> <li>- Changes to the data privacy laws in the US e.g. California Consumer Privacy Act. (<a href="https://www.dataprotectionreport.com/2019/07/gdpr-ccpa-and-beyond-changes-in-data-privacy-laws-and-enforcement-risks-to-monitor-in-2019/">https://www.dataprotectionreport.com/2019/07/gdpr-ccpa-and-beyond-changes-in-data-privacy-laws-and-enforcement-risks-to-monitor-in-2019/</a>)</li> </ul>	<p><b>Rent economy:</b> Millennials forced to rent their homes rather than own due to amassed debt and unaffordability of real estate across major metropolitan areas</p> <ul style="list-style-type: none"> <li>- 28% of 25-34 year olds own a home, vs. 49% in 2002 (<a href="https://www.businessinsider.com/2017-6/millennials-homeownership-lower-ability-3">https://www.businessinsider.com/2017-6/millennials-homeownership-lower-ability-3</a>)</li> </ul>	<p><b>Limited federal arts funding (US)</b> [meta-trend]</p> <ul style="list-style-type: none"> <li>- continued focus on state and local appeals - Americans for the Arts highlighted the need to lobby local entities to get block grant funding from the CARES Act</li> <li>- NEA funding at .003% of federal budget, lowest since inception year in 1966 (<a href="https://www.arts.gov/open-government-national-endowment-arts-appropriations-history">https://www.arts.gov/open-government-national-endowment-arts-appropriations-history</a>)</li> </ul>	<p><b>Innovative individual giving tools</b></p> <ul style="list-style-type: none"> <li>- P2P fundraising, crowdfunding, digital platforms (Facebook, Patreon)</li> <li>- 41% of charitable donors give through crowd-funding</li> <li>- Millennials are much more likely to donate online than those over 45 years old (<a href="https://nonprofitsource.com/online-giving-statistics/">https://nonprofitsource.com/online-giving-statistics/</a>)</li> <li>- US: Donor-advised funds DAF balance grew 8.3% in 2019, up to \$121.4B (<a href="https://www.nptrust.org/reports/daf-report/">https://www.nptrust.org/reports/daf-report/</a>)</li> </ul>	<p><b>Gig economy</b></p> <ul style="list-style-type: none"> <li>- About 36% of US workers are now involved in the gig economy (Gallup)</li> <li>- Statistics by the Bureau of Labor show there were 55 million US gig workers in 2017.</li> </ul>	<p><b>Greater awareness and collective action</b></p> <ul style="list-style-type: none"> <li>- Climate Marches</li> <li>- Extinction Rebellion</li> <li>- Greta Thunberg</li> </ul>	<p><b>Polarizing political movements:</b> simultaneous rise in far left and far right political movements</p> <ul style="list-style-type: none"> <li>- Simultaneous rise of right and left wing political movements e.g. support for Bernie Sanders in 2016 election</li> <li>- Research by the National Bureau for Economic of Economic Research shows the US experienced the largest increase in polarization over the last four decades of nine countries studied: (<a href="https://www.vox.com/2020/1/24/21076232/polarization-america-international-party-political">https://www.vox.com/2020/1/24/21076232/polarization-america-international-party-political</a>)</li> <li>- Pew Research Center has a research program dedicated to polarization in US politics: (<a href="https://www.pewresearch.org/topics/political-polarization/">https://www.pewresearch.org/topics/political-polarization/</a>)</li> <li>- In the UK, the Brexit vote results are indicative: 52%/48% (<a href="https://news.ucs.edu/2019/09/inf-chart-e-g-2">https://news.ucs.edu/2019/09/inf-chart-e-g-2</a>)</li> <li>- (<a href="https://harvard.edu/2019/09/inf-chart-climate-activism-e-g-3">https://harvard.edu/2019/09/inf-chart-climate-activism-e-g-3</a>)</li> <li>- (<a href="https://www.pewresearch.org/internet/2011/11/activism-social-media-age-mutual-aid-gov">https://www.pewresearch.org/internet/2011/11/activism-social-media-age-mutual-aid-gov</a>)</li> </ul>	<p><b>Grassroots initiatives</b></p> <ul style="list-style-type: none"> <li>- social and community action across a range of issues including violence, climate change, opioid epidemic, social etc. Movements often spearhead younger generations with widespread participation and collaboration by social media. (<a href="https://news.ucs.edu/2019/09/inf-chart-e-g-2">https://news.ucs.edu/2019/09/inf-chart-e-g-2</a>)</li> <li>- (<a href="https://harvard.edu/2019/09/inf-chart-climate-activism-e-g-3">https://harvard.edu/2019/09/inf-chart-climate-activism-e-g-3</a>)</li> <li>- (<a href="https://www.pewresearch.org/internet/2011/11/activism-social-media-age-mutual-aid-gov">https://www.pewresearch.org/internet/2011/11/activism-social-media-age-mutual-aid-gov</a>)</li> </ul>
	<p><b>Decrease in family/household size</b></p> <p>The average U.S. household had 2.52 people in 2019, the Census Bureau estimates. That's the country's lowest size ever. (<a href="https://www.bloomberg.com/news/articles/2020-02-10/the-shrinking-of-u-s-household-size-may-be-coming-to-an-end">https://www.bloomberg.com/news/articles/2020-02-10/the-shrinking-of-u-s-household-size-may-be-coming-to-an-end</a>)</p>	<p><b>Edutainment:</b> video games and other digital technologies and experiences used for educational purposes</p>	<p><b>Mental health awareness</b></p> <p>The rise in awareness and tech-based innovation</p>	<p><b>Wellness vacations turn to nature</b> (i.e. increase in trips with specific connections to nature and closing off cities and digital infrastructure)</p>	<p><b>FinTech:</b> innovation that aims to compete with traditional financial methods</p> <ul style="list-style-type: none"> <li>- Growth of 'Neobanking' services: Apple, Monzo, Revolut etc. (<a href="https://www.nytimes.com/2018/11/20/technology/finance-start-ups-neo-banks.html">https://www.nytimes.com/2018/11/20/technology/finance-start-ups-neo-banks.html</a>)</li> <li>- Interest in blockchain and cryptocurrencies has increased with total market cap around \$250 billion.</li> </ul>	<p><b>Millennial malaise:</b> 20% of millennials believe they'll die before paying off their debts (2019)</p> <ul style="list-style-type: none"> <li>- (<a href="https://www.cnbc.com/2019/01/08/1-in-5-millennials-with-debt-expect-to-die-without-ever-paying-it-off.html">https://www.cnbc.com/2019/01/08/1-in-5-millennials-with-debt-expect-to-die-without-ever-paying-it-off.html</a>)</li> <li>- 7% as of January 2020 (Pre-covid) (<a href="https://www.cnbc.com/2020/01/07/millennials-with-debt-feel-more-confident-about-paying-it-off.html">https://www.cnbc.com/2020/01/07/millennials-with-debt-feel-more-confident-about-paying-it-off.html</a>)</li> </ul>	<p><b>Decline in arts funding (UK)</b> [meta-trend]</p> <ul style="list-style-type: none"> <li>- Public funding reduced 21% from 2007/8 to 2015/16 (Arts Index)</li> </ul>	<p><b>Foundations: focus on audience engagement</b></p>	<p><b>Work from home anywhere:</b> increase in remote working</p> <ul style="list-style-type: none"> <li>- 90% of employees believe remote working will make them happier (<a href="https://www.flexjobs.com/blog/post/remote-work-statistics/">https://www.flexjobs.com/blog/post/remote-work-statistics/</a>)</li> </ul>	<p><b>Increased government response (outside US)</b></p> <ul style="list-style-type: none"> <li>- UK plan to reach net-zero carbon emissions by 2050</li> </ul>	<p><b>Changing threat of terrorism</b></p> <ul style="list-style-type: none"> <li>- In the US, terrorist attacks are increasing but the threat from domestic right wing terrorists is much higher than from Islamist groups e.g. (<a href="https://www.nytimes.com/2020/02/25/us/domestic-terrorism-laws.html">https://www.nytimes.com/2020/02/25/us/domestic-terrorism-laws.html</a>)</li> <li>- ISIS, al-Qaeda, Boko Haram, or al-Shabaab have expanded their digital skill-sets. The vast majority of events and deaths occur in a small number of countries in the Middle East, North and West Africa, and South Asia.</li> </ul>	<p><b>Crowdsourcing</b></p> <ul style="list-style-type: none"> <li>- Growth in platform for crowdsourcing, open-source software</li> </ul>

Major Forces | CSTEEL summary | CSTEEL Metrics | Scenarios Summaries | Scenarios | SWOT Analyses | Sector Metrics | Art Sector Stakeholder List | Responses to Past Crises | Current Trends | Explore

Framework	Forces
Creativity	Creative activity
Society	Demographics
	Social behavior / leisure
	Health & wellbeing
	Travel
Technology	Technology & digital
Economy	Economy
	Government spending
	Philanthropy
	Employment
Environment	Climate change
Political	Politics
	Civic engagement



# Navigating Uncertain Times: How to Use Scenario Planning to Chart a Course in New Environments

## Iteratively crafting scenarios

**Scenario Planning: Scenarios Overview**

### Future States of the World

**Where Are We Going?**

There is no infallible way to predict what lies ahead. That said, it is possible to develop a number of models of possible futures – scenarios – by examining the major forces pushing the near-term world.

Given the highly uncertain environment present in 2020, we have used a shorter time horizon than traditional scenario exercises – two to five years. We believe there are two critical uncertainties that will drive the direction of this middle-term future: the *continued development of COVID-19* i.e. the biological containment or growth of the pandemic; and the *social response* i.e. our propensity to physically gather after the pandemic. While this does not capture every uncertainty today – whether continued anti-racist protests, economic instability, or others – we believe the resolutions of these factors have the broadest range of outcomes and the most impact on likely futures.

By combining those factors with pre-COVID-19 trend data and current impacts of the pandemic and civil unrest, we hypothesize that the future of the cultural sector could resemble any of the four scenarios opposite, or most likely, some combination of them all.

		SOCIAL RESPONSE	
		HIGH PROPENSITY TO GATHER	
PANDEMIC UNCONTAINED / MULTIPLE WAVES	<b>1. New Means of Gathering</b> A resurgent virus and delayed government response forces people to engage in new ways but, ultimately, deeply engrained social behaviours persevere in transformed ways	<b>2. Return to Living</b> A controlled and coordinated response eliminates the virus within 3-6 months, creating a new sense of optimism and rush back to the social scene with vigor and enthusiasm	
	<b>4. Social Disintegration</b> Prolonged outbreak of COVID-19 and recurring pandemics of virus mutations cause the decline of social life and underlying support systems	<b>3. Digital Connection</b> While the COVID-19 pandemic is contained, the threat of future outbreaks leads to continued physical distancing — and the growth of the digital world creates new connections	
		SOCIAL RESPONSE	
		LOW PROPENSITY TO GATHER	

**Draft**

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# Navigating Uncertain Times: How to Use Scenario Planning to Chart a Course in New Environments

## Process

## Engaging the Advisory Group



### Project Advisory Group

**Kara Medoff Barnett** *Executive Director, American Ballet Theatre*

**Andrew Blau** *Managing Director, Deloitte*

**Betsey Brock** *Executive Director, On The Boards*

**Suzy Delvalle** *President and Executive Director, Creative Capital*

**Kristy Edmunds** *Executive and Artistic Director,  
Center for the Art of Performance, UCLA*

**Michael Fricklas** *Chief Legal Officer, Advance Publications*

**Anna Glover** *Director of Theater Safety and Occupational Health,  
Yale Repertory Theatre*

**Mark Leavitt** *Chief Investment Officer, Union Square Hospitality Group*

**María López De León** *President & CEO,  
National Association of Latino Arts and Cultures*

**Rick Lowe** *Founder, Project Row Houses*

**Marc A. Scorca** *President/CEO, OPERA America*

**Franklin Sirmans** *Director, Pérez Art Museum Miami*

**Holly Sidford** *Co-Director, Helicon Collaborative*

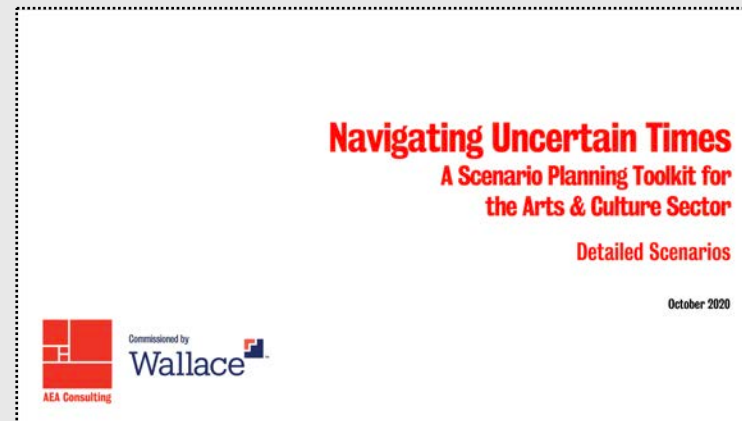
**Zannie Voss** *Director, SMU DataArts*



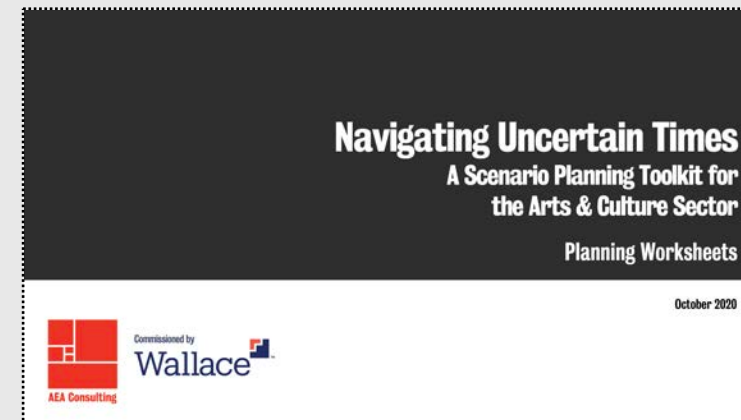
# Navigating Uncertain Times: How to Use Scenario Planning to Chart a Course in New Environments

## Process The Toolkit

### Overview (core document)



### Detailed Scenarios



### Planning Worksheets



### + Literature Review

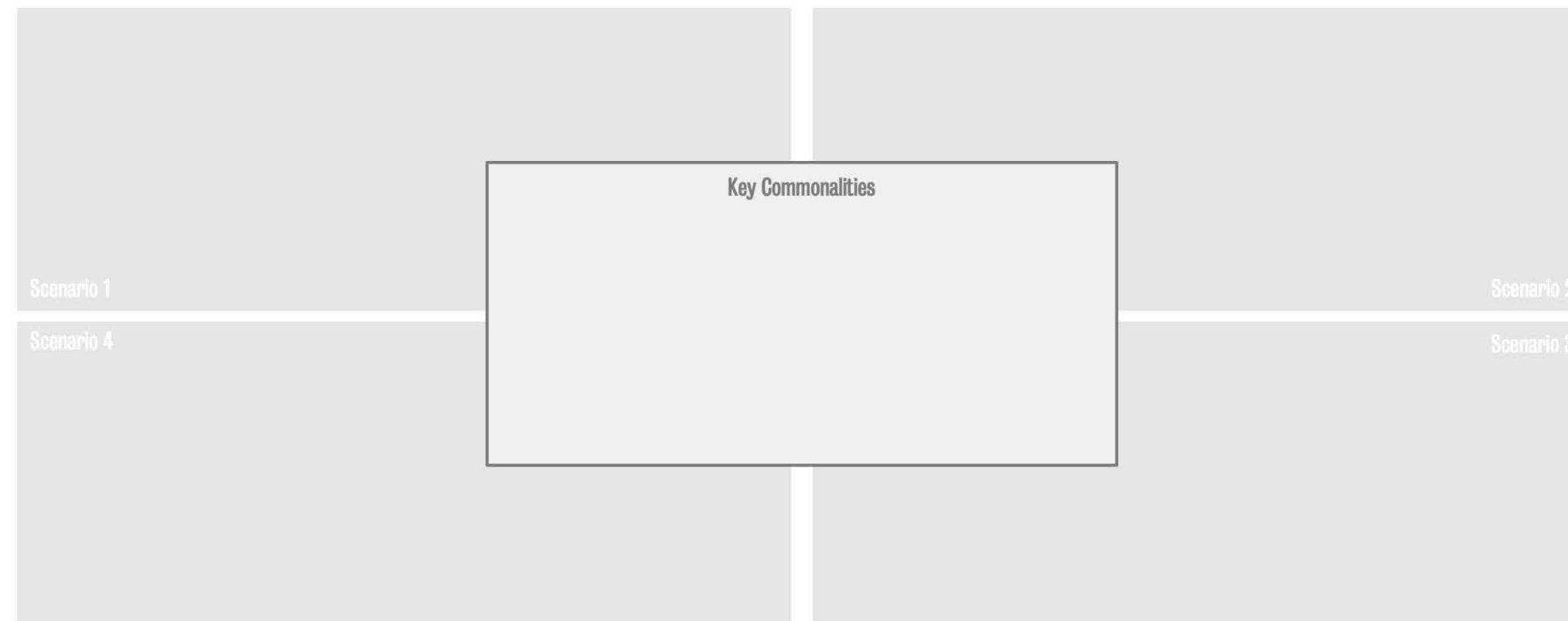


## Planning The Future

### Long-Term Scenario Planning: Planning Worksheets

## Mission & Purpose

What are the ways our mission/purpose is most relevant in this scenario?



### Long-Term Scenario Planning: Planning Worksheets

## Key Organizational Change Summary

Carry forward the key commonalities and examine likely impacts on your team, skills, organizational processes, culture, and partnerships

Programs, Activities, and Functions (see Key Impacts section)

Required Staff Skillset and Roles

Organizational Culture and Processes

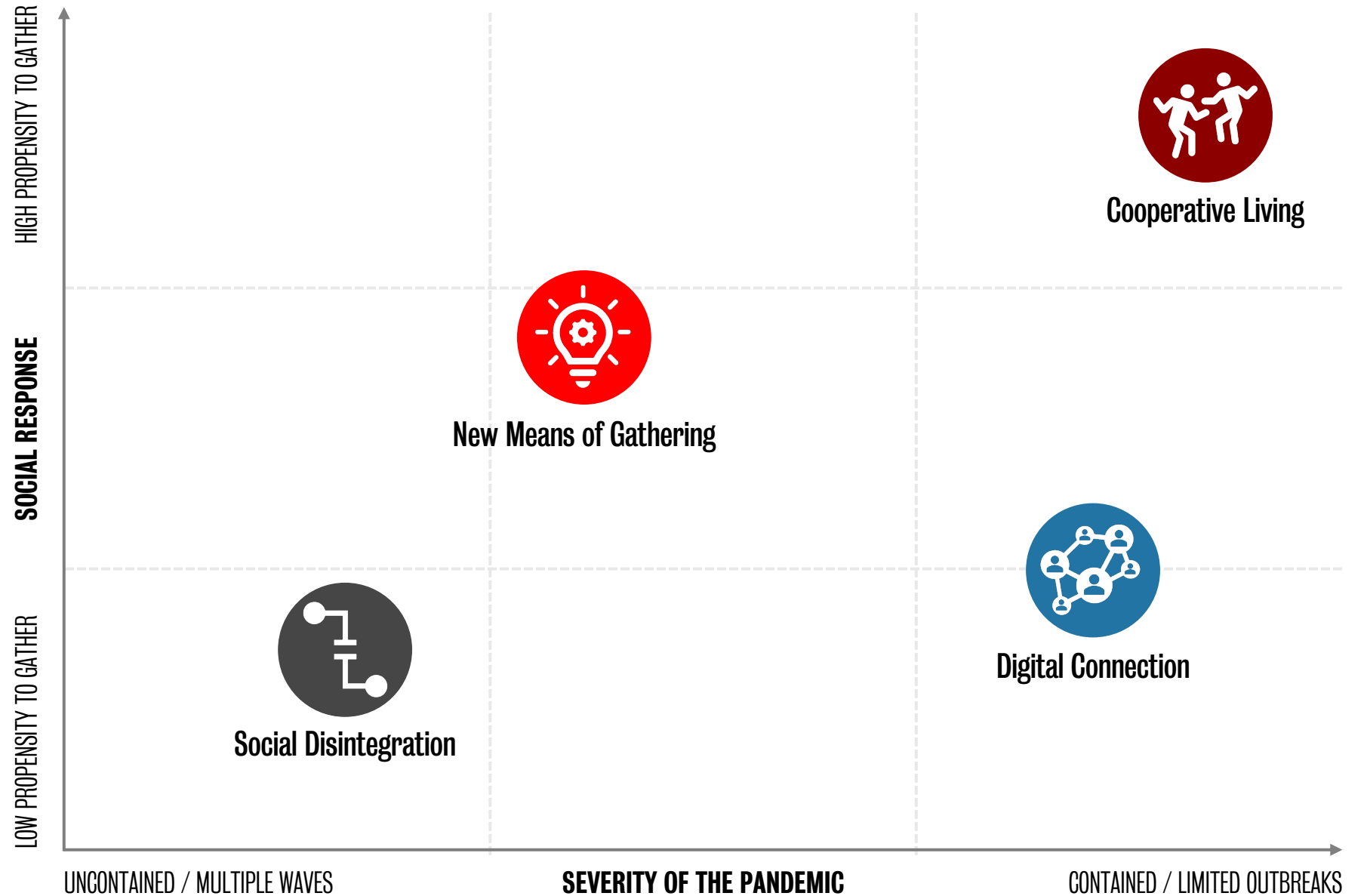
Partnerships



# Future States of the World

## Developing 4 scenarios...

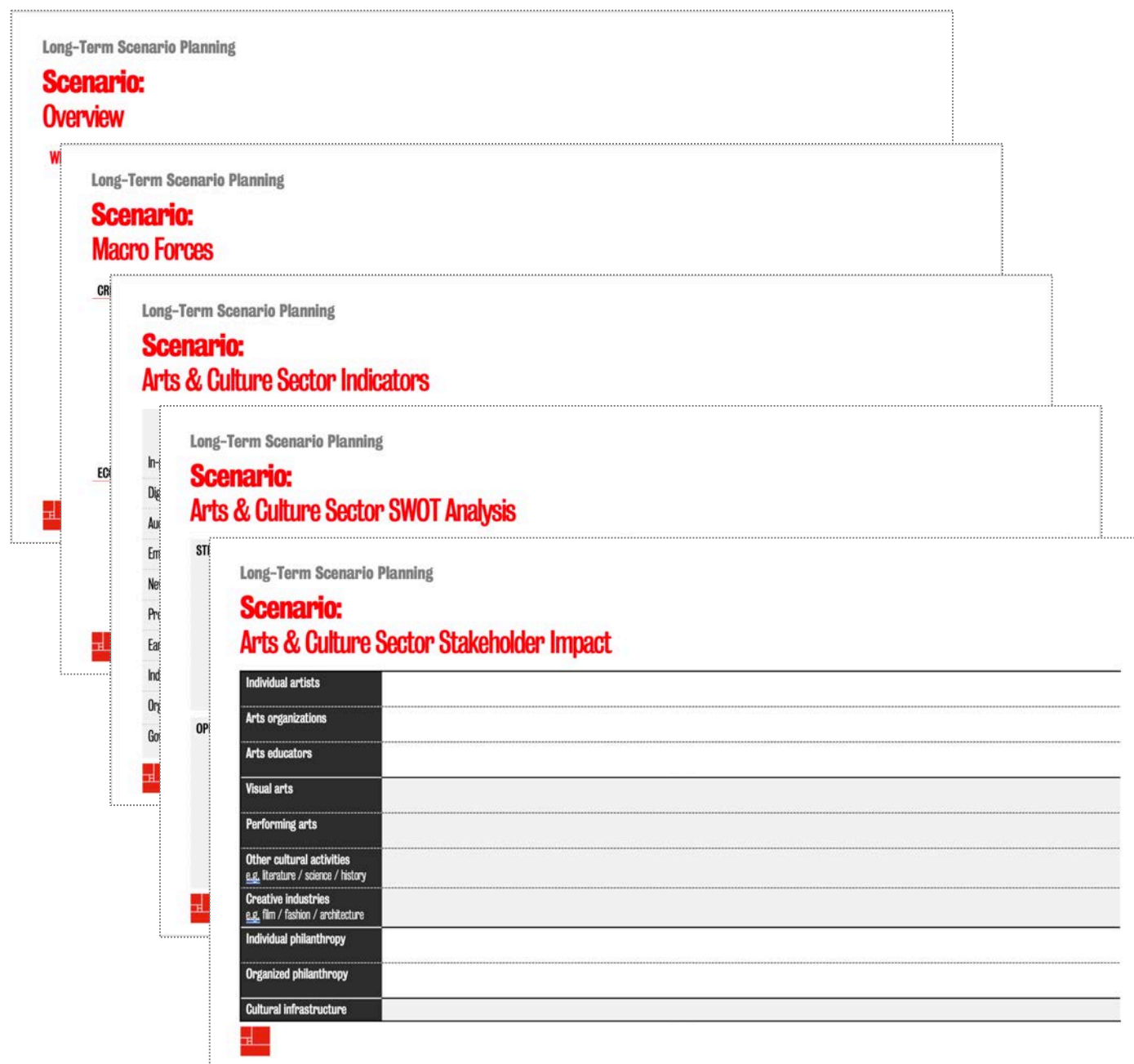
- 1 Cooperative Living**  
The virus is largely controlled within 12-15 months and focus on social justice grows, creating a new sense of optimism and rush back to the social scene with vigor and enthusiasm
- 2 New Means of Gathering**  
A resurgent virus creates significant challenges but, ultimately, deeply ingrained social behaviors persevere in transformed ways
- 3 Digital Connection**  
While the COVID-19 pandemic is contained, the threat of future outbreaks leads to continued physical distancing and focus on digital interaction
- 4 Social Disintegration**  
Prolonged outbreak of COVID-19 and recurring pandemics from a mutated virus lead to the decline of social life and underlying support systems



## Creating detailed scenarios

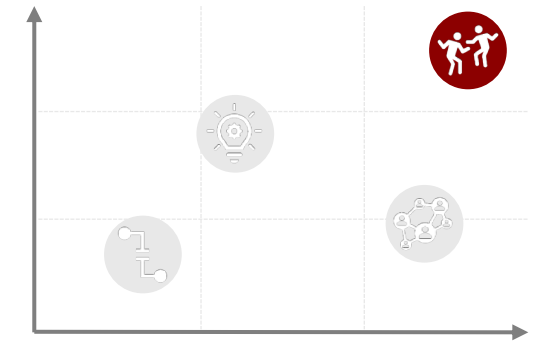
Each of the four scenarios is described in five pages

1. **Overview** – provides the introductory “story” of each scenario and lists potential critical implications the sector may need to consider in this future
2. **Macro Forces** – identifies the trends that are making the largest impact within each force in the the CSTEPP framework
3. **Arts & Culture Sector Indicators** – a directional look at ten metrics that show where the sector is headed
4. **Arts & Culture Sector SWOT Analysis** – a look at the strengths, weaknesses, opportunities, and threats for the sector
5. **Arts & Culture Sector Stakeholder Impacts** – a review of key developments for each of ten stakeholder groups in the sector





## Scenario 1: Cooperative Living Overview



### What Happens

The COVID-19 pandemic is controlled by late spring 2021 thanks to continued coordination between governments and the private sector, and the scientific community then leverages new technologies – genome sequencing, machine learning, advanced methods of production, etc. – to develop and deploy a broad vaccine against the virus, calming fears and creating a sense that we can “conquer” biology. Alongside early successes reforming institutions in the wake of the anti-racism protests in 2020, a new era of optimism emerges, with deep social engagement.

- The relatively quick defeat of the virus ushers in a new optimism and sense that the collective will of society can accomplish big things
- The cultural sector returns with a focus on new creation and participatory events

CREATIVITY Arts Economy Arts Participation

SOCIETY Domestic & International Travel

TECHNOLOGY Daily Average Screen Time

ECONOMY Unemployment Rate

ENVIRONMENT CO2 Emissions

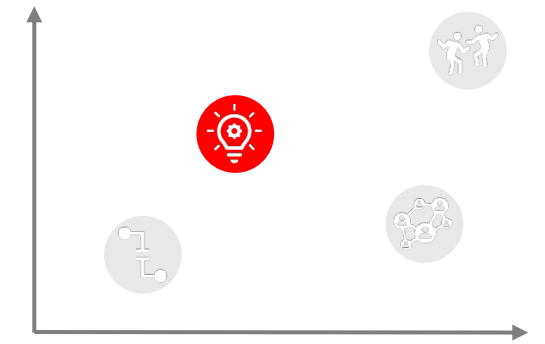
POLITICS Voter Turnout

### Critical Implications

- Mission-oriented engagement with large-scale social issues is important, as audiences are seeking out opportunities to deal with larger issues and build collective justice.
- In the wake of anti-racism protests, pressure builds for more representative Boards and institutional change. Culturally specific organizations take on new prominence and become a new funding focus.
- Participatory events are a focus, with audiences interested to join artists’ journeys.
- Employment rebounds, and interest in workers’ rights mean that pay is increasing for junior-level and less-skilled labor.
- A tech backlash means there is increased focus on privacy issues on digital platforms.
- Mental health is an increased focus.



## Scenario 2: New Means of Gathering Overview



### What Happens

The COVID-19 pandemic passes within eighteen months but resurges six months later as the initial vaccine is not as effective and less-available than forecast, causing new rounds of furloughed workers and the reintroduction of social distancing measures. U.S. governments at many levels are slow to respond, and the public is initially reluctant to comply with new containment measures. New outlets for public engagement emerge, particularly to progress social justice.

- The desire to gather in-person was in full effect during the six-month “all clear” period in 2021, with many focused on social engagement and restaurants and museums experiencing near capacity visitation numbers
- The cultural sector reopened with initial audience enthusiasm at a level not seen in years

CREATIVITY Arts Economy Arts Participation

SOCIETY Domestic & International Travel

TECHNOLOGY Daily Average Screen Time

ECONOMY Unemployment Rate

ENVIRONMENT CO2 Emissions

POLITICS Voter Turnout

### Critical Implications

- A “double dip” recession brought by a second virus wave increases unemployment.
- There is continued desire to gather as the pandemic increased loneliness and depression; arts organizations engage low-cost production models in physically distanced venues.
- Protests in support of Black Lives Matter and other social justice campaigns become primary locations for site-specific artworks.
- Creative production rises as artists seek new methods and distribution platforms for socially engaged content, with a good deal of creative activity moving to the digital space.
- Contact tracing and health monitoring are seen as critical, with government surveillance welcomed and taking hold in most states.



## Scenario 3: Digital Connection

### Overview

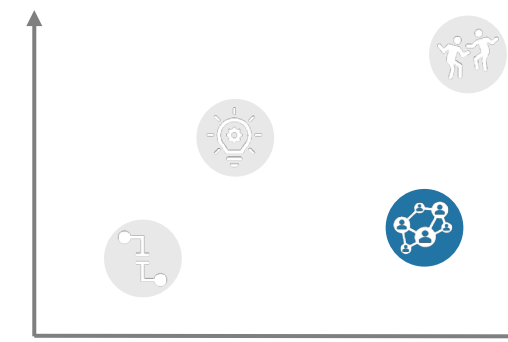
#### What Happens

The medical response to the COVID-19 pandemic proves successful and a vaccine is developed and broadly distributed before winter 2021 / 2022. This creates a sense of stability, and the economic impact is smaller than first anticipated. However, the psychological impact of a second wave of the virus that appeared once social distancing measures were lifted, combined with the threat of potential future outbreaks, causes lasting changes to our social behaviors.

- While the pandemic is eventually contained, vaccine distribution is slow and costly and a second wave causes lasting psychological impacts
- The arts sector is forced to adapt to these changes, with an urgent need to re-think programming and business models to suit the new normal

#### Critical Implications

- Professional and social lives shift increasingly into the digital world as people are reluctant to gather in-person and new technologies improve our ability to communicate remotely.
- A sharp decline of in-person attendance is coupled with rapid growth of new digital audiences, creating new opportunities for artistic creation and distribution.
- However, this leaves behind marginalized populations that lack high-speed internet and access to new technologies at home.
- Based on new audience behaviors, arts and culture producers and presenters shift their focus increasingly to digital and small-scale local formats.



CREATIVITY Arts Economy ↓ Arts Participation ↑

SOCIETY Domestic & International Travel ↓

TECHNOLOGY Daily Average Screen Time ↑

ECONOMY Unemployment Rate ↔

ENVIRONMENT CO2 Emissions ↓

POLITICS Voter Turnout ↓



## Scenario 4: Social Disintegration

### Overview

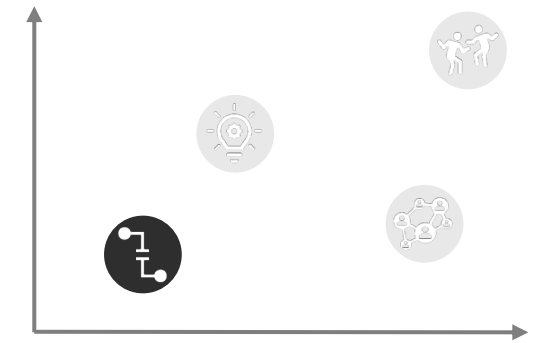
#### What Happens

While a vaccine for COVID-19 is developed by mid-2021, it is costly to deploy, limiting widespread usage. Recurring instances of COVID-19 and other novel viruses continue to affect those with vulnerable health conditions, frontline workers, and their families – disrupting social and economic life. Meanwhile, civil unrest continues as politics are polarized and no trusted leaders emerge to bring together the fractures that have begun to show in society.

- Reluctance to participate in large gatherings leads people to limit socializing and entertainment to the comfort of their homes or the most familiar local venues and public places (pubs, bars, restaurants)
- The arts sector becomes fragmented

#### Critical Implications

- Society is further polarized by inequitable access to key resources and healthcare, making previously underserved groups particularly unlikely to engage in any arts activities.
- Creative production largely moves to the digital realm and new hyper-local formats, often driven by individual artists rather than organizations.
- Weakening ability to gather in public spaces moves cultural consumption to digital platform and small group activities and pursuits.
- Rise of economic and societal pressures leads to mental health crisis and arts organizations are encouraged to play their role and partner with healthcare and social services providers.



CREATIVITY Arts Economy ↓ Arts Participation ↓

SOCIETY Domestic & International Travel ↓

TECHNOLOGY Daily Average Screen Time ↑

ECONOMY Unemployment Rate ↑

ENVIRONMENT CO2 Emissions ↑

POLITICS Voter Turnout ↓



**Navigating Uncertain Times: How to Use Scenario Planning to Chart a Course in New Environments**

**Questions?**



# 3 Trends to consider

- Trends impacting orchestras / arts organizations



## Trends Overview

### CGSTEEP Framework

Framework	Forces
Creativity	Creative activity
Society	Demographics
	Social behavior / leisure
	Health & wellbeing
	Travel
Technology	Technology & digital
Economy	Economy
	Government spending
	Philanthropy
	Employment
Environment	Climate change
Political	Politics
	Civic engagement



## Navigating Uncertain Times: How to Use Scenario Planning to Chart a Course in New Environments

# Trends Overview

## CSTEEP Framework: Example Trends and Data Highlights

Framework	Forces	Example Trends	Data highlights
<b>Creativity</b>	Creative activity	Arts Orgs = Media Orgs	Orchestras introducing streaming subscription services, producing music recordings and other content
<b>Society</b>	Demographics	Rural Urban Disparity	More than 82% of the US population lives in cities/urban areas
	Social behavior / leisure	Think globally, act locally	Focus on local activities as travel is banned and lockdowns extended
	Health & wellbeing	Rise of Wellbeing Apps	Top 10 meditation apps earned \$195M in 2019, up 52% from prior year
	Travel	Solo Trips	58% of millennials travel alone
<b>Technology</b>	Technology & digital	Personalised Technology	Individual experiences facilitated by new technology (e.g. 'sound beaming')
<b>Economy</b>	Economy	Rent Economy	28% of 25-34 year-olds own a home in 2019 vs. 49% in 2002
	Government spending	Limited Federal Arts Funding	NEA funding in 2019 at .003% of US Federal budget, lowest since inception in 1966
	Philanthropy	Innovative Individual Giving	41% of charitable donors give through crowd-funding platforms; donor advised funds grew 8.3% in 2019 to \$121.4 billion
	Employment	Gig Economy	More than 36% of the US workforce involved in the gig economy with creative workforce and artists at the forefront and advocating for improved employment terms and benefits for self-employed/freelance workers
<b>Environment</b>	Climate change	Sustainability Paradox	Decreased long-haul travel during and post-COVID-19
<b>Political</b>	Politics	The Immigration Seesaw	Decreasing number of visa approvals
	Civic engagement	Volunteering	More than 30% of Americans say they volunteer at least once per year

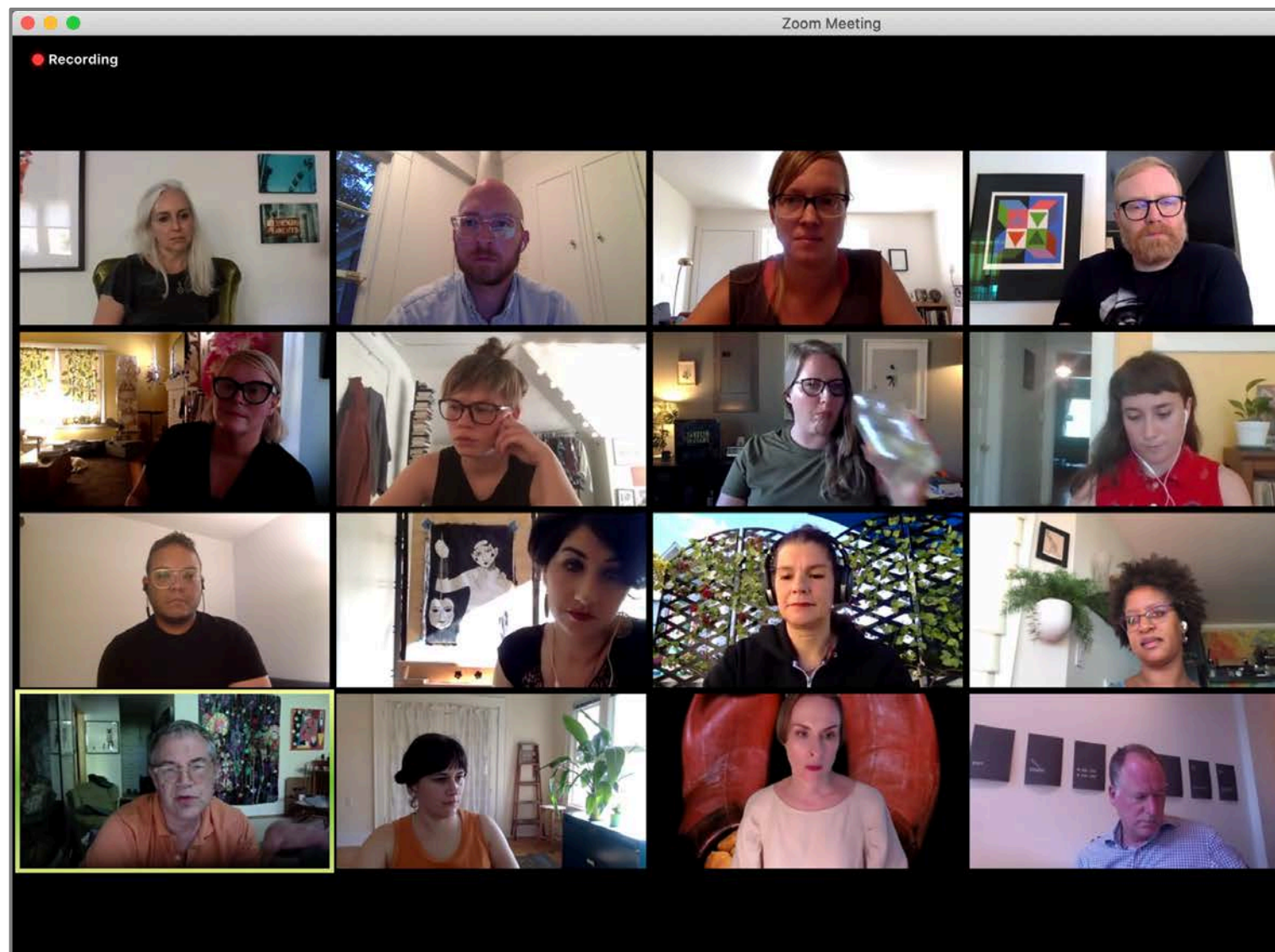


# **4. Scenario planning in practice**

## **■ Applying the toolkit**



## Process Testing the Tools




## Thanks to our “Test Subjects”!

- On The Boards – Seattle, WA
- Yale Repertory Theatre – New Haven, CT
- OPERA America – New York, NY  
+ *members:*  
Arizona Opera  
Cincinnati Opera  
Opera Birmingham  
Opera San Antonio  
Opera San Jose  
Portland Opera



## Describing future states of the world


**1 Cooperative Living**  
The virus is largely controlled within 12-15 months and focus on social justice grows, creating a new sense of optimism and rush back to the social scene with vigor and enthusiasm



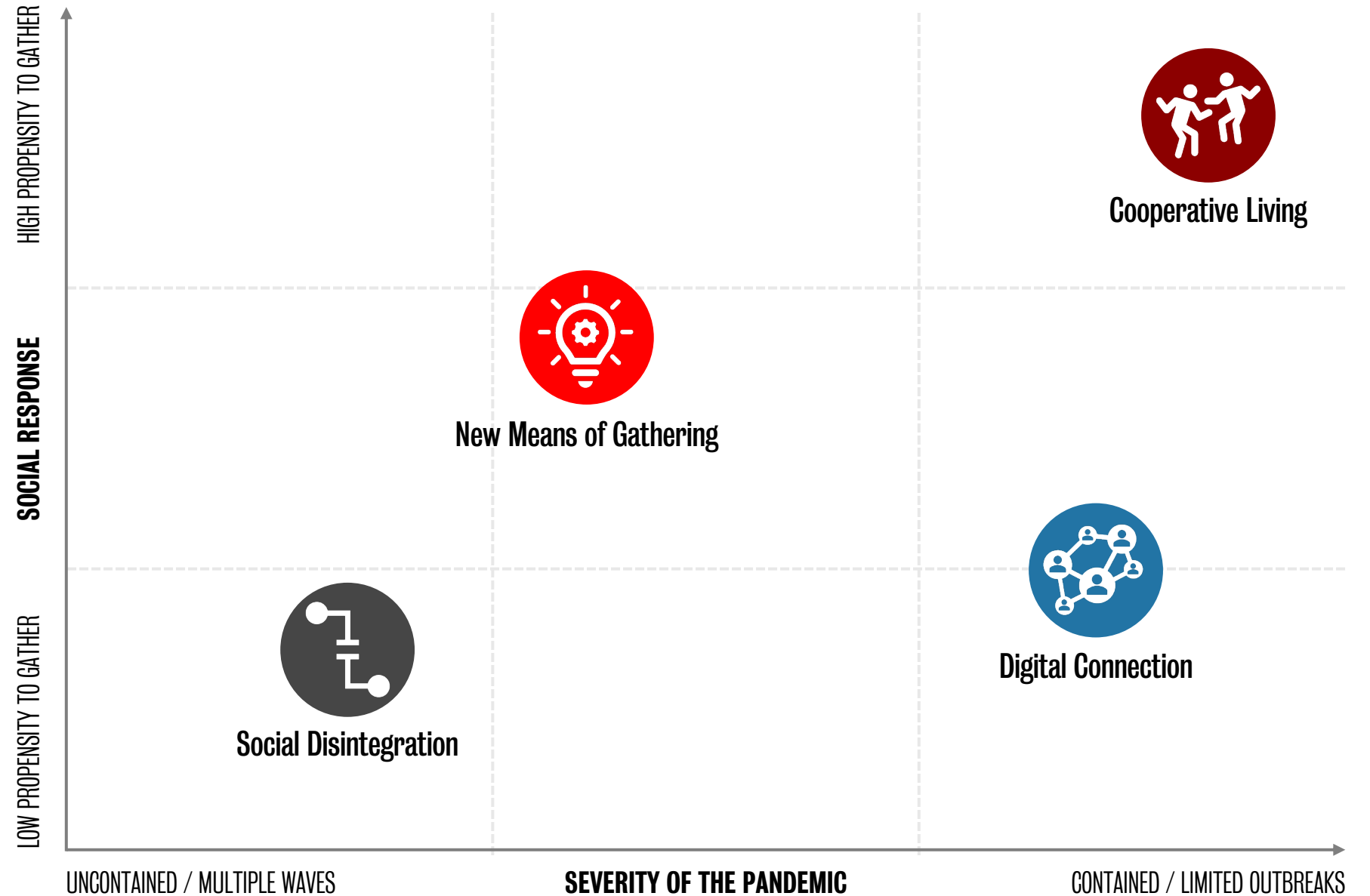

**2 New Means of Gathering**  
A resurgent virus creates significant challenges but, ultimately, deeply ingrained social behaviors persevere in transformed ways



**3 Digital Connection**  
While the COVID-19 pandemic is contained, the threat of future outbreaks leads to continued physical distancing and focus on digital interaction



**4 Social Disintegration**  
Prolonged outbreak of COVID-19 and recurring pandemics from a mutated virus lead to the decline of social life and underlying support systems



## **Engaging in scenario planning**

- 1) **Clarify who is at the table & roles they may need to play**
- 2) **Provide a clear context to work in**
- 3) **Make it memorable**
- 4) **Focus on practical outcomes**



# Engaging in scenario planning

*In each scenario ask yourself...*

1. How is our mission / purpose relevant in this scenario?
2. What would the likely impact be on our:
  - i. Communities and audiences?
  - ii. Programming?
  - iii. Revenue generation? (earned income, contributed income, and public funding)
  - iv. Infrastructure / physical assets?
3. What are the best paths to remedy legacies of institutional racism and move towards equity and inclusion?
4. How do we respond to the climate crisis and create a sustainable future?
5. How can we support the creation of new experiences?
6. What strengths or assets do we have to help us accomplish these?
7. What weaknesses do we have that would hinder us?
8. What new opportunities would there be? How can we become an active “shaper” of the future?
9. What are the greatest threats to us?

### Other questions to consider

- Which of your previous assumptions about the future need to be rethought? What prospects that seemed unlikely or years away could be accelerated?
- Which scenario best describes the world that you are currently preparing for? Is there a scenario that you are currently ignoring – but shouldn't be?
- How might your local market / context be different than other areas around the country? Will your community require a different response?
- Who can you reach and who can't you reach? Who is the market not serving otherwise?
- What new organizations, business models, and ecosystems might emerge in response to this future? How can you position yourself to take advantage of those?
- Which future would be most challenging? How can you mitigate those impacts?
- What capabilities, partnerships, and strategies do you need to learn more about?



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## Questions & Discussion



# Thank you!

## Contact

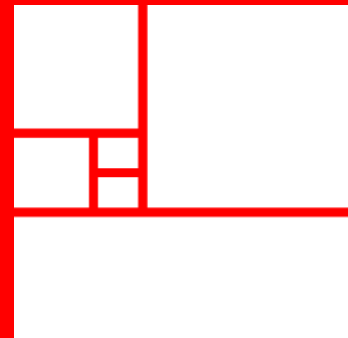
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