



THREE HORIZONS THINKING: A POWERFUL TOOL

Lyn McDonell MA, FCMC, C. Dir.
Principal, The Accountability Group, Inc.

April 10, 2024 | 12:30 p.m. ET



A HIGHER LEVEL of
management consulting
ONTARIO



Un NIVEAU SUPÉRIEUR
de conseil en management
ONTARIO





WHAT'S UP NEXT

The 2nd Wednesday of the month 12:30pm eastern

Visit CMC-Canada for a list of all Canada events

<https://www.cmc-canada.ca/Events>



What's Up Wednesday

HARNESSING AI:
REVOLUTIONIZING
MANAGEMENT CONSULTING

Panel Discussion

May 8, 2024 | 12:30-1:30pm

Registration Open

What's UP?
Wednesday





AGM

Members of CMC-Ontario are hereby notified that the Annual General Meeting will be held **virtually** on April 25, 2024 at 5:00 P.M. EST.

CMC members are asked to submit a proxy today

<https://cmc-canada.site-ym.com/event/ONAGM2024>

ONTARIO ANNUAL GENERAL MEETING

APRIL 25, 2024

Presented by: ICMCO



2024

REGISTER



2024 Call for Nominations for FCMCs CMC-Ontario!

- FCMC Nominations **Deadline is June 21, 2024**
- Is there someone you respect for their contribution, professionalism, and integrity?
- Visit the CMC Ontario Website for more Information

Recognizing Outstanding
CMCs



Nominate a FCMC

<https://fcmc-ontario.ca/>

WHY JOIN?

MEMBERSHIP CONNECTS YOU



CONSULTANTS



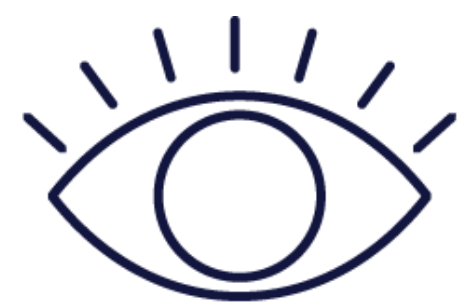
NETWORK



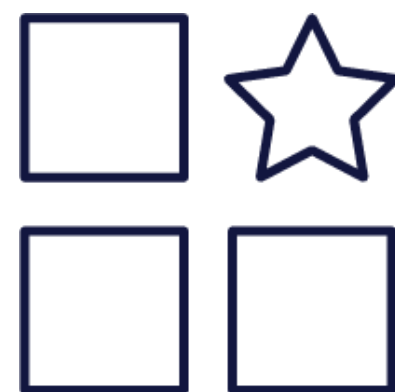
RESOURCES



CERTIFICATION



VISIBILITY



DIFFERENTIATE



Reminders

- You will be muted for this call
- To ask a question – Type the question into the chat tool.
- We kindly ask that you turn your Video on if you are able to. We want to see your smiling faces!
- This session will be recorded
- A copy of the presentation will be available after the event.



ABOUT OUR GUEST SPEAKER

Lyn McDonnell

- ❑ A Fellow of this Institute (2019)
- ❑ Int'l. Development experience 7 months, Nigeria 1976-77
- ❑ Experienced facilitator and consultant since 2006, and Principal of The Accountability Group, Inc. est. 2008
- ❑ Adjunct faculty at York University since 2018
- ❑ Chartered Director professional designation in governance
- ❑ Experience as CEO, COO, Board Chair, and Director in local, regional and national organizations
- ❑ Contributor to 2nd and now 3rd (2024) Editions: *The Handbook of Board Governance: A Comprehensive Guide for Public, Private, and Not-for-Profit Board Members*



What's **UP?**
Wednesday

CMC



Three Horizons Thinking: A Powerful Tool

Lyn McDonell MA, FCMC, C. Dir.
Principal, The Accountability Group, Inc.



Grazing the Transcontextual Landscape

Research, Learning, Listening, and Conversations 2020-2024

Influences @ April 2024

The
Accountability
Group

Interest Topics and Programs

- Sustainable Development Goals (SDGs) and Role of Higher Education, Geopolitics, Energy & Carbon Economy, Economics & post-growth, Social & planetary boundaries, Existential risks, Global Warming & Climate Science
- Modern Corporate Governance issues such as addressed in Harvard Law School Forum on Corporate Governance, Institute of Corporate Directors and similar globally.
- Environmental Social Governance (ESG), Sustainability & Disclosures: Standards & Materiality Issues, Context-based sustainability. Topics in Fiduciary Duty.
- Web 3/ DAOs, Artificial Intelligence (governance) Complexity, Indigenous & wisdom traditions, Permaculture,, Circular economies, Deep adaptation, Sense-making
- Programs: Regenerative Economics (Capital Institute), Beyond Systems Thinking (ETH Zurich), Concepts of living systems (Capra Course), Theory U (Presencing Institute), BFN (Context Institute), Regenerative Leadership Program (nRhythm), Critical Systems Thinking & Practice Deep Dive Programme (Enlightened Enterprise Academy UK) and a few others...

Grateful to Inspiring People for their Vanguard Insights

Edward deBono (thinking), Otto Scharmer (Theory U), Fritjof Capra (living systems), John Fullerton (regenerative economics), Donella Meadows (systems), Russell Ackoff (management & systems), Herman Daly (ecological economics), Lynn Stout (shareholder & stakeholder value), Deborah Hicks Midanek (corporate fiduciary), Peter Zeihan (geopolitics), (Nate Hagens (polycrisis), Nora Bateson (warm data), Daniel Schmachtenberger (existential risks), Harold G. Nelson (design), David K Hurst (ecology cycles), Jonathan Rowson (orientation in metacrisis), Bonnitta Roy (embodied ontology) Carol Sanford (regenerative business), Tyson Yunkaporta (aboriginal wisdom), Indy Johar & Dark Matter Labs (forward-looking societal design), Mark McElroy (context-based sustainability), Vanessa Andreotti (deconstructing), John Vervaeke (cognitive science), John Kay (obliquity), Christo Norden Powers (powerful questions), Mary Christina Wood (Nature's trust), Mary Parker Follett (brilliant early thinker), Kate Raworth (donut economics), Elinor Ostrom (the commons), r3.0 (emergent models), Tre' Cates et al (regenerative organizations), Mariana Mazzucato (mission economy), Dave Snowden (Cynefin), Graham Boyd (ergodic strategy), Daniel Christian Wahl (regenerative cultures), Roger Martin (strategy & management), Jordan Hall (deep code), Jenny Stefanotti (alternative approaches societal scale), David Fleming (polymath)... & many more

How to combine together?

Governance



Regenerative

- **Governance is how an organization (or any system) is steered and controlled in order to ensure its purpose is achieved.** It is a set of processes and structures encompassing who makes what decisions, how those decisions are made, how stakeholders have their say, and how decision-makers are held to account.

- **The word “regenerative” means that the *conditions* for life, and an ongoing vitality, are present.** John Ehrenfeld describes it as a “flourishing”— the realization of some potential that has been enfolded in the present, a process that, like life itself, is autobiographical and ongoing.

We'll cover these items ...

1. The Context calling for a regenerative governance
2. Six Thinking Frameworks
3. Three Horizon Thinking (#2 of 6)
4. Thoughts on Management Consulting
5. Your Turn



1| The Context calling for a
regenerative governance...



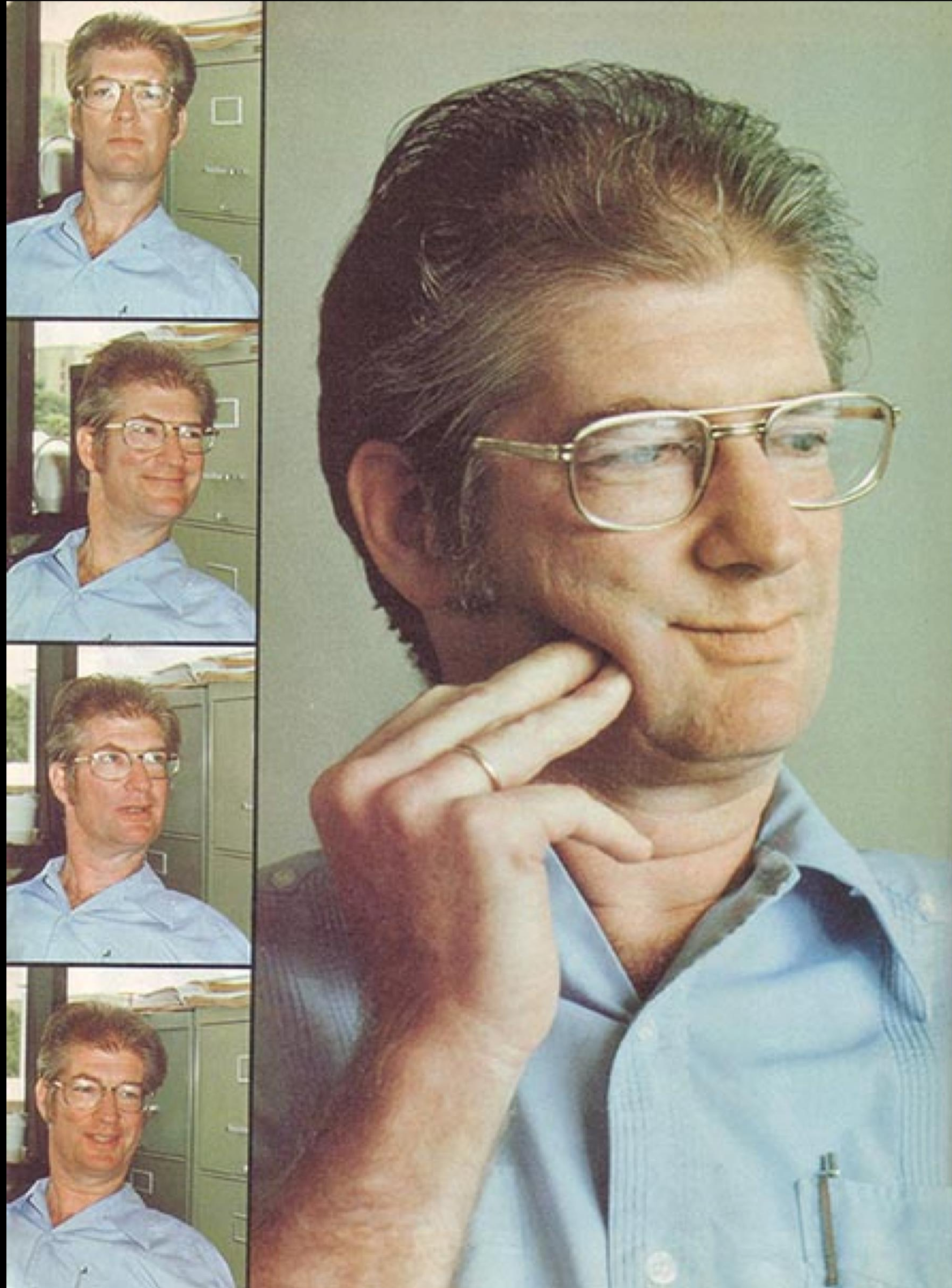
Successful problem solving requires finding the right solution to the right problem.

We fail more often because we solve the wrong problem than because we get the wrong solution to the *right problem*.”

Russell Lincoln Ackoff 1919–

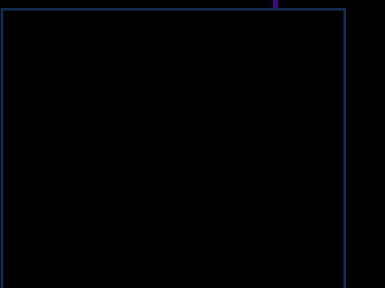
2009

American pioneer in the field of operations research, systems thinking, and management sciences

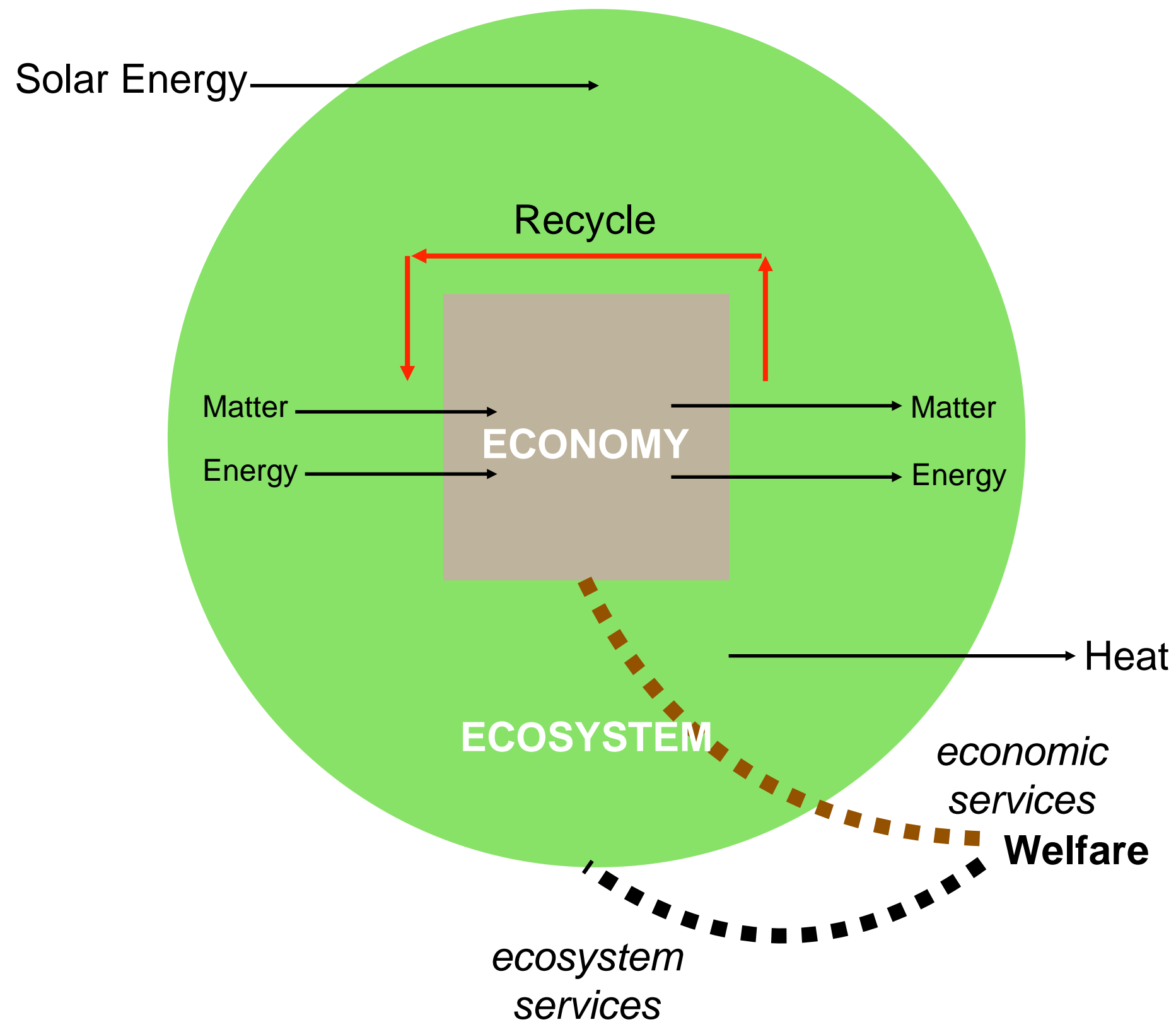


“The economy is a wholly owned subsidiary of the environment and not the reverse.”

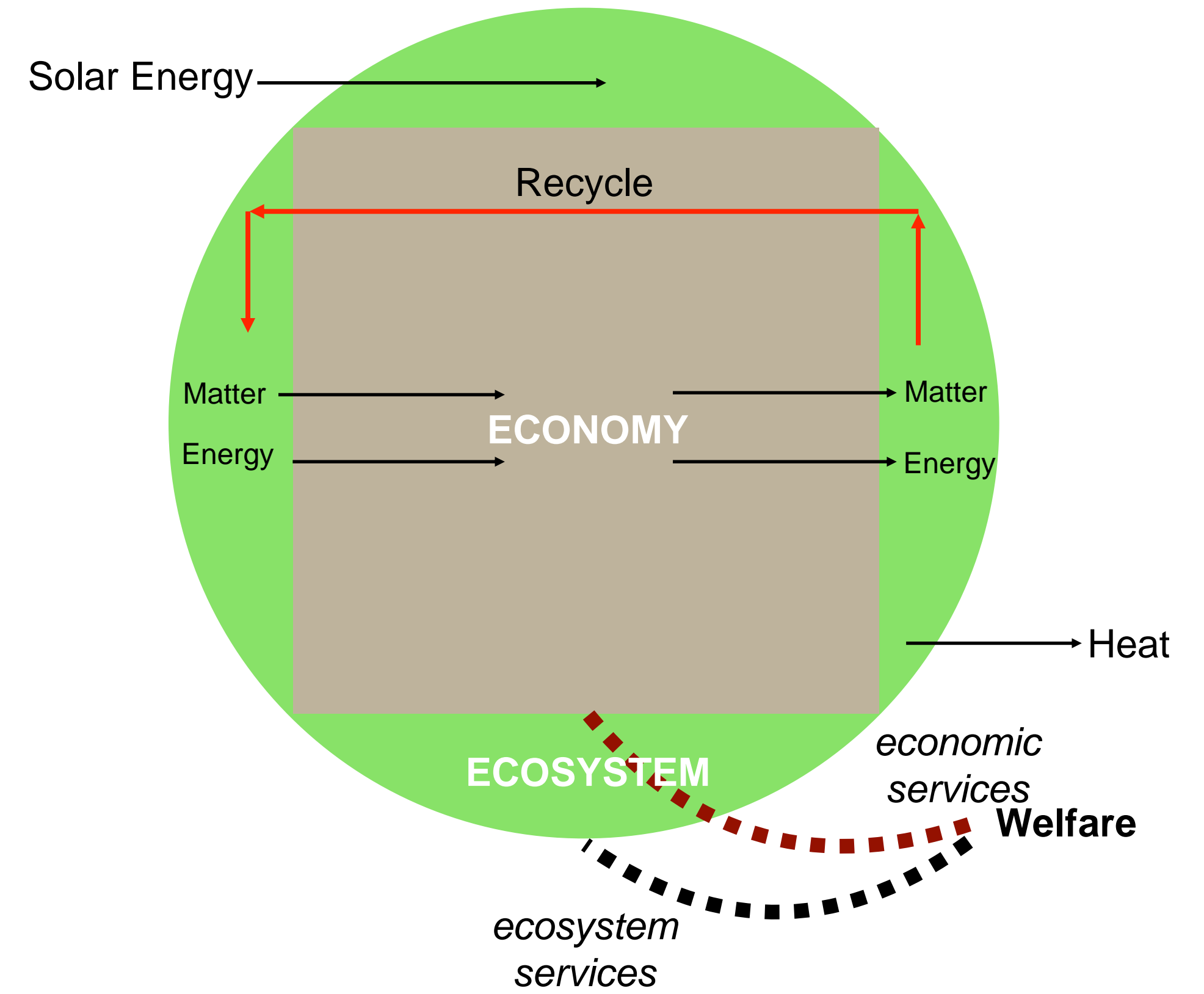
– Herman Edward Daly 1938–2022
American ecological and Georgist economist



Empty World

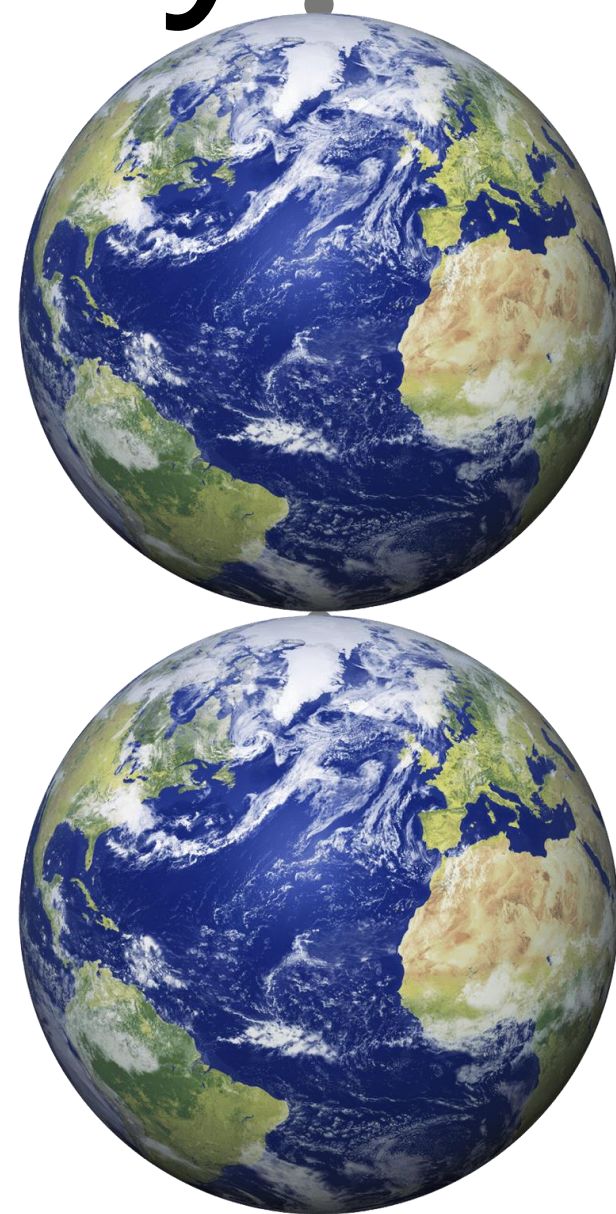


Full World



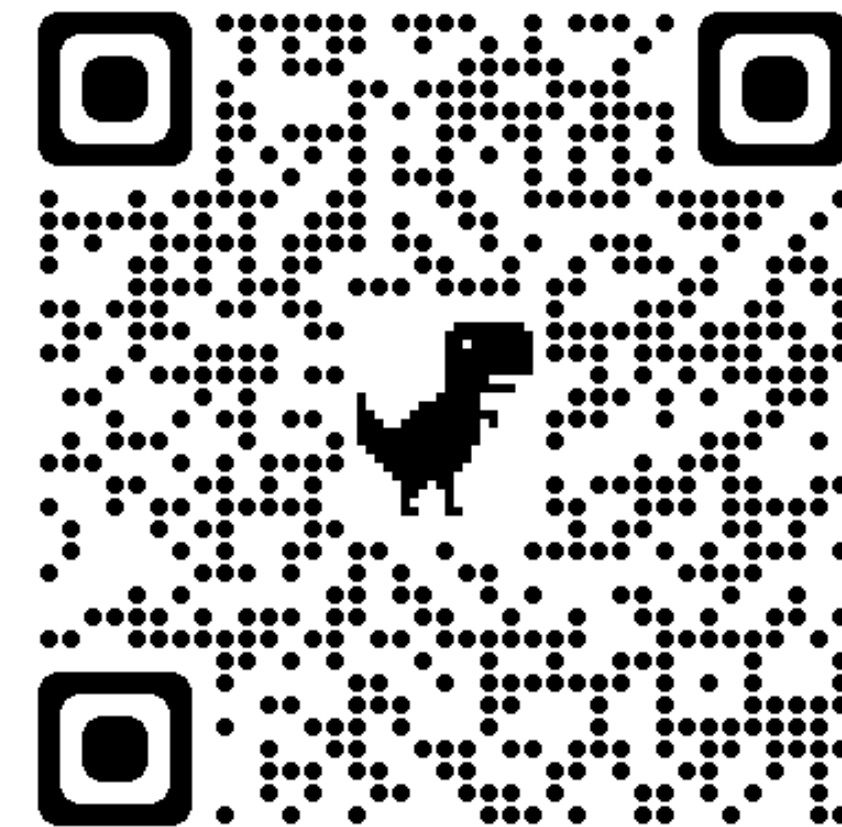
World Development Bank report *Draft*,
"The Economy and the Environment," 1992

The global
consumer economy
will soon require
2 planets



From 2017 to 2030 the ecological footprint of the global economy is expected to increase from 1.7 to 2.0

That means that by 2030, we will need the equivalent of two planet Earths to provide us with natural resources for our consumption and absorb our waste



theworldcounts.com

“Long-term sustainability needs rules that match attributes of resource systems and users.”

– Elinor Claire “Lin” Ostrom 1933–2012
American political scientist and political economist

Credit: <https://lametropolitadelasmujeres.wordpress.com/2016/10/15/elinor-ostrom-primera-ganadora-del-nobel-de-economia/#jp-carousel-865>



Conventional Governance
STRONG FOUNDATIONS

Balancing Fiduciary and Life-Centred Dynamics

The fiduciary perspective
aligns purpose, roles, processes,
results and impacts

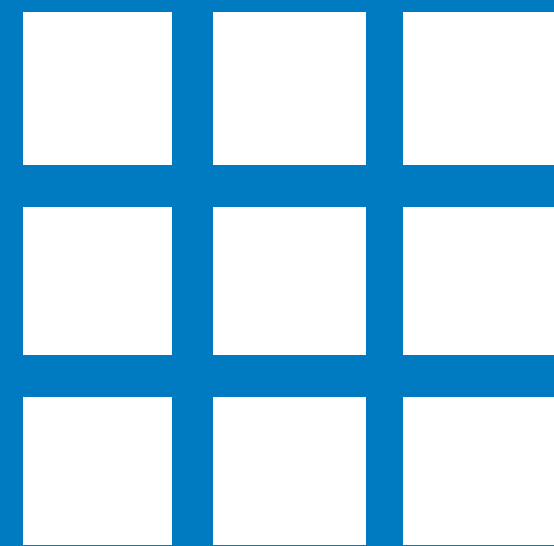


Balancing Fiduciary and Life-Centred Dynamics



Balancing Fiduciary and Life-Centred Dynamics

The fiduciary perspective
aligns purpose, roles, processes,
results and impacts



The life-centred perspective
restores and creates conditions
for living systems vitality




Restoring Vitality for Thriveable Futures

Grafting is a process by which a portion of the shoot system or root system of the same or different plants, brought into intimate contact, unite and grow together anatomically, and interact physiologically as a single functional unit (whole plant).

—Cornell University,
Horticultural Concepts and Definitions



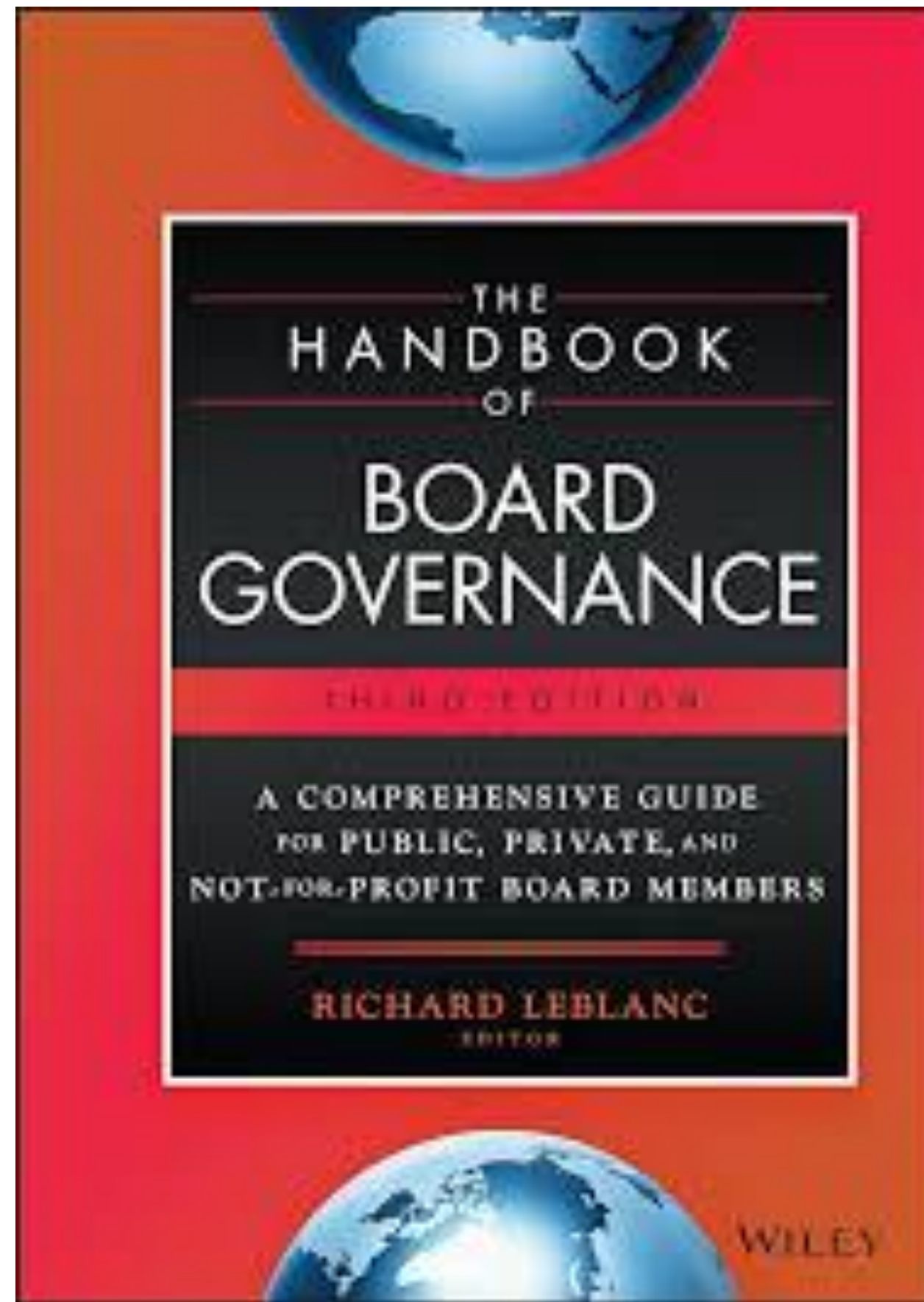


**Boards and
Senior Leaders**

**Regenerative Governance
is a living system perspective
that grafts onto conventional
governance to support transition
from “business as usual”
towards thriveable futures.**

— Lyn McDonell

Principal, The Accountability Group



Published March 2024, the “gold standard in board governance reference”



Next, fly-over of the Frameworks

1. The Context calling for a regenerative governance
- 2. Six Thinking Frameworks**
- 3. Three Horizon Thinking (#2 of 6)**
4. Thoughts on Management Consulting
5. Your Turn

2| Six Thinking Frameworks

1.0 | Zooming Out, Zooming In

Seeing in Systems: The Relational Web

Zooming Out: Systems, relationships, networks, and high views.

Zooming In: Values, structure, intent and systems built on the zoom out.

Zooming Out: Systems, relationships, networks, and high views.

Zooming In: Values, structure, intent and systems built on the zoom out.

Zooming out and zooming in become methods of their organization and dynamic constraints of the system. They are constantly in flux and are influenced by external forces, data, and feedback. Zooming out and zooming in are necessary to understand and act on the system. They are necessary to understand and act on the system. They are necessary to understand and act on the system.

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1.0 | Zooming Out, Zooming In takes in views from different system levels with different ways of knowing in order to perceive wholeness: influences, impacts, dependencies, and evolving relationships.

2.0 | Three Horizons Thinking

Recognising Divergent Futures

H1 "What's on the Wall" (Short Range)

H2 Transition (Mid Range)

H3 Viable Future (Long Range)

Zooming out and zooming in become methods of their organization and dynamic constraints of the system. They are constantly in flux and are influenced by external forces, data, and feedback. Zooming out and zooming in are necessary to understand and act on the system. They are necessary to understand and act on the system. They are necessary to understand and act on the system.

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2.0 | Three Horizons Thinking applies the framework of three major stages of systems change in order to contextualize deliberation.

3.0 | Vital MultiCapitals

Valuing the Four Interconnected Capitals

Financial Capital: Money, assets, and investments.

Social Capital: Networks, social norms, and shared values.

Human Capital: Knowledge, skills, and innovation.

Natural Capital: Ecosystems, natural resources, and environmental services.

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3.0 | Vital MultiCapitals values assets beyond the financial that together support the thriveability of whole systems within nature.

4.0 | The Adaptive Cycle

Learning into the Patterns of Change

Growth: Organizational and individual processes and networks expand.

Conservation: Consolidation and stabilization of the system.

Release: Disruption and breakdown of the system.

Renewal: Reorganization and regeneration of the system.

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4.0 | The Adaptive Cycle appreciates the cyclical nature of all things, how adaptive change happens, and where innovation emerges.

5.0 | Conditions, Conditions

Transitioning Towards Thriveable Futures

Culture and Activity: Values, structure, intent and systems built on the zoom out.

Open for Innovation: Collaboration, Innovation, and Resilience.

Right Leadership: Vision, Strategy, and Execution.

Disruption and Renewal: Change, Innovation, and Growth.

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5.0 | Conditions, Conditions creates circumstances and parameters for adaptation that allow people to develop their capabilities and make purposeful contributions.

6.0 | New Story

Redirecting to "What Really Matters"

Old Systems: What's on the Wall.

New Story: What Really Matters.

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6.0 | New Story attends to what really matters now and for future generations.

3| Three Horizon Thinking

N.B. Guidance on the use of the Three Horizons framework is available at H3Uni and the International Futures Forum

<https://www.h3uni.org/tutorial/three-horizons/>
and <https://www.iffpraxis.com/three-horizons>.

A. McKinsey Consultants... Study and Findings... Innovation and Market Creation and Development

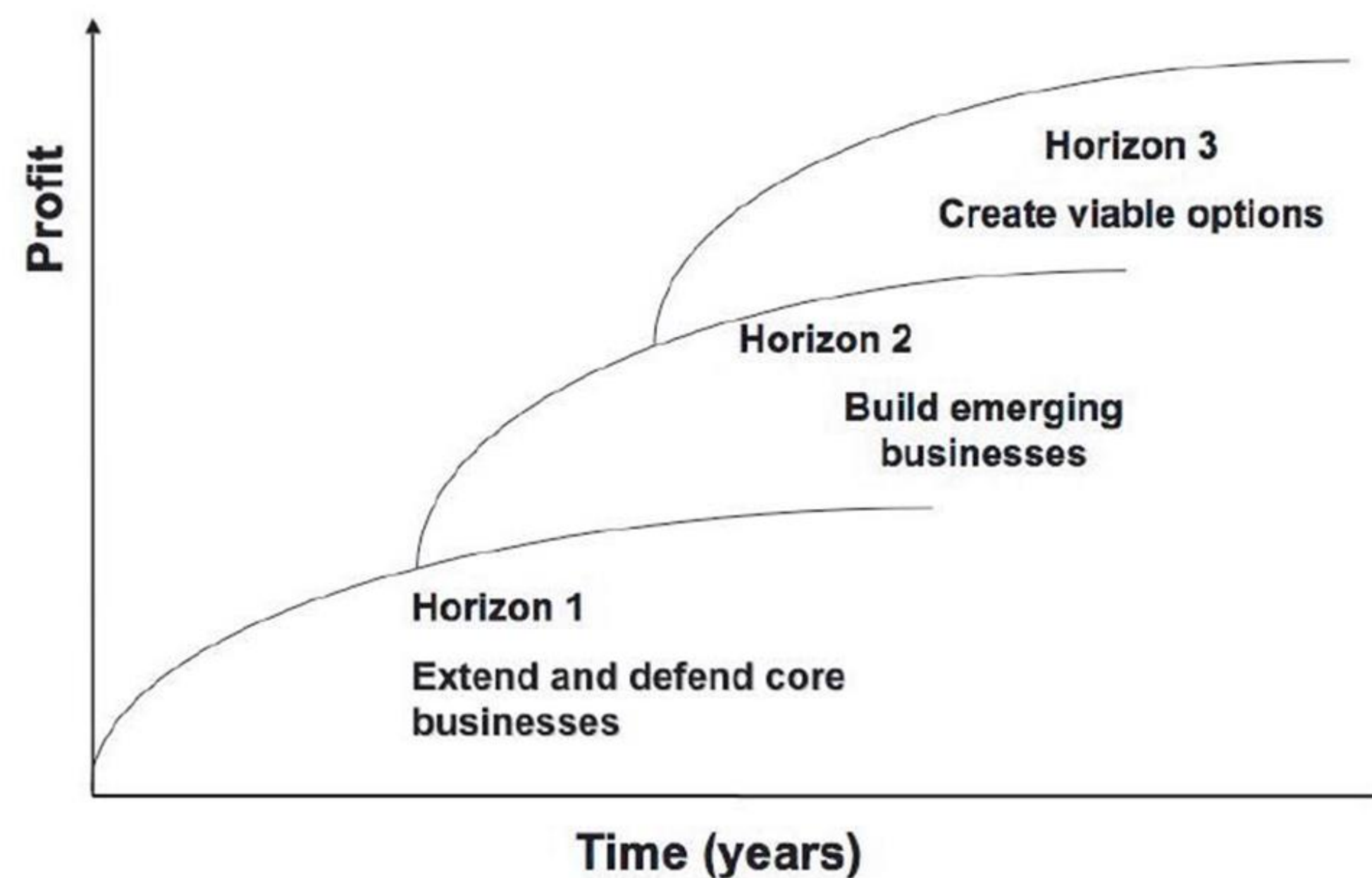
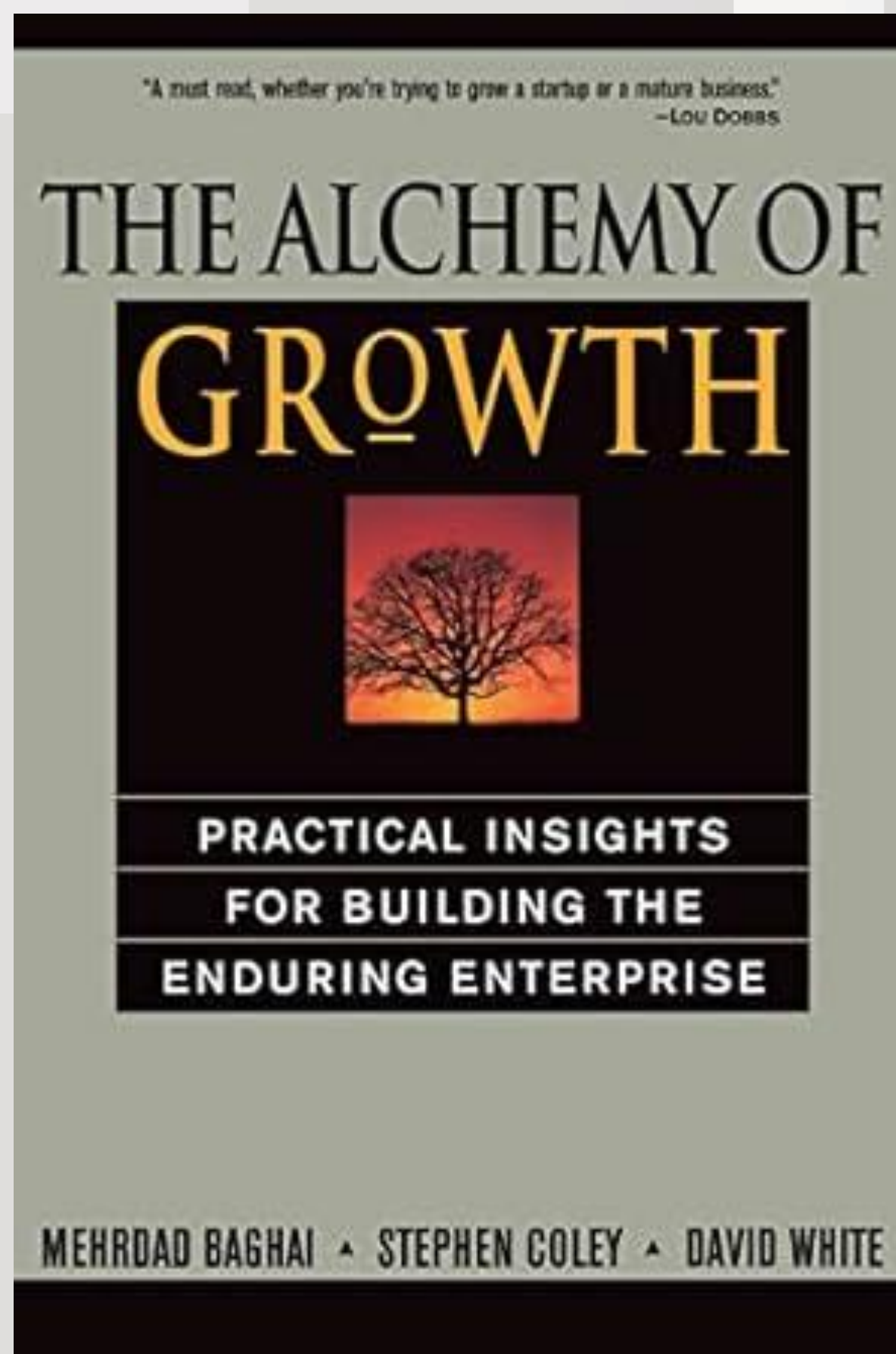


Figure 2. The original management-oriented Three Horizons model

Note. From *Alchemy of Growth*, by Mehrdad Baghai, Stephen Coley, & David White, 1999, New York, Orion.

B. IFF, Bill Sharpe and Dr. Anthony Hodgson's adaptation



Bill Sharpe



Dr. Anthony Hodgson

Depicting how **ideas** of the present and future exist in parallel in the present ... with different levels of social and public influence.

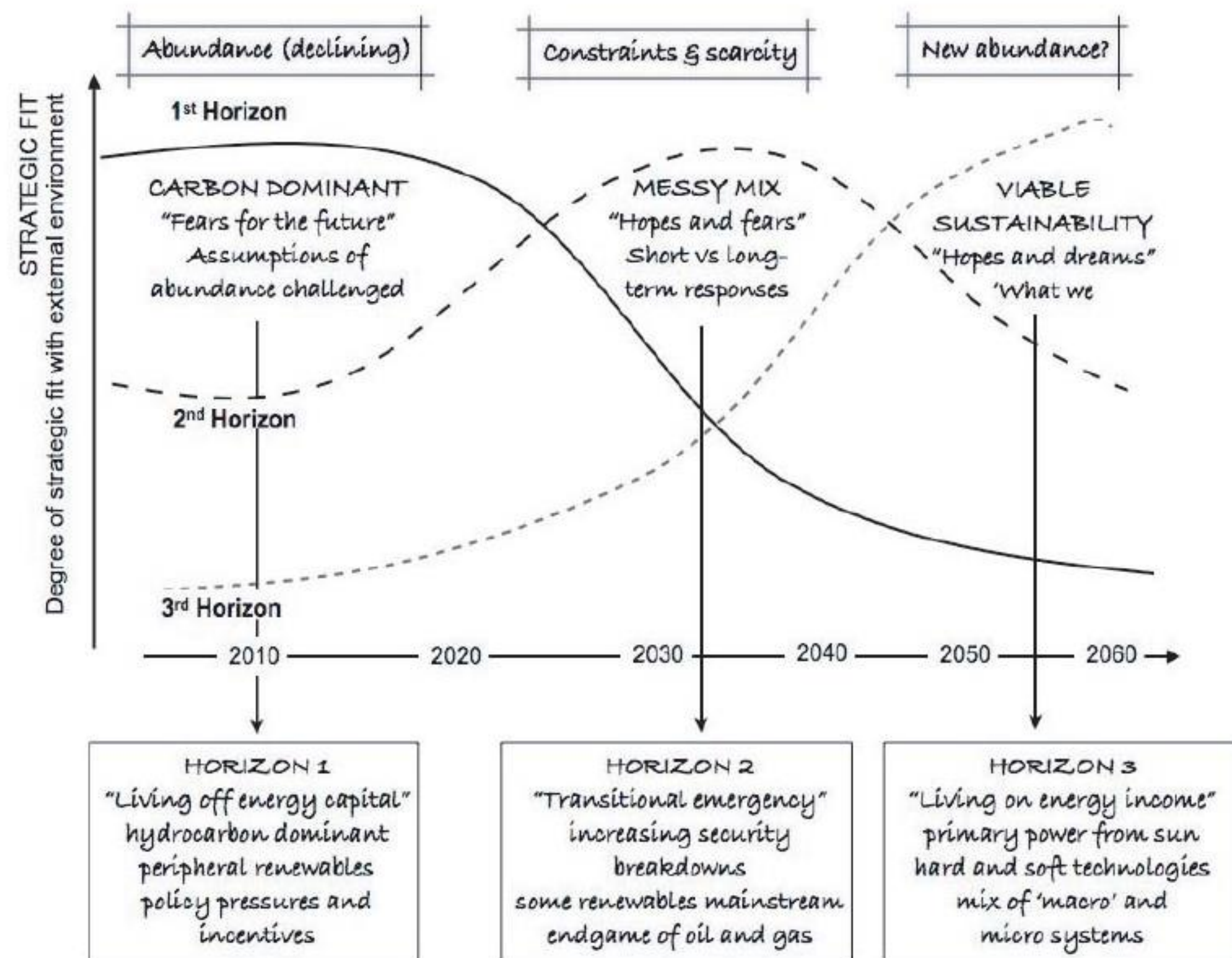


Figure 3. Three Horizons and energy security

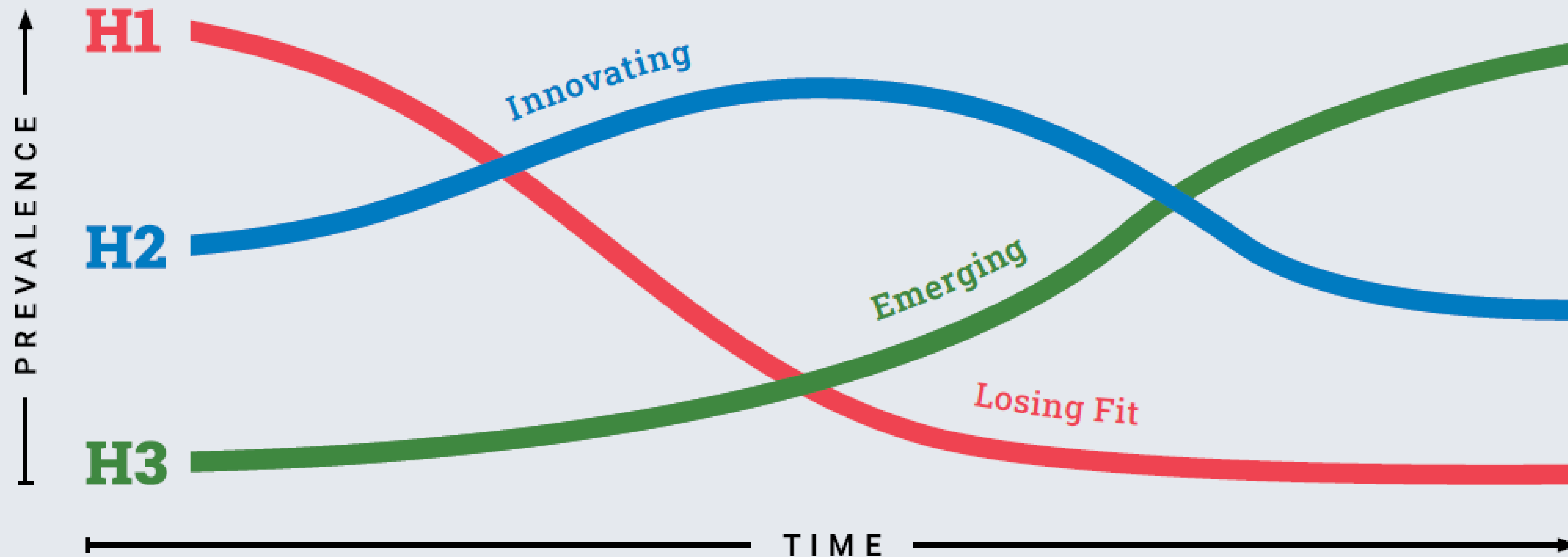
Note. Adapted from "Energy Security and Climate Change", by Bill Sharpe, Anthony Hodgson, & Ian Page. Discussion Paper, International Futures Forum, 2006, Aberdour.

Recognizing Divergent Futures

H1 "Business As Usual"
Managerial

H2 Transition
Entrepreneurial

H3 Viable Future
Visionary



Value of the 3H Framework

Provides a **vocabulary and structure** to explore the **impacts** of short, medium, and long-range change

Enables candid dialogue regarding the competing emotions, values, and perspectives we each have about the present and the future

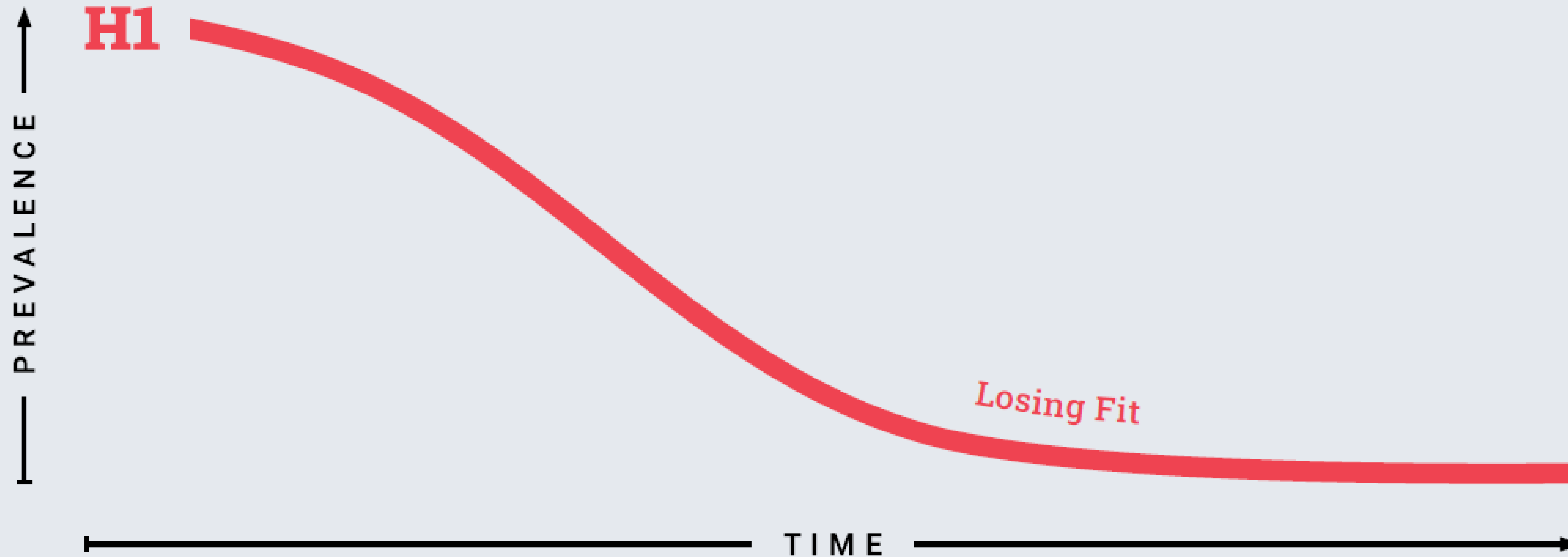
Makes the **larger system visible**: different roles, resource flows and power, and where the work resides

Distinguishes between incremental and transformational innovation

Provides a **narrative backbone** of the patterns we expect to see and have to navigate.

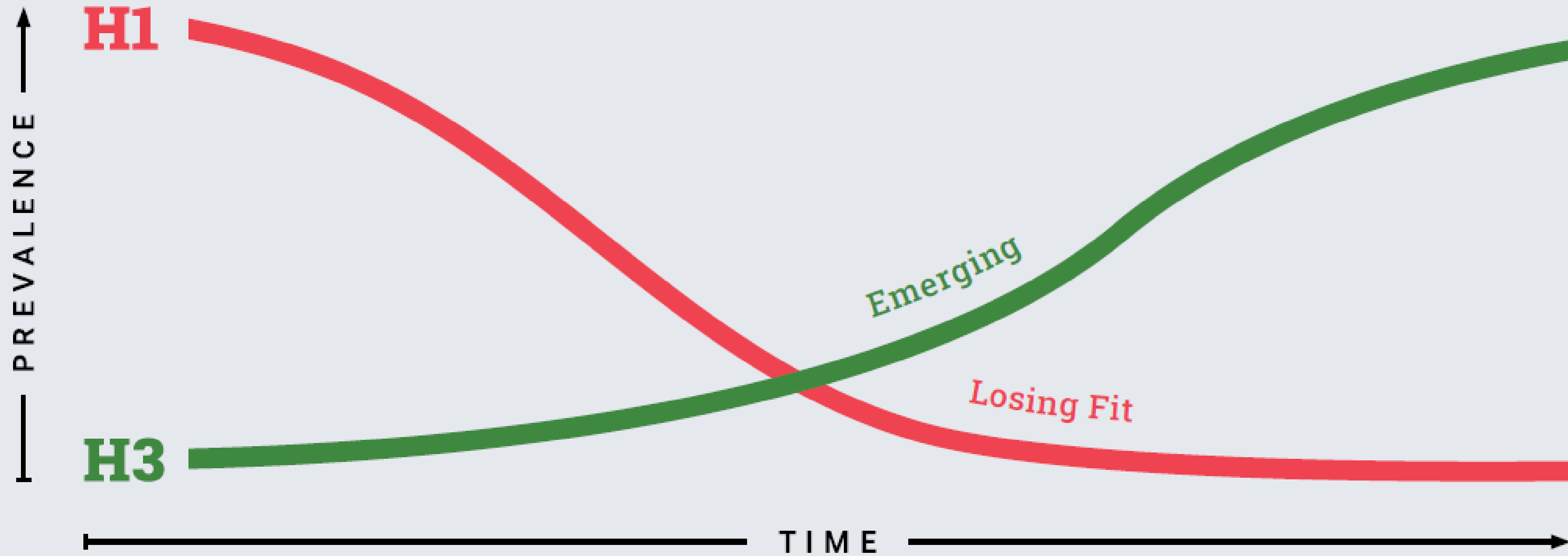
Recognizing Divergent Futures

H1 "Business As Usual"
Managerial



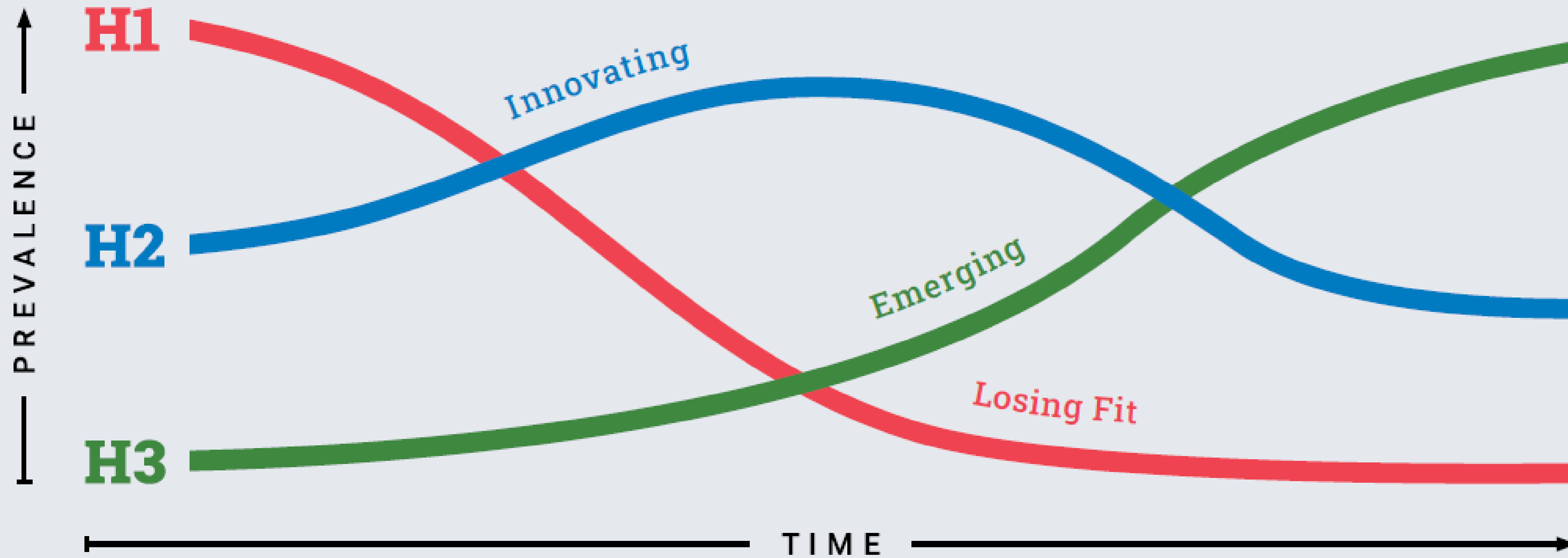
Recognizing Divergent Futures

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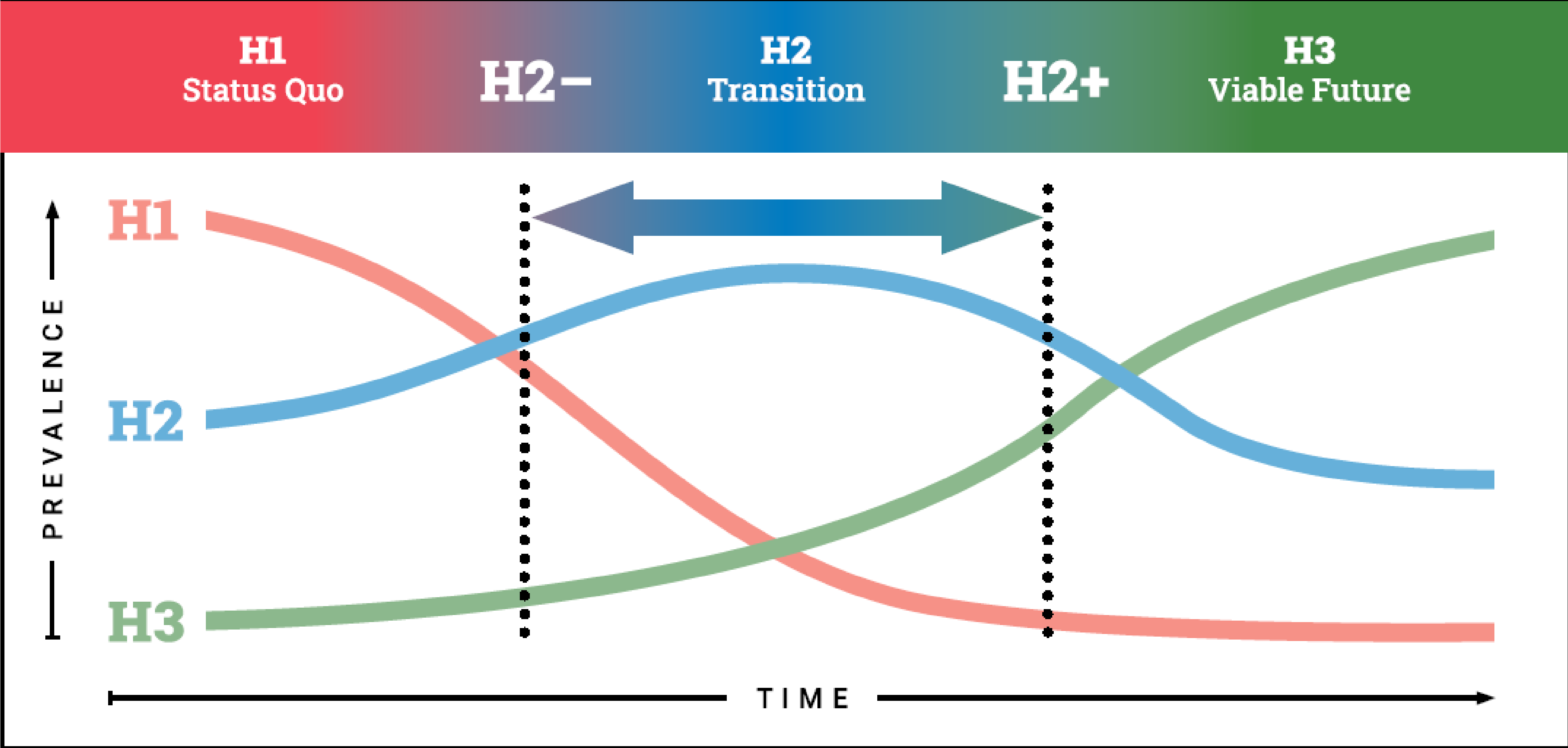


Recognizing Divergent Futures

H2 Transition Entrepreneurial



Enabling Short- and Long-Term Change



Enabling Short- and Long-Term Change Diagram adapted from Daniel Christian Wahl article's The Three Horizons of Innovation and Culture Change, Medium, 2017 and International Futures Forum at (<https://www.iffpraxis.com/three-horizons>)

Related Ideas

- Berkana Institute Two Loops ----Transition Design----Collapse Awareness Stages----Natural Step and Back-casting

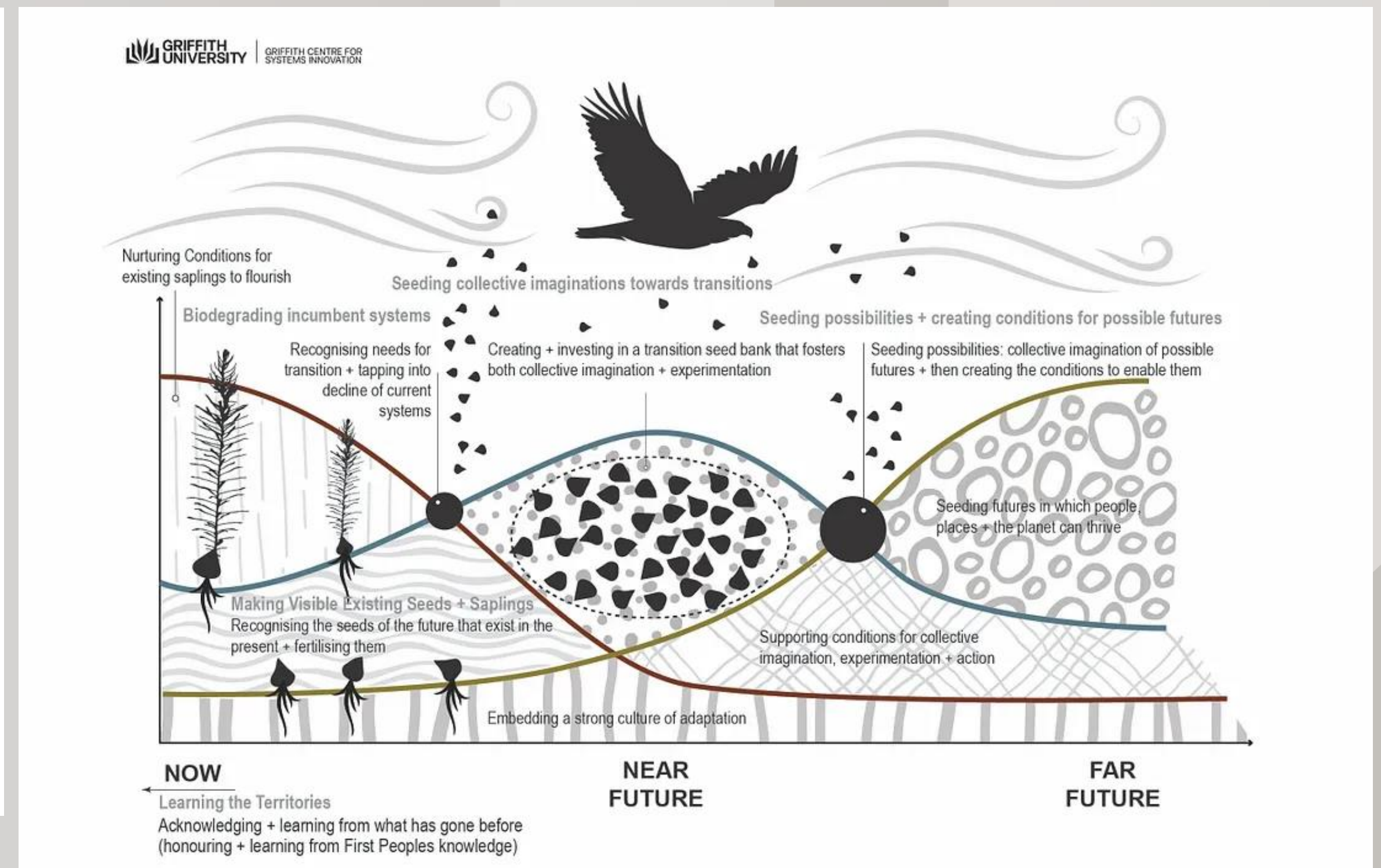
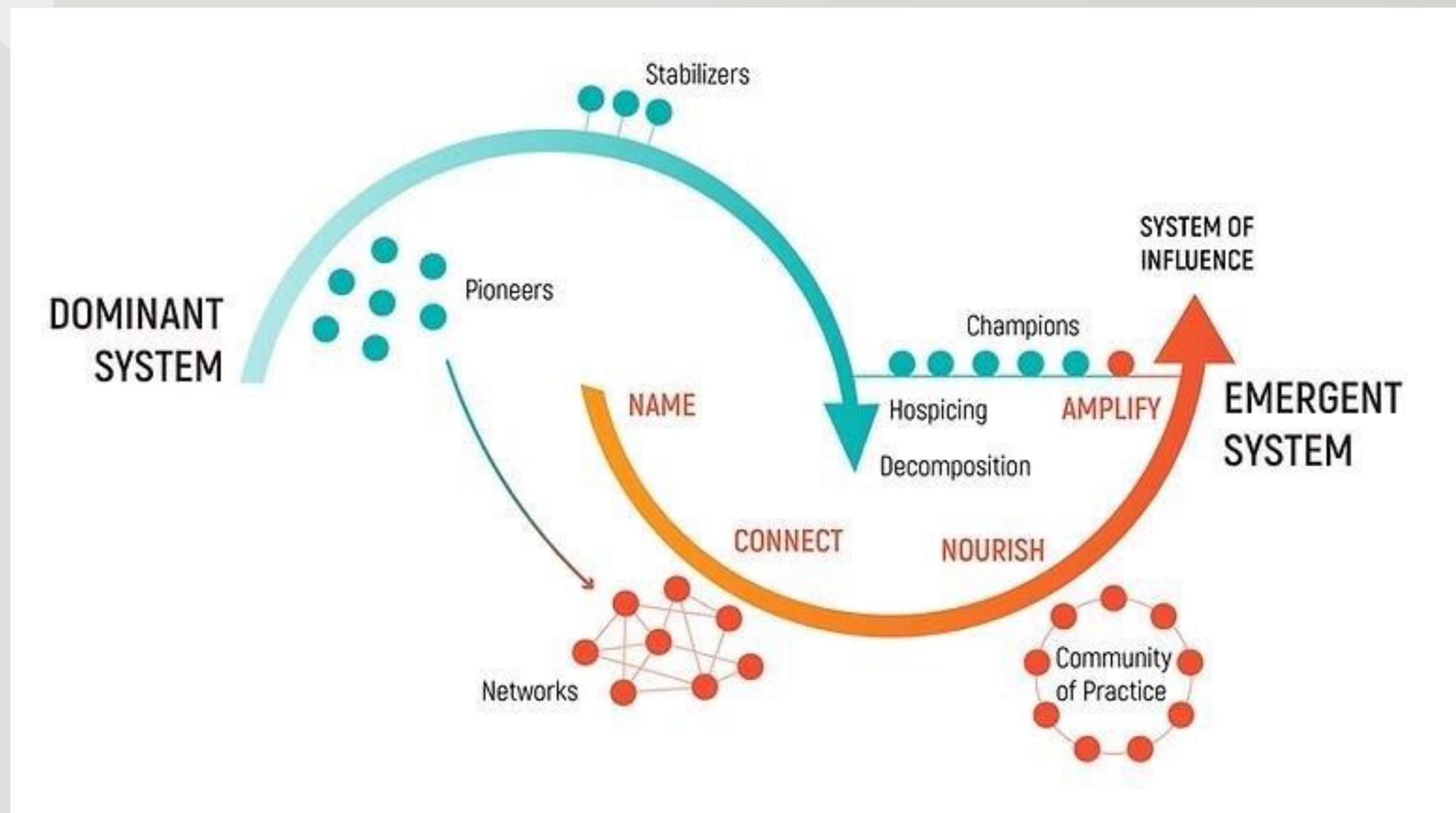
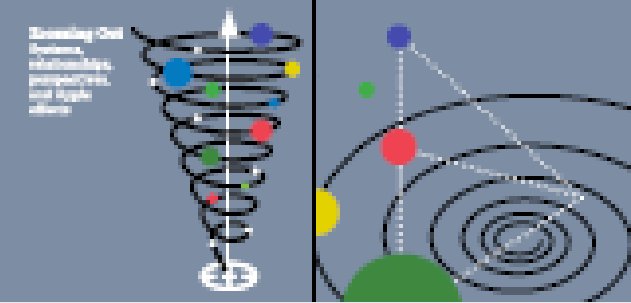
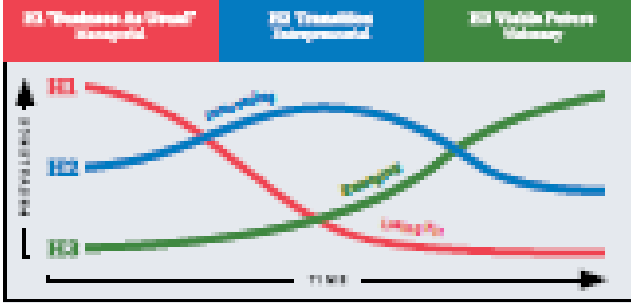

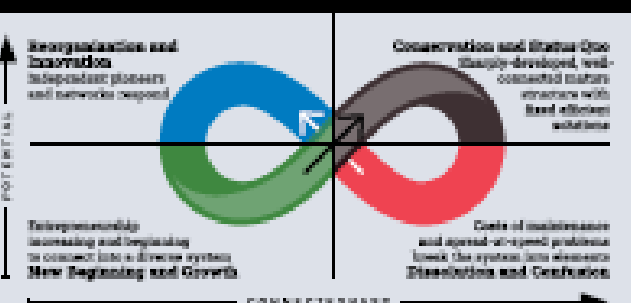
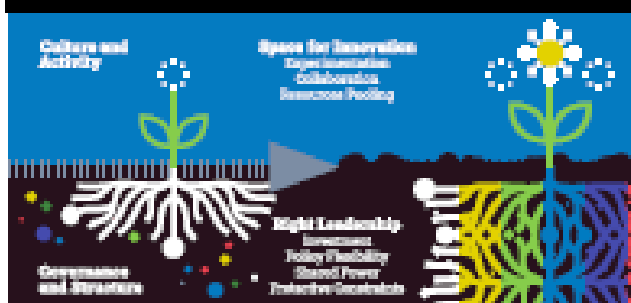



Image Credit: Raphael, Lily & Higuchi, Marcia & Kozak, Laura & Nichols, Erin. (2023). Peeling Back the Layers: Prototyping Systemic Transformation through the Circular Food Innovation Lab. Service Design and Innovation Conference. 538-551. 10.3384/ecp203029.

Credit: Griffith University's Centre for Systems Innovation <https://medium.com/good-shift/using-the-three-horizons-framework-to-see-futures-for-wellbeing-68ddcf53c882>

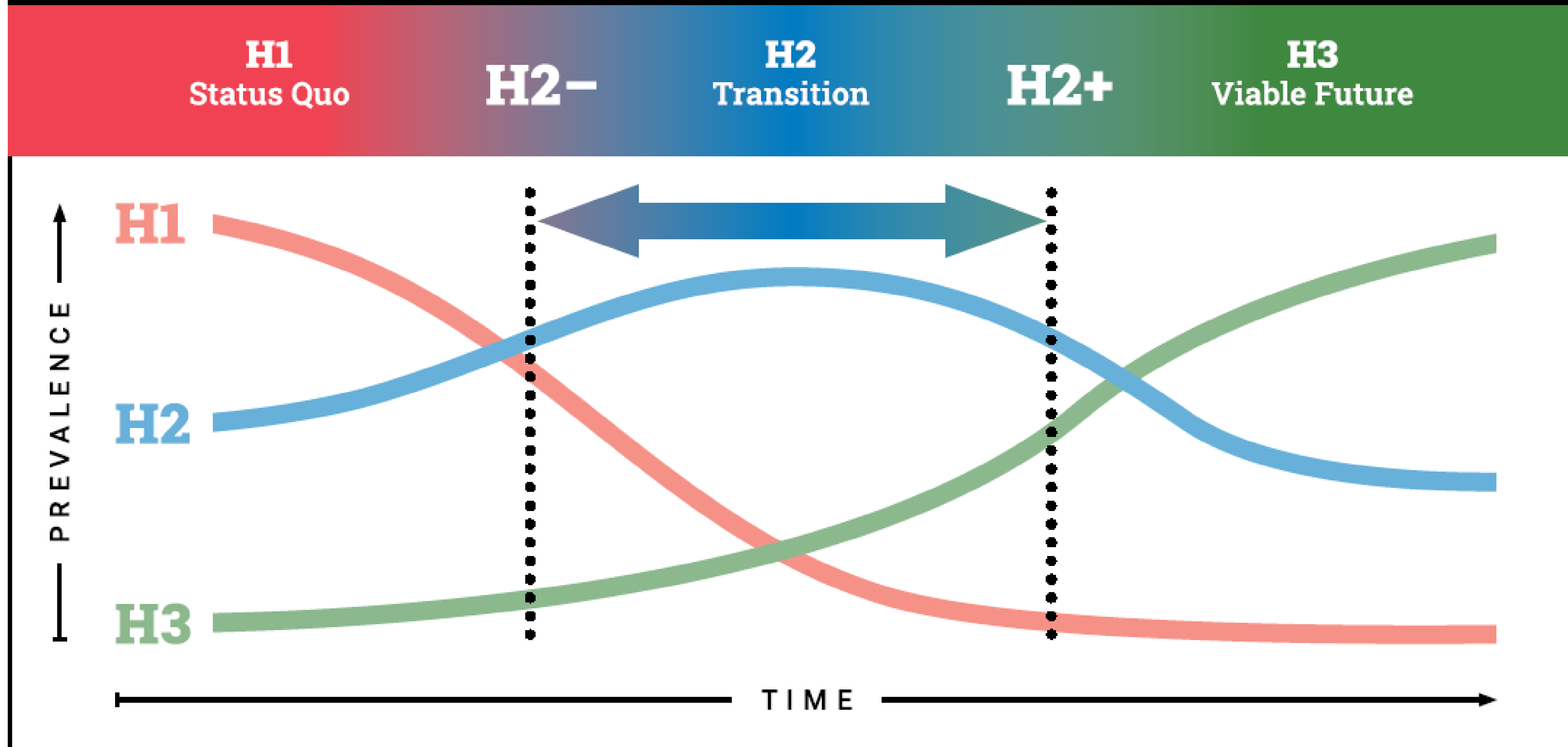
Dimensions of RG's Six Thinking Frameworks



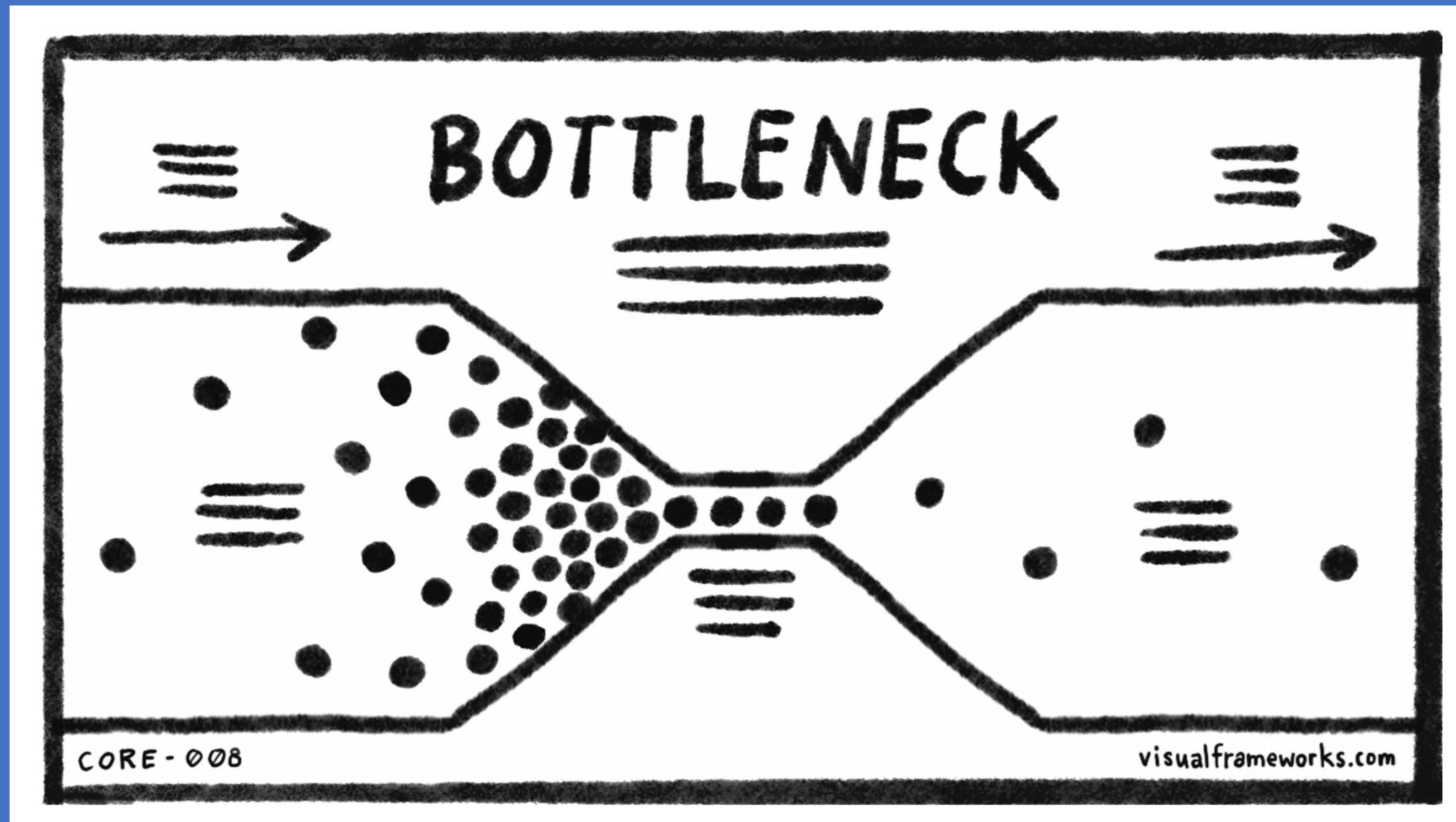
Relational Patterns	Time Horizons	Levels and Quality	The Ecological View	Capacities and Affordances	Emergence and Meaning
<p>1.0</p> <p>Seeing in Systems: The Relational Web</p>  <p>Zooming Out, Zooming In</p> <p><i>Zooming Out, Zooming In</i> takes in views from different system levels with different ways of knowing in order to perceive wholeness: influences, impacts, dependencies, and evolving relationships.</p>	<p>2.0</p> <p>Recognizing Divergent Futures</p>  <p>Three Horizons Thinking</p> <p><i>Three Horizons Thinking</i> applies the framework of three major stages of systems change in order to contextualize deliberation.</p>	<p>3.0</p> <p>Valuing the Four Interconnected Capitals</p>  <p>Vital MultiCapitals</p> <p><i>Vital MultiCapitals</i> values assets beyond the financial that together support the thriveability of whole systems within nature.</p>	<p>4.0</p> <p>Learning into the Patterns of Change</p>  <p>The Adaptive Cycle</p> <p><i>The Adaptive Cycle</i> appreciates the cyclical nature of all things, how adaptive change happens, and where innovation emerges.</p>	<p>5.0</p> <p>Transitioning Towards Thriveable Futures</p>  <p>Conditions, Conditions</p> <p><i>Conditions, Conditions</i> creates circumstances and parameters for adaptation that allow people to develop their capabilities and make purposeful contributions.</p>	<p>6.0</p> <p>Redirecting to "What Really Matters"</p>  <p>New Story</p> <p><i>New Story</i> attends to what really matters now, and for future generations.</p>

4| Thoughts on Management Consulting

Enabling Short- and Long-Term Change



From Dave Gray's deck



GOAL

Use of the Framework

GOAL

Foresight in Multiple Horizons

GOAL

Capability

Boards and Senior Leaders
RG Series 2024
Thinking Frameworks: Questions

**Let's shift
Board
conversations
to the new
reality.**

The
Accountability
Group

TAG RESOURCES
TAG
Reference Tools

2

What viable futures do we imagine?

What is losing fit and what is flourishing?

Does our root purpose express contribution and value that will be resilient (and not degenerative) through H2 and into H3?

How do we see transition happening?

Reference Note: See Three Horizon resources for many important questions in sequence.

What attentions, understandings, and skills will help us/the organization navigate?

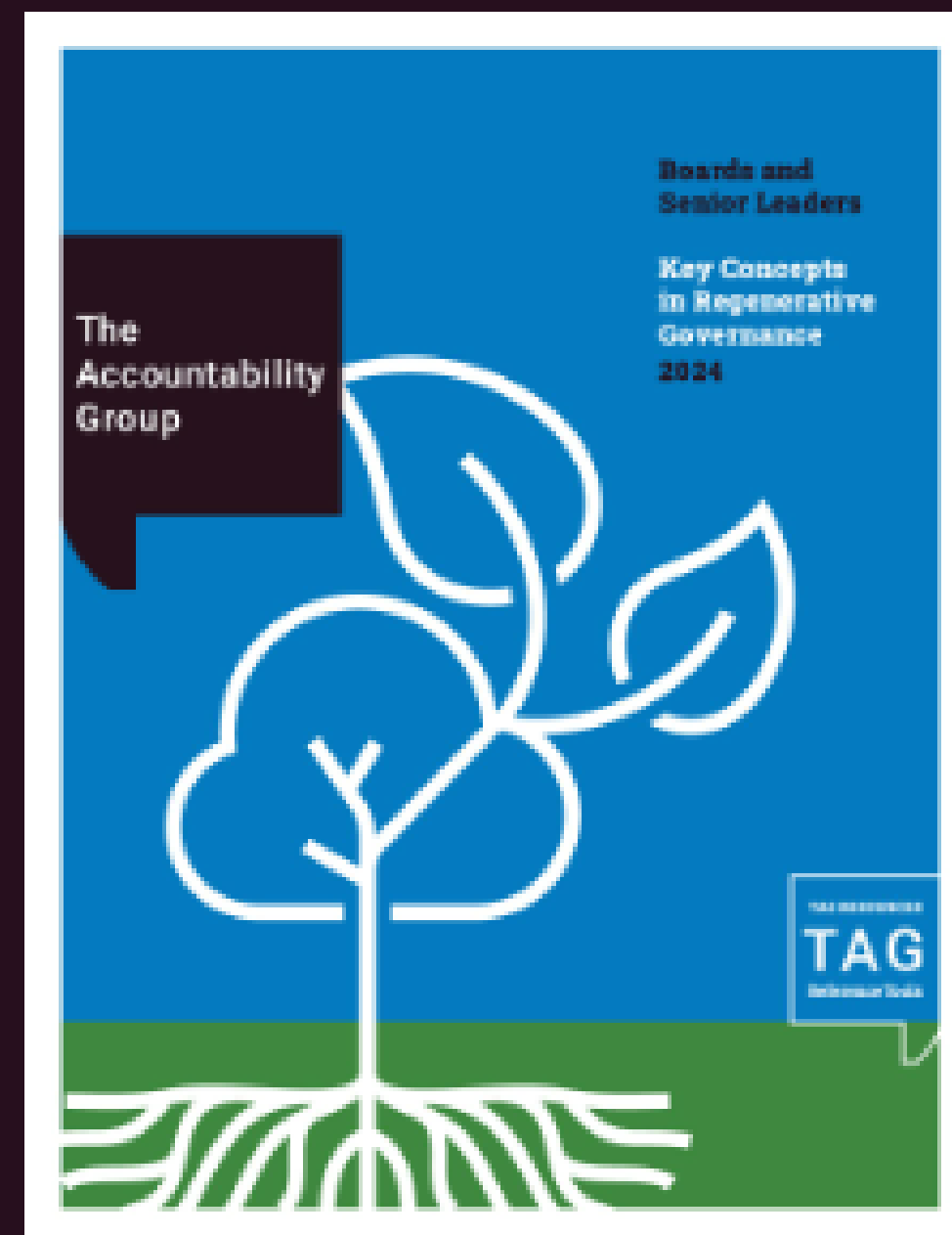
Where are the pockets of H2+ innovation now?

How do we bring younger people forward to contribute their genius to this opportunity?

What new paradigms do we need to better understand?

Key Concepts in Regenerative Governance

PDF | Brochure | 6 Pages



Thinking Frameworks in Regenerative Governance

PDF | Deck | 20 Slides



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The Accountability Group, Inc.

The Accountability Group (TAG) provides professional development in governance for boards and senior leaders across sectors that readies them for addressing contemporary issues with a whole systems approach. TAG helps boards anticipate their strategic role in complex systems, develops the skills and perspectives for effective dialogue, and introduces regenerative governance (RG). This perspective grafts onto conventional governance as an essential 21st century board shift. RG prioritizes organizational contribution to whole systems vitality, and helps organizations navigate towards thriveable futures. Lyn and TAG guide purposeful leaders to identify their next steps. Based in Toronto, Canada, TAG networks with local, national, and global expertise to support our clients.

Supporting Good Governance Since 2008



Lyn McDonnell MA, FCMC, C. Dir.

Lyn McDonnell is Principal of The Accountability Group. She has served as CEO, COO, Board Chair, and Director, and is a Fellow of the Institute of Certified Management Consultants of Ontario and a Chartered Director. Lyn has provided governance training to directors across sectors since 2006. Lyn is adjunct faculty in the Master of Financial Accountability Program at York University and a contributor to *The Handbook of Board Governance: A Comprehensive Guide for Public, Private, and Not-for-Profit Board Members*, 2nd (2020) and 3rd (2024) Editions. (Wiley). Richard Leblanc (Editor).



Let's shift Board conversations to the new reality. Regenerative Governance is a living system perspective grafted onto conventional governance.



Questions

Please type in the chat



THANK YOU



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