

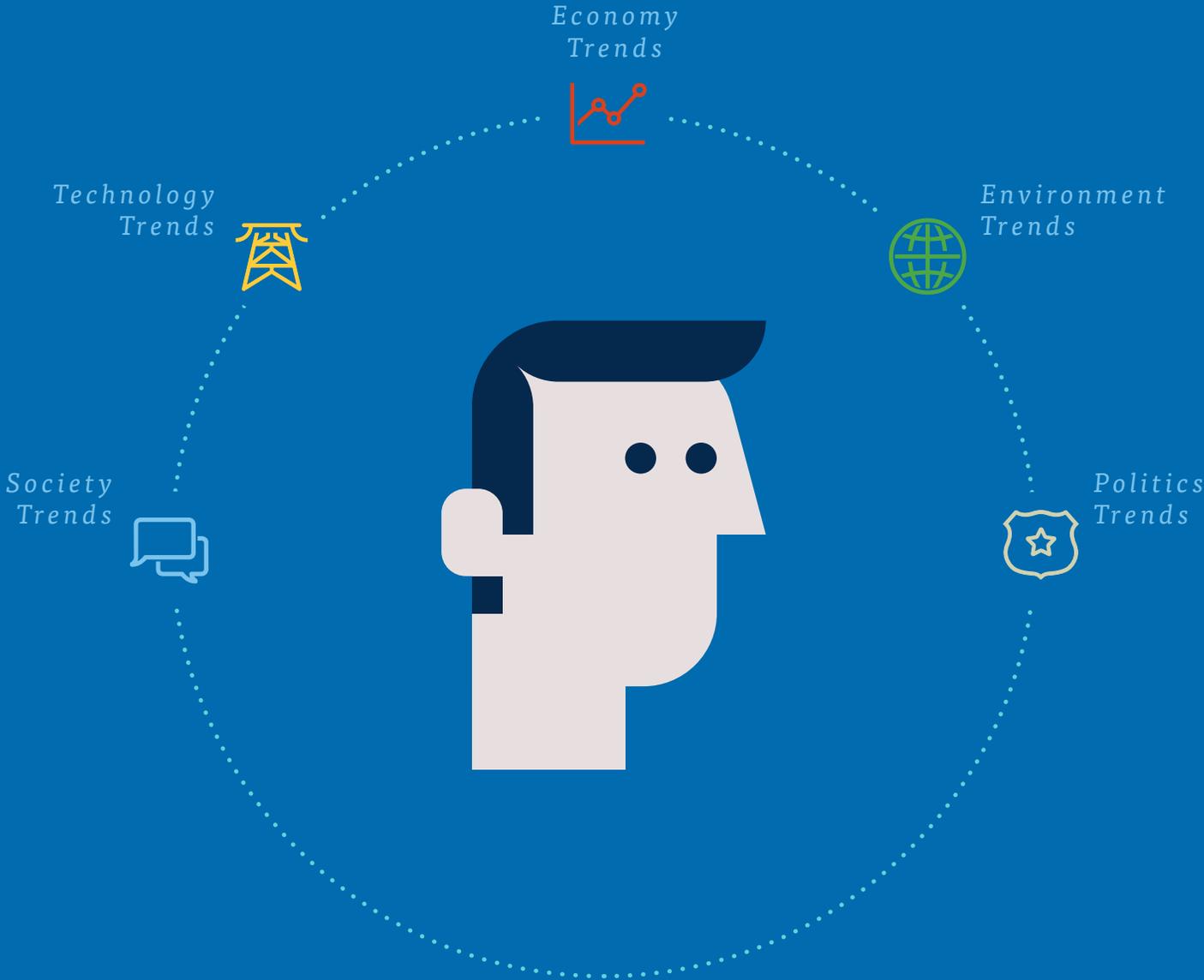
Thriving in Uncertainty: Making Your Pool

FUTURE READY



A GUIDE FOR AGRIP MEMBERS

IS YOUR POOL FUTURE READY?



If you knew the future of public entity risk pooling, would you . . .

- **Carve out a more competitive position?**
- **Try to maintain your current position using altogether new means?**
- **Hide under a rock?**

The last option is not a joke. The future is inherently unknowable, so it might be tempting to forego effort to figure it out.

AGRiP encourages you to choose a different path. The future may not be *completely* knowable, but many trends are discernible and therefore manageable. With strategic foresight, we can anticipate the future's possible contours for public entity risk pools.

In July 2015 at the direction of its Board of Directors, AGRiP assembled a Futures Forum of seventeen individuals representing public entity pools of various types and size, and commercial service providers closely connected to the public entity pooling industry. Participants were charged by the Board to address two important questions about the future of public entity risk pools:

A.

What is the future of risk pooling in the public sector?

B.

What trends could impact or disrupt how public entity pools conduct business?

The Futures Forum engaged a professional futurist facilitator, using a process called Strategic Foresight. The results summarized in this report came directly from AGRiP's Futures Forum.



Whether you are a Board member or trustee of a public entity risk pool, executive leader, or staff within a pool, you have a role to play interpreting trends and influences for your pooling organization.

AGRiP encourages all public entity pool Boards of Directors to consider these trends in light of setting pool strategy, developing plans and goals, and otherwise governing pool operations.

We further encourage all executive leadership, management staff, and others engaged in the professional management of public entity pools to use these materials as a starting point for further planning work, Board engagement, and leadership development.

For ideas about how to consider whether these trends will impact your pool, see page 20 for suggestions and exercises that will help.



**Questions can be directed to Ann Gergen at
agergen@agrip.org or 518-220-0336.**



Orientation to Strategic Foresight

Strategic foresight is a method to fully consider and anticipate the future. Or, rather, the array of possible futures that could impact your organization.

Public entity pools are comfortable dealing with a certain degree of ambiguity and making projections based on any number of possible outcomes. Just think about your pool's actuarial analysis. The one thing you know for certain is that the actuarial projections you have in your hand will turn out to be wrong! The actuarial report is one possible future for your pool's claims, but you know there could be any number of other future outcomes.

The future of your pool on the whole is no different. You can make some assumptions and estimates about how political, social, technological, or other influences might impact your operations and environment, but you can't know for sure how or when all those influences or forces might come together.

Traditional strategic planning starts with a soft anchor in today, identifies a goal state or outcome, forecasts influences or changes, and sets forward a plan for how to get from here to there. Of course, a robust and effective strategic plan will allow for changes and adaptations along the way and regular check-ins will assure your goals haven't dramatically changed at any point.

Strategic foresight does not start from the perspective of today, or even from your pool's own place in the world. Rather, strategic foresight encourages participants to start far into the future – 15, 20, or even 30 years – and anticipate the larger world from several perspectives.

Using that baseline, you can turn your attention to how those larger influences might come into play for your public entity pool, consider how you might navigate them, look for common themes and challenges, and implement plans to address the areas of greatest concern.

You don't have to be an expert in strategic foresight to appreciate the outcomes generated by the Futures Forum. But, you should appreciate typical mental constraints that might hold you back from fully appreciating how these influences could impact your pool.

As you look at the influences and trends identified as part of the Futures Forum, you might find yourself thinking "this trend doesn't apply to my pool, or won't affect my pool the same way, because we have _____." The blank in that sentence might represent strong member affinity, or a healthy surplus position, or a dedicated and talented staff.

But know this: **No matter what your pool's current position or strengths, these influences are likely to impact you in dramatic and unforeseen ways.** The challenge is to let go of anchors that tie to you today (current surplus or staffing), start with possible futures in mind, and work backward to consider how your pool can effectively adapt to remain successful.

IS YOUR POOL FUTURE READY?

What if...?





Breaking Out of Our Mental Models

Author: John Foehl

PRESIDENT & CEO – GOVERNMENT ENTITIES MUTUAL and AGRIP BOARD PRESIDENT, 2013 - 2015

You may ask why you and your pool should care about strategic foresight. Perhaps you already engage in strategic planning and any time spent thinking about the future – which is admittedly unknown and unpredictable – might seem too theoretical or academic to be helpful.

We are living in a time of accelerating change and increasing complexity. There is simply more to keep track of today than ever before and traditional rules shift with little warning.

For instance, does your pool's strategic plan identify and address the impact insurance linked securities (ILS) are having on traditional reinsurance companies, and potential associated reinsurance implications for public entity pools?

In the last three years, ILS issuance has surpassed \$65 billion and now represents almost one-third of the commercial reinsurance market. Some suggest this dislocation will force more than 50 percent of the world's reinsurers into mergers or potentially out of business. How might this impact your pool's ability to obtain reinsurance? What is your plan to address the market shift toward ILS? Did you even know such a change was happening?

The way we think and process information may not keep pace with our changing world. We are creatures of habit and our thought processes are correspondingly rooted in routine. Our "mental models" provide us with a sense of internal stability. We expect certain outcomes based upon tested norms and experiences. We understand our environment by connecting what is new to what we know. Mental models are important, but as George Bernard Shaw said "Progress is impossible without change, and those that cannot change their minds cannot change anything."

Generative thinking like the kind that was used to develop this document helps break us out of our mental models, and it is an important undertaking for anyone in a leadership role at a public entity pool. Generative thinking forces us to frame questions in new ways and challenge the status quo. When fully engaged, generative thinking leads pool management and boards toward a powerful continual cycle of critical thinking.

What questions might you ask on a generative thinking adventure?

- What if the future of my pool looks dramatically different than today, with shifts in the pool's membership, financial strength, or leadership?
- What if the partners upon whom I rely for my pool's operations are no longer available to me?
- What if there is a sudden and unexpected string of catastrophic losses in my pool's membership?
- What if there are dramatic changes to workers' compensation benefits in my state?
- What if a competitor aggressively enters my market with a goal of taking the top performing 50 percent of my membership?

These bullets all start with the question "What if...?" Consider spending an hour at your next staff meeting or Board of Directors meeting playing the "what if" game – use the time to make a list of all the "what if" scenarios you can think of, no matter how crazy or unlikely they may seem. Let go of what you know and what your mental models suggest is reasonable or predictable. Allow yourself to explore all possibilities and empower those around you to do the same. You might be surprised at what you uncover in the process and how incredibly valuable it can be to your pooling organization.

And if you still feel unsure, there are some structured exercises at the end of this document to help. Go ahead and try it. Here's to your future!



Trends Most Likely to Impact Risk Pools

Participants in the Futures Forum brainstormed over 100 trends likely to impact risk pools in the next twenty years. They started by working through trend categories of society, technology, economy, environment, and politics (STEEP) and then sorted trends based upon perceived impact and likelihood.

Four Quadrants of Trends

IMPACT x CERTAINTY

Major Impact Will Happen

These are trends all pools should already be paying attention to because they have a high degree of likelihood and impact.

Major Impact Could Happen

Pools should pay particularly close attention to these trends because they are game-changing disruptions.

Minor Impact Will Happen

Pools should already be addressing issues in this quadrant.

Minor Impact Could Happen

Because these trends are low impact and uncertain, they are low priority for pools to address.

Major Impact / Could Happen

These are game-changing disruptions that will alter public entity pool business models in some way, but are less likely to already be part of your pool's strategic vision and planning because they are uncertain. Thus, these trends are the most important focus area for pool leaders to consider as they set long-term strategy.

Note that in some cases the identified trends might impact more than one STEEP category, e.g. social media is both a Society and Technology trend. Where you prefer to list the trend is less important than how much time and effort you spend considering how to address it.

Society Trends

Common societal trends of increasing digital interaction and granular customer service are expected, not surprisingly, to influence public entity pools just as they would any other business.

Because of the deep understanding of, and relationship with, their member entities, pools can expect a longer progression to full digital interaction than would a typical service provider. But pools should not interpret the longer transition time to be anything more than a slight delay in likely impacts and outcomes. There is a clear call-to-action for pools to prepare themselves for the full impact of several core societal trends.

- Entirely digital member transactions, with no face-to-face interactions
- Transition from coverage to member service as the point-of-sale between pools and members, in particular focused on backroom support of member functions and novel technology tools
- A permeating sedentary lifestyle in which most of the population travels from home for leisure – not work, conference, education, or other purposes
- A recasting of the local taxing system according to new boundaries, governance structures, or services – e.g. school districts no longer bound by geography
- Increasingly shortened attention spans – of the general public, elected officials, employees, etc.
- Increasing focus and demand, from employees as well as constituents or stakeholders, for organizations to demonstrate their commitment to social responsibility

Technology Trends

The impact of technology on everyday lives, medical interventions, business transactions, and pooling operations is hardly new ground to acknowledge; and yet, even in the wildest parts of our imagination we cannot conceive the scope and depth of change technology will bring to our future as public entity pools.

- An increasing blur and blend of automated decision making with tribal knowledge and humanization – computers demonstrating human-like thinking and learning capacities alongside complex modeling and predictive algorithms
- Nanotechnology in our bodies, in public infrastructure, and in the mainstream



- Cyber-terrorism and cyber infiltration as a replacement for traditional warfare, with particular focus on financial and social upheaval
- Smart appliances and just-in-time consumerism, e.g. the “Tide button” – when the laundry detergent gets low, a sensor detects it and orders a new box to be shipped automatically, with appropriate payment direct from your online banking system
- Phones and computers are never turned off – they’re embedded
- Decentralization of power generation and increasing reliance on alternative energy sources
- The complete elimination of all transactional intermediaries
- Major disruption to insurance distribution channels via increasing technology transactional capacity

Economy Trends

Trends in the economy will influence public sector risk pools in a myriad of ways. Certainly the funding structure of local government and schools on the whole are subject to economic influences – one needs to look no further than property tax income by way of example.

Pools are influenced dramatically by shifts in the investment and financial markets, impacted by employment and housing trends, and affected by open market consolidations or disruptions. In all cases, pools will in turn shift their own products and services, member relationships, and other operations to effectively manage amid change.

- Pools will broadly diversify their product and service offerings – think consolidated purchase of automobiles on behalf of members, back room financial or HR services for local government entities, and more
- Pools will provide coverage for increasingly diversified member operations and profiles, including new public/private partnerships
- There will be digitized commoditization of all products and services
- An organization’s ability to retain and grow members will be driven in large part by its ability to demonstrate affinity between stakeholders, to nurture and cultivate peer-to-peer sharing
- There will be an electronic, global currency
- Local government will be unable to attract quality employees and elected leaders; but there will be a counter-trend and increasing service orientation among the next generation
- There will be consolidation of local government and school services, staffing, and infrastructure
- Local governments and schools will branch into non-traditional services in a revenue generating capacity to offset core public service costs
- Pools will fund joint venture public projects
- A significant financial or investment disruption will have catastrophic impact on public entity pooling, causing some to cease operations

Environment Trends

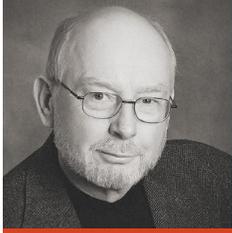
For many years, public entity pools have kept a watchful eye on environmental trends, including but not limited to concerns about climate change. Shifts in the environment present property risks to be sure, but also have possible consequence on local government operations and even workers' compensation risk.

- Significant catastrophic property losses impacting entire coastal areas – devastating earthquakes, tsunamis, hurricanes, and similar
- Expanding definition of catastrophic loss within the insurance industry, leaving some major losses uninsured and creating need for shifting federal intervention or regulation
- Reversing of human behaviors with negative environmental impacts – presumably after a period of increased awareness brought about by catastrophic events

Politics Trends

Most public entity risk pools work comfortably in apolitical fashion. Party lines and political rallies mean little when it comes to managing public sector risk – unless someone falls off the stage while making a speech! But, local governments and schools operate in a politicized environment subject to decision-making trends, pendulum swings alongside shifting elected priorities, and any manner of related risk consequences.

- Declining investment in government infrastructure and privatization of traditionally public-managed systems such as streets and sewers, bridges, dams, and more
- Extreme political polarization
- Increasing contractual liability from public-private partnerships
- Politicians looking for opportunity to use pool resources (financial or other) for political gain
- Local government and school system consolidations
- Increased government backstops for catastrophic public sector losses funded by insurers
- Local government focus on energy sustainability and technology infrastructure versus traditional infrastructure investments, leaving some major losses uninsured and creating need for shifting federal intervention or regulation



Climate Change - So What?

Author: Pete Tritz

ADMINISTRATOR - LEAGUE OF MINNESOTA CITIES INSURANCE TRUST

If you think climate change is a hoax, you can probably stop reading right here. But for the rest of us who think climate change is real, it's fair to ask "From the pool's standpoint, so what?"

For a pool that provides property coverage, climate change will almost certainly affect the risk. In the Midwest it could mean an increase in the frequency and intensity of convective storms that produce tornadoes, high winds, hail, and flooding. On the Atlantic and Gulf coasts, you'd think about having more and bigger hurricanes. In other parts of the country the concern might be drought and wildfire. Any of these scenarios could mean more and bigger claims for the pool to cover.

As long as that change is gradual and incremental, it shouldn't be much of a problem for the pool to adapt. If we set our rates each year based on actuarial projections that reflect the actual loss patterns of the past five, ten, or twenty years, those changes in loss frequency and severity will flow through and be reflected in our rate-setting and reserving pretty much automatically. Those incremental changes would also be reflected in the cat models reinsurers use to set their rates, and which many pools use to evaluate retentions and reinsurance limits.

But suppose that a change in weather-related loss patterns doesn't happen incrementally.

Suppose instead there's a "tipping point" effect that produces a sudden and drastic increase in the frequency and severity of weather-related losses. Perhaps that means we go from seeing maybe two or three \$1,000,000+ losses in a typical storm season to suddenly having ten or fifteen. That probably also means our reinsurers are having to pay for a lot more hurricanes and typhoons and floods all over the world. That would affect the cost and the availability of reinsurance, and that effect might be amplified by a sudden market exit of the folks that have been buying all those cat bonds in recent years.

Let me stress that I'm not predicting any sort of sudden change will happen, either soon or at all. Actually, my guess is that we're far more likely to see the sort of gradual, incremental, long-term change that we can readily accommodate. But while the likelihood of a tipping point type change is small, I don't think it's zero, and it's worth thinking about what we might do to be ready, just in case.

So what might a pool do? Three potential strategies occur to me.

- 1 A strong and healthy surplus would be invaluable in that circumstance. If we have the funds to be able to pay the unexpected losses and to be able to assume higher retentions going forward, it's a huge leg up.
- 2 Alternative pooled reinsurance structures might become life-savers by providing a mechanism through which pools can cooperatively provide themselves with some of the reinsurance protection that's become either unavailable or extremely expensive in the market. It is worthwhile for participants in collaborative or collective reinsurance organizations to make sure they survive, and for those who aren't now part of such arrangements to consider joining. It might be a lot easier to get in now than to be knocking on the door in a crisis.
- 3 We might consider trying to build consistent long-term relationships with strong and solid reinsurers. That might mean we're paying more right now than we would by using a low-bid strategy to buy reinsurance. But in a world where reinsurance capacity has become a scarce and expensive commodity, maybe we have an edge if we're a customer the reinsurer already knows and trusts and who's been a profitable long-term client.

Major Impact / Will Happen

Trends in this quadrant will also have a significant impact on pools. Because of the relative certainty of these trends – in fact, some are already well underway – pools should already be taking steps to address related needs.

Society Trends

- The next generation isn't interested in face-to-face interactions
- People live a lot longer, e.g. 120+, leading to altogether new health management and related needs
- There is expectation for 24/7 data access and service
- Talent shortages dramatically impact the public sector, the insurance industry, and all related service organizations
- Customers demand simple messages, comparisons, marketing, and service interactions
- Social network trust is a precursor to stakeholder trust and relationship building
- A new balance of social connectivity to achieve balance of work, home, and health
- Generational depopulation and repopulation of urban areas

Technology Trends

- Increasing cyber liability concerns as technology and data management become central to every business and public sector endeavor – security, privacy, storage, asset protection, public relations, and more
- Data mining and integrity are paramount to manage risk effectively
- Cyber threats are both global and domestic, requiring sophisticated management
- The power grid and technology are entirely intertwined
- Advances in bio-medical technology means a large but compromised aging population
- Cyber warfare, terrorism, and espionage – this is the new battleground
- Automation and emerging technologies change the face of liability, products liability, risk and exposures, e.g. drones, driverless buses, driverless police cars, automated co-pilots

Economy Trends

- Highly competitive, primary commercial insurance programs are offered at the same cost as pooling, with many of the same benefits and risk management programs
- Pools merge to increase efficiencies
- Local governments and schools face continued fiscal pressure (and insurance premiums are meaningful to them)
- Capital markets continue to supplant traditional reinsurers



- Greater divide between haves and have nots as emerging economies continue to grow and add jobs and developed economies lose middle class

Environment Trends

- Resource scarcity and imbalances mean more resources become focused in some locations and less in others
- Climate change – increased storm frequencies and severity

Politics Trends

- Continued increased sharing and collaboration of public services and resources; some forced consolidation
- Local government becomes even more critical, based largely on evolving concepts of community but not necessarily geography
- Changing federal support of social services
- Local regulators reacting to global imperatives
- Politicians are funded by mass audiences
- Not enough elected officials to fill current seats – and a transformation in local politics as a result



Why Millennials Matter

Author: Amy Guilford

ASSOCIATE DIRECTOR, PROPERTY/CASUALTY POOL AND WORKERS' COMPENSATION FUND, SETSEG

Local government and school officials often approach governance, management, culture, and other aspects of daily organizational life like their parents did. Our pool members – and our pools, themselves – typically have hierarchical staffing structures, a top-down governance focus, and traditional benefit models.

With new generations entering the workforce and a looming talent drain within the public sector, we must begin thinking differently to make governmental pooling an attractive opportunity. It's not only a matter of attracting the very best talent, but also a matter of sustainability. **If you can't attract employees just entering the workforce, you may not be able to fill the seats of those who are retiring in the next ten years.**

So what do we need to attract and retain new talent into public entity pools? Here are a few ideas:

- Work must be interesting and challenging. We should be more concerned about giving an employee a new challenge than staying true to the listed duties in a job description.
- Supervisors and the pool's leadership must be open to new ideas and creative thinking, allowing for work to be done in new ways or using new technology. And, we can't be so afraid of failure that we say "No" to every new idea simply because we don't understand it or it is untested.
- State of the art technology is an absolute minimum requirement to attract the best new talent. Your pool must be willing to invest in its operational technology, member engagement tools, and social networks.
- The focus for new employee recruitment efforts should be on organizational culture and fit, not simply on benefits and salary. (Hint: the culture we describe had better be true when the employee joins our organization).
- Regular evaluations are key to provide feedback, mentoring, status updates, and connection points. Annual evaluations aren't enough.
- Workday flexibility is key. This includes occasional work-from-home, extended lunch periods for hitting the gym, etc. The 8-to-5 workday doesn't exist anymore.

You might ask why attracting younger talent is so critical to pooling, or why Millennials and Generation Z matter as much as they do.

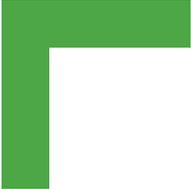
Public entity pools operate in a unique niche, with specific focus and very real constraints. There will be a plateau in membership and financial growth – many pools are already experiencing it. We need to think differently in order to continue growing and evolving our membership, our revenue, and our services. The incoming Millennial workforce has just the kind of innovation and energy public entity pools need to be successful, long into the future.

I can give you a few examples of how our Millennial employees impacted our pool, SETSEG, which serves schools in Michigan:

- We have a nationally award winning marketing team who provide support to our members on branding, publications, and other communication tools.
- We have developed mobile apps to conduct hazard assessments, playground inspections, etc. that generate a branded, professional report delivered to our membership.
- We created a Member Benefit Review (MBR) and a Loss Control Review (LCR) that dynamically update every night with district-specific information to demonstrate trending issues, pool-wide data comparisons, hot topics, etc.

Sure, we use these tools internally – but we also have opportunities to share them with other pools, collaborate on additional innovations, and use them as a springboard to the future of public entity pooling.

These efforts weren't limited to work by Millennials, but they were certainly the ones who pushed us to move quickly toward implementation. Listening to newer, fresh voices was the right thing to do, and it has paid off in terms of member impact and connection, cost efficiencies, and enhanced workplace culture.



Other Trends

Some identified trends fell into quadrants representing nominal impact. These trends are still very real for public entity pools and their members, and in some cases they could still prove quite disruptive or transformative. There is a certain degree of overlap between these trends and the ones listed so far – attributable to the evolutionary nature of these issues or developments.

Society Trends

- Impact of aging population on health care costs
- Large elderly population puts pressure on government to provide more services
- Dramatic staffing and elected turnover at every level of public service and within public entity pools leads to decision-making mistakes
- The employment relationship shifts allowing employees to work the same basic hours but on totally individual and flexible schedules
- The public entity pooling industry is not appealing to a younger generation

Technology Trends

- Human capital needs in some industries are greatly reduced by technologies and economic forces
- Quality of data versus volume (noise) becomes critical for successful business operations
- Members / customers access data resources through various media
- Location is irrelevant to customer transactions, loyalty, and interactions
- Social networks drive decision making
- Technology enabled insurance companies change buying interactions, forever
- New tech tools emerge, influence, engage and evolve at a continued rapid pace
- There's a growing equilibrium re: data privacy, security, and sharing
- Pools are not contained to risks on land only... they grow to the sea and sky

Economy Trends

- Insurance company consolidation
- Reinsurer mergers and acquisitions, with a focus on global firms – the capital goes overseas
- Financial markets take an increasingly negative view of local government and school risk
- Increased local funding for social services



- Higher per capita costs per local government or school employee
- Outsourcing of core public service functions to private companies, less control and premium for public entity pools
- Increased desire to transfer non-traditional risks outside the public entity pool's direct risk profile, i.e. maintenance/warranties of technology
- Talent drain requires incentives to attract young people to public service and to public entity pools
- Competition for, and training of, new talent is a challenge
- Public entity pools cross state lines and traditional jurisdictions, with increasing pool vs. pool competition
- Pools invest in critical public infrastructure
- Insurance via crowdsourcing and microlevel products
- Pools become insurance companies, regulated the same
- Stability of price/services become more important than price/coverage
- No more traditional soft and hard insurance market cycles

Environment Trends

- Unknown outcomes of sustainability initiatives

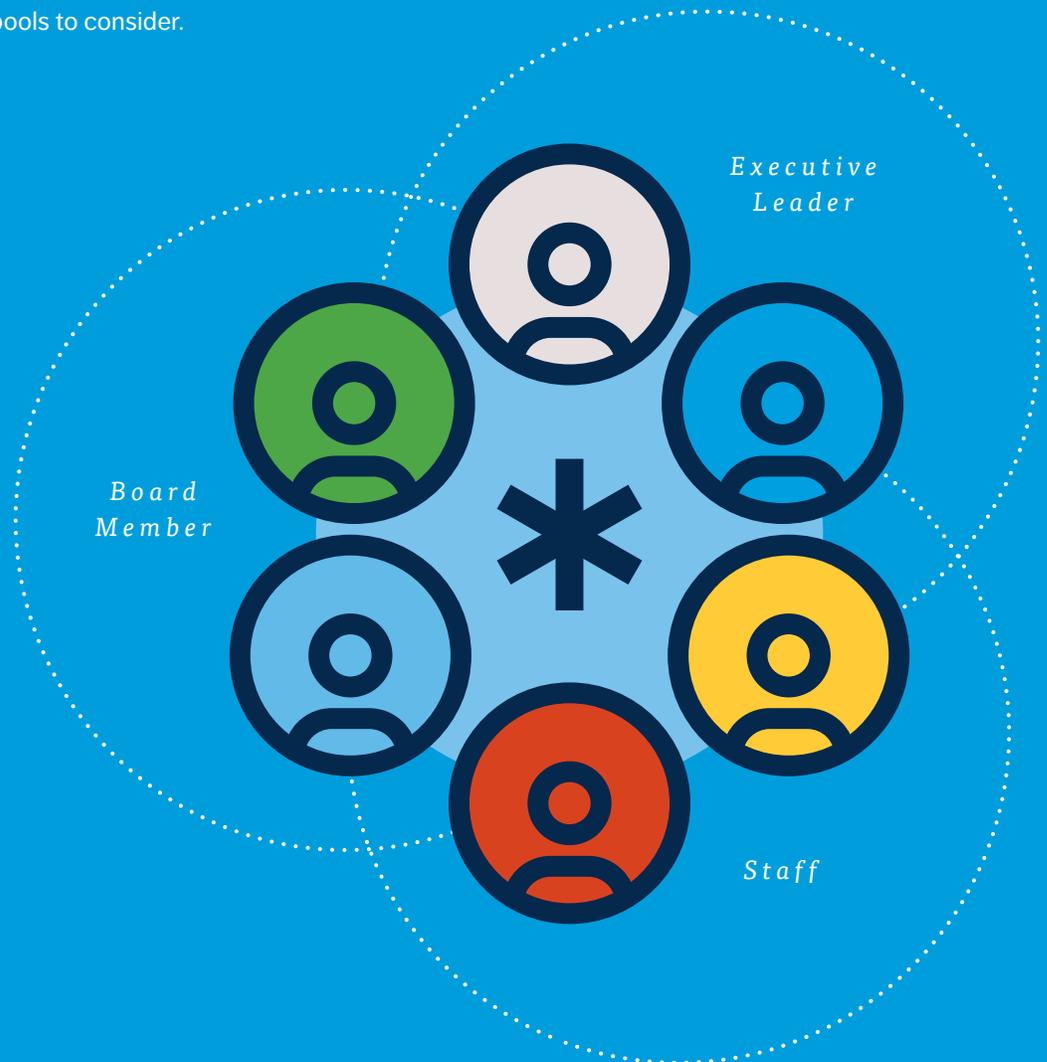
Politics Trends

- Declining local media resources – global and social publications are the norm
- State regulations do not allow foreign investment for local governments or pools – potential competitive disadvantage when compared to commercial markets
- Tipping balance from public entity pools being “member driven” to pools driving members toward improvement
- Regulatory oversight increases for public entity pools, local governments and schools
- Politicians change the social support system to create new burdens on public entity pools
- Political pressure to unbundle commercial insurance consolidations
- Tech-enabled voting, meetings, etc.

Putting it to work in your pool

Working on high-impact trends can be hard to prioritize amid typical day-to-day pooling functions and immediate operational concerns. And, it can be difficult to determine which trends will impact your pool, and what can you do about them. This is especially tricky when dealing with trends that are high impact but very uncertain.

But thoughtful identification of trends and associated preparation is critical to your pool's success, and to the success of public entity pooling as an industry. Conversations at the AGRiP Futures Forum, and the results we derived, can help establish guideposts for all public entity pools to consider.





Game Changing Leadership

Author: Ann Gergen

EXECUTIVE DIRECTOR - ASSOCIATION OF GOVERNMENTAL RISK POOLS (AGRiP)

This publication is focused on game changing trends, influences, and outcomes. These issues have impact so dramatic, uncertain, or widespread that they could change the trajectory of a public entity pool – or even public entity pooling, on the whole.

There is something else with the potential to be a game changer for your pool and for all pools. You.

Public entity pooling needs leaders who have skills and finesse to change the game. When I think of game changing attributes they include:

- A professional, credible and dedicated presence
- An understanding that organizational stability and sustainability is important, balanced with careful guard against complacency or apathy
- Value on input from all sources and someone who challenges him or herself to look at issues from all perspectives
- Ability to “mind the gap” – to see where plans don’t quite connect, consider risks lurking around the corner, and evaluate opportunities and threats embedded in every decision
- Someone who questions the status quo but doesn’t challenge it simply for the sake of change
- Enthusiasm to experiment and a willingness to say no when needed
- A goal of finding solutions that will not only meet a stated goal but go deeper to address core needs – the art of giving a member what they need, even if it’s not what they have asked for
- An understanding that there’s not “a goal” the organization needs to meet, but rather multiple simultaneous goals with varying degrees of complexity and importance that can ebb and flow on any given day
- Someone who holds the pool staff and its Board of Directors to a standard of constant improvement and innovation
- An ability to appreciate the value of an effort being “good enough” as a place to start, but unwillingness to let a project linger there for very long

Changing the game is less about what you do and more about why and how you do it.

We all know people in leadership positions who aren't able to change the game. And we also know true game changers, those who are leaders, no matter what the job title. We need game changing leaders to continue preaching the value of public entity pools and to demonstrate it through partnerships, performance, and service.

We need you, and all the game changing potential you possess.

Following are ideas to help your pool become more future ready



Host a conversation about these trends at your next Board of Directors meeting, a strategic planning session, or a Futures Forum of your own.

A structured way to host this conversation is to block 60-90 minutes and facilitate the following activity:

STEP ONE:

Email a copy of this document to all Board members before the meeting. Ask them to review the document in advance, with enough time for reflection about trends, influences, and impacts.

STEP TWO:

At the meeting, give each Board member a black pen and pack of two-inch Post-it notes.

STEP THREE:

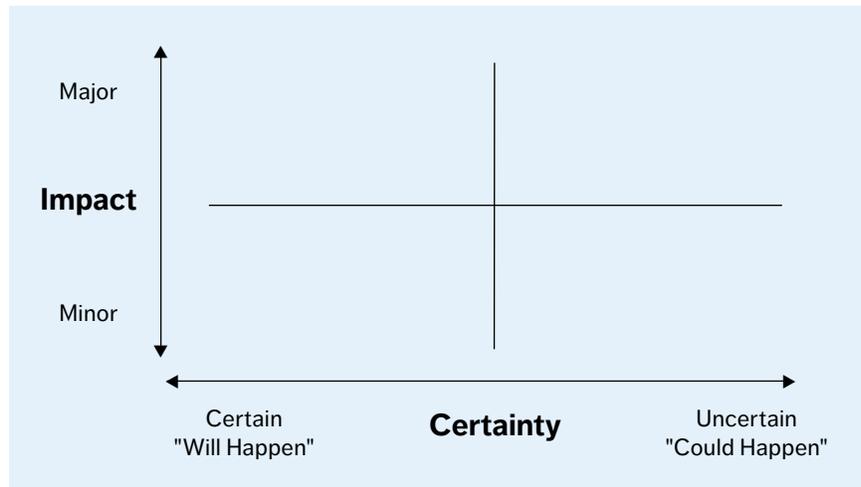
Ask Board members to individually and quietly brainstorm trends they feel are most likely to impact your pool in the next five to ten years, writing each trend they identify per Post-it note.

Give 10 minutes for this exercise.

STEP FOUR:

At the end of ten minutes, pair Board members into teams of two to four and have the teams take turns comparing their Post-it notes. Each group should have a larger piece of paper, e.g. a sheet of flipchart paper, and organize their trends along the Impact/Certainty axes as noted below.

Give the teams thirty minutes for this discussion.



STEP FIVE:

After teams have recorded their trends on the Impact/Certainty matrix, ask the entire group the following questions:

- What have you learned in doing this exercise?
- In what areas are we vulnerable or to what should we be paying more attention?
- What actions will we take as a result of this exercise?



Invite the executive leader and a Board member from another pool to participate in your pool's strategic planning meeting, a goal setting session, or similar. Or, ask if you can attend another pool's meeting.

Inviting outside perspective and different opinions can help challenge your thinking, broaden your understanding, and open your eyes to influences you might not otherwise consider.

(Hint: If you need help identifying or connecting with another pool, AGRIP is happy to help.)



Conduct an exercise based on the Futures Forum report to find influence or impact commonalities. Then, prioritize work in those common areas.

Work at either the Board level or with members of your leadership team to review all the findings from this Futures Forum report. Ask each participant to consider influences or trends of each category (either by STEEP category or by quadrant), brainstorming as a group where you think there could be impact on your pool.

Looking across all impacts you identified, what strikes you as common to the issue or influence? For example:

- Might your pool experience membership changes?
- How will your relationship with members shift as a result of the trends?
- Are there likely to be coverage or service changes?
- Do you expect political shifts that could impact your operations?

If several influences have common areas of impact, those are things you should pay attention to in your pool! Addressing commonalities and areas of overlap will help you prepare for any future.

IDEA
04

Change your typical strategic planning or goal setting methods, using a strategic foresight approach instead.

Strategic foresight will help shake loose the typical constraints that hold a group back during strategic planning – mental models, assumptions and anchors that keep you from scanning and anticipating larger environmental influences. In particular, a strategic foresight approach should garner:

- A wide array of identified trends, sorted by impact and certainty
- Several plausible scenarios for the future of your pool, and awareness of just how many other possible futures there might be
- A list of issues critical for your pool to address, to be future ready
- Short and succinct plans for the most critical issues



If you want assistance thinking about how to implement this approach for your pool, AGRiP can help.

A GUIDE FOR AGRIP MEMBERS



SUPPORT TO CONDUCT THE FUTURES FORUM CAME FROM:

