
X2Y methodologies: Strategy

Creating a long term vision



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About

This guide provides steps to creating a long term vision for your business based on developing a long term view of the market, society, technology and wider economic and regulatory conditions (of typically 5-10 years).

After completing this exercise, the outcomes should be:

- You develop a **heightened awareness of future possible scenarios** for the conditions in the market or markets in which you compete
- You will **identify mid- and longer term opportunities and threats** to your business that are presented in different scenarios
- **Develop a high level but grounded vision** for the way that your business can survive and prosper in the different possible future market environments it will face.

How to use this guide

This guide involves steps to develop a longer term (5+ year) view of your market and the wider environment, in order to develop a vision of how your business will survive and prosper in those scenarios.

We provide three levels of approach that vary by investment (time and money) versus the depth of insight that they provide.

For each method, we propose several steps and signpost the tools, data sources and other exercises that will provide content to complete each stage, which you can find elsewhere on our portal.

You can use each of these processes as read, mix and match to suit your needs, or otherwise adapt as you see fit. No two situations are alike, so there may be good reasons you should add or subtract a step.

If you would like help with this process, then email us with queries. Alternatively, we provide ad-hoc support (e.g. to locate sources or offer constructive feedback on results), . We can also manage these project so that your team can focus on thinking about the content.

Choosing an approach

We provide three approaches which vary by time, cost and quality. We suggest to choose the approach that matches your objectives, budget and time availability.

Making a greater investment in these scenarios leads to deeper and more nuanced understanding of different future scenarios, on which to base your vision. However, if you are starting out and looking to get a first view of your future challenges, a faster, lower cost and high level scan can surface key issues for further investigation, and create valuable discussion between decision makers. You can choose to mix and match approaches as you see fit.

We have provided three approaches with logical steps to derive the insight required, process information and create a plan of action.

To gather the insight needed at each step, we suggest the way you can use other data and tools in our portal, along with your own knowledge of your business.

Indicative guides of the approaches

Approach	Cost	Time (hrs)	Purpose
Low cost	<£5k	<20	Raise awareness of different scenarios to promote discussion and consideration
Intermediate	£5k-£30k	20-100	<i>As above plus</i> explore the scenarios in more depth to extract SWOT factors for the business.
High cost	£30k-£100k	100-1000	<i>As above plus</i> create the foundation of knowledge for longer term strategies.

X2Y also provide our “Map” services and can provide ad-hoc support.

Principles

When developing a long term vision, we assume the following principles:

1. **A suitable vision will be part down to the market, part down to your unique business:** A success story will involve how aspects of your business (your values, knowledge, capabilities etc) will be applied to the external market environment (i.e. the state of the economy, regulation, consumer behaviour and technology maturity).
2. **We can't predict the future but we can prepare for it.** The further forward in time we move, the less clear we can be about the external environment. Trying to derive accurate forecasts for the mid-to-longer term (5+ years) is unrealistic. Therefore, this exercise is largely qualitative by nature, and any numbers used to describe potential scenarios are used to aid a picture, rather than predictions per se..

Delimitations & other methods

Depending on your challenge and objectives, this may not be the best exercise for your business, or deliver the results you are looking for.

This exercise

1. Increases your appreciation of the mid and longer term challenges and opportunities that your business will find

However....

2. If you are looking to build a shorter term 1-3 year business strategy then use our “Business Plan”. This involves focussing more on short term forecasts and considering current trends.
3. If you are looking to specifically create a plan for growing customers and/or value per customer, then use our “Customer Growth Plan”. This focuses more on meeting the needs of different customer segments.

Method 1: Low time and cost

Overview

The low time and cost method provides an in-house exercise to create scenarios in a short time scale. To reduce time and cost, use is made of existing scenarios and industry research.

Step 0: Define the scope and preliminary assumptions

Step 1: Desk research to find existing scenarios

Step 2: Brainstorm implications for your market

Step 3: Brainstorm business success factors in your market

Step 4: Consolidate the “SWOT factors” for your business & define a vision for success.

0. Scope & preliminary assumptions

Initial decisions to make about the project include

Objectives: What will a successful project achieve?

Scope: Will it cover several markets, one market or parts of a market or a new trend?

Timespan: Will the end point of the scenario be 3, 5, 10 years or longer?

Resources: How long can be allocated to reviewing external information?

Team: Who will work on the project team? What are the roles?

Specifics: Are there any specific topics or questions the project should consider?

Readiness: Is this the right time for the project? Can the business use the results?

Facilitation and PM: Will the facilitator or PM be part of the discussion team?

1. Desk research to define scenarios

1. Find and evaluate existing scenarios for their relevance to your market
2. Use these sources or adapt them to create at least two of your own scenarios for the future, using our Scenario Creator tool. List assumptions for economic performance, business conditions, technology advancement and customers at that stage.

Trends & factors: Use our “2030 Scenarios” as a start point to consider the different external environments that could exist in the future.

Data map: Refer to the “UK Scenarios” listed and review the most relevant sources to gain further inspiration and insight for key factors.

Tools: Use our “Scenario Creator” to build your own interesting scenarios of the UK.

Output

External environment

Optimistic

Your list of features of the
economy, society and
technology

Pessimistic

Your list of features of the
economy, society and
technology

2. Brainstorm market implications

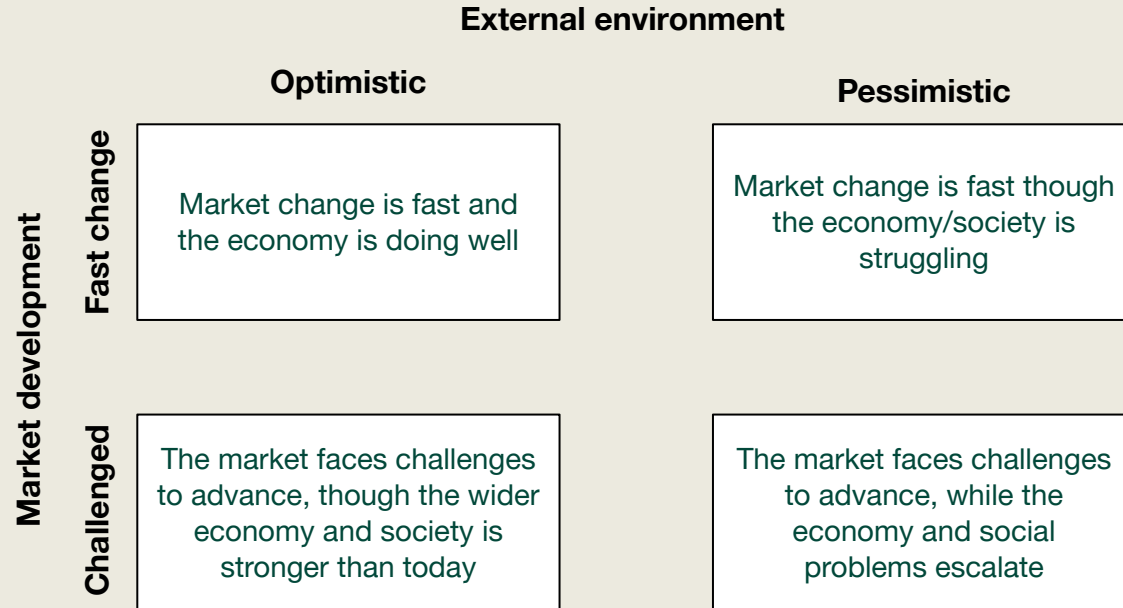
1. Review and list potential market developments in terms of a) costs/prices, b) technologies and c) new entrants.
2. Use the two scenarios you created in Step 1 as the basis for describing four scenarios: Describe two *market* scenarios for the optimistic external scenario in which i) the market has evolved, ii) the market faces challenges...
3. Similarly describe two market scenarios for a pessimistic external environment.

Data map: Search for Government strategy and, industry body sources for your market(s) of interest to extract potential market developments..

Trends and factors: Refer to the “PEST factors” document for your industry and any relevant UK consumer trends associated with your industry. List relevant trends and factors.

Tools: Use our “Scenario Creator” to build your four scenarios.

Output



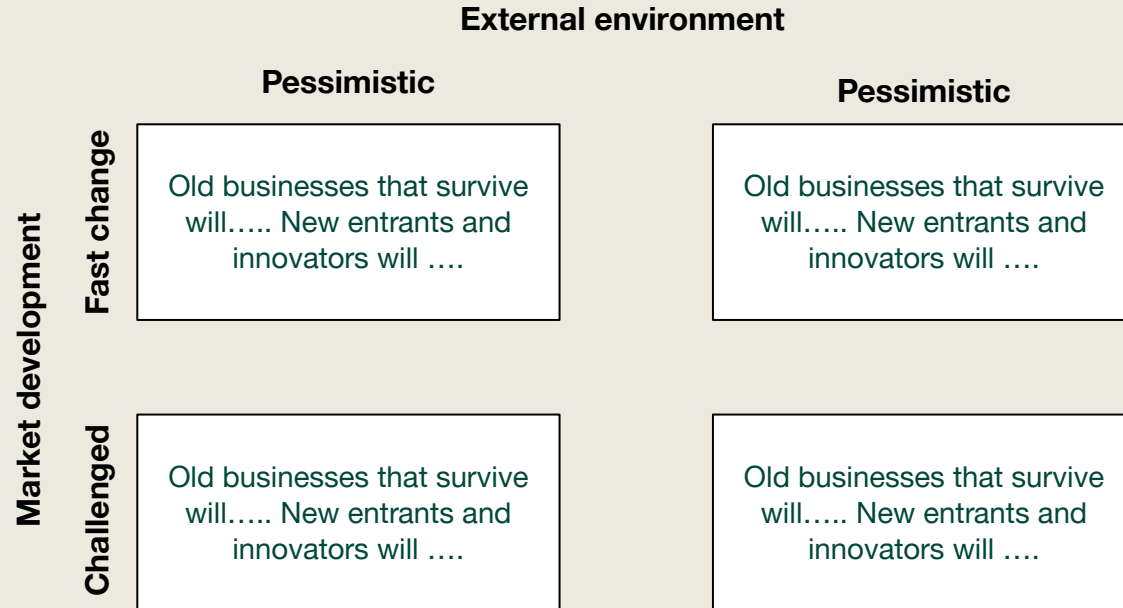
3. Business success factors

1. Now you have created four scenarios, then consider which businesses in your market are best surviving and prospering in each scenario.
 - a. Consider characteristics that allow them to succeed.
 - b. Consider which businesses are struggling the most? Consider what it is that makes them struggle?
2. List the factors.

Data map: Use our Data Map to look up “Industry News” and locate examples of businesses that are doing well, or conversely, have reported poor performance results or even gone out of business.

Tools: Use our “Business Strengths and Weaknesses” list to stimulate thinking on which factors are most useful for businesses that succeed or struggle.

Outputs



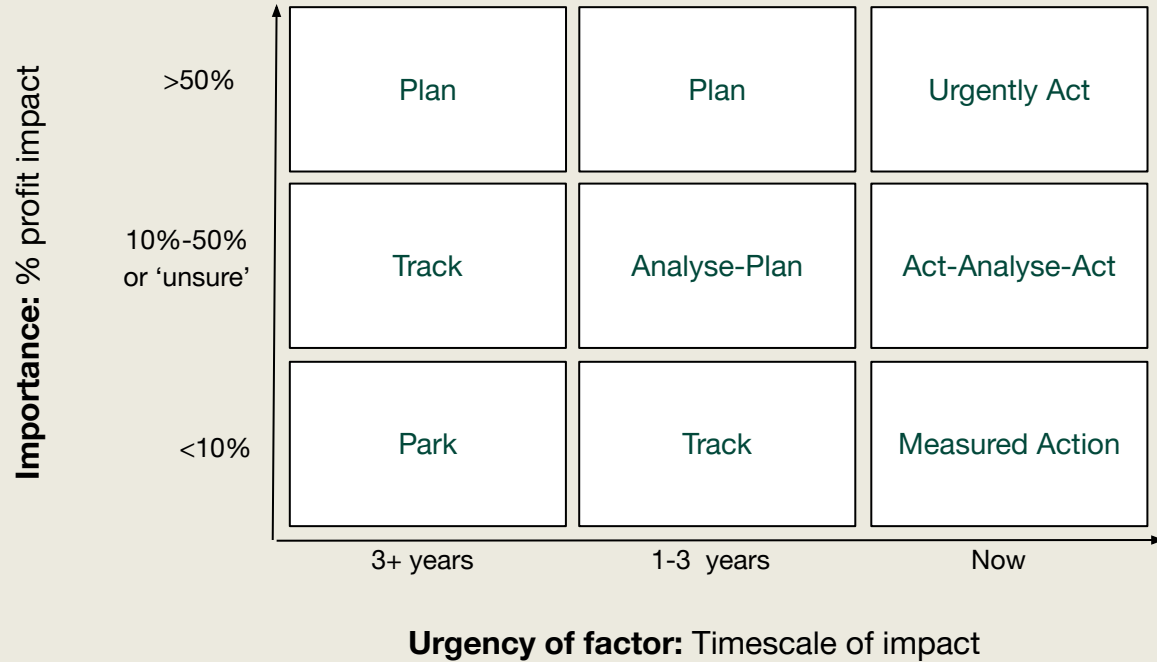
4. Consolidate SWOT factors

1. Consider your business against the four scenarios from Step 3. For each scenario, list features of your business that represent Strengths and Weaknesses in each case.
2. List your Opportunities and Threats created by each scenario.
3. Score factors or trends according to impact and urgency and plan to take appropriate action.
4. Summarise with a vision of how your business will succeed.

Tools: Use our “Business Strengths and Weaknesses” list to consider the areas that your own business might be strong or weak when faced with the four scenarios you have described.

Use our framework of “Appropriate Actions” to determine the next steps you take with the results.

Outputs



Method 2: Intermediate

Overview

The Intermediate method is largely an in-house exercise to create scenarios in a modest time scale of several weeks. Use is made of external research, which is supported by low cost paid research and expert interviews.

Step 0: Define the scope and preliminary assumptions

Step 1: Conduct desk research to find existing scenarios

Step 2: Buy and review (third party) market research and data

Step 3: Conduct expert interviews

Step 4: Use steps 1-3 to create market scenarios

Step 5: Define business success factors in your future market scenarios

Step 6: Consolidate the “SWOT factors” for your business & define a vision for success.

0. Scope & preliminary assumptions

Initial decisions to make about the project include

Objectives: What will a successful project achieve?

Scope: Will it cover several markets, one market or parts of a market or a new trend?

Timespan: Will the end point of the scenario be 3, 5, 10 years or longer?

Resources: How many people can be allocated? What is the budget for external insight?

Requirements from external insight: Which experts would offer valuable findings?

Team: Who will work on the project team? What are the roles?

Specifics: Are there any specific topics or questions the project should consider?

Readiness: Is this the right time for the project? Can the business use the results?

Facilitation and PM: Will the facilitator or PM be part of the discussion team?

1. Desk research for scenarios

1. Find and evaluate published scenarios or future predictions for your market.
2. List d XXXXX
3. Review open market data to gather and review historic trends into (e.g. consumer spending or industry size).
4. From different

Trends & factors: Use our “2030 Scenarios” as a start point to consider the different external environments that could exist in the future.

Data map: Refer to the sources for market forecasts and review the most relevant sources to gain further inspiration and insight for key factors.

Refer to sources for UK industry and company data.

2. Buy & review research and data

WIP

1. Evaluate market data and forecasts from paid services (using the data map) and procure valuable sources.
2. List the factors

Research gateway: Use our gateway to find experts to input to the project

Data map: Refer to the Industry data map to locate sources for industry insights, including off-the-shelf reports for industry forecasts.

3. Expert interviews

1. XXXXX

Research gateway: Use our gateway to find experts to input to the project

Data map: Refer to the Industry data map to locate sources for industry insights, including off-the-shelf reports for industry forecasts.

4. Create market scenarios

1. Use market forecast data from Step 3

Research gateway: Use our gateway to find experts to input to the project

Data map: Refer to the Industry data map to locate sources for industry insights, including off-the-shelf reports for industry forecasts.

5. Define business success factors

WIP

1. XXXXX

Research gateway: Use our gateway to find experts to input to the project

Data map: Refer to the Industry data map to locate sources for industry insights, including off-the-shelf reports for industry forecasts.

Method 3: High time and cost

Overview

The low time and cost method provides an in-house exercise to create scenarios in a short time scale.

Step 1: Desk research to find existing scenarios

Step 2: Brainstorm implications for your market

Step 3: Brainstorm business success factors in your market

Step 4: Consolidate the “SWOT factors” for your business.