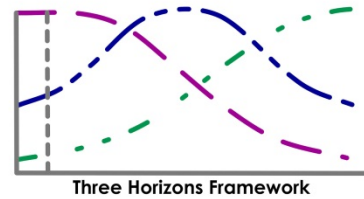


---

# **THREE HORIZONS FRAMEWORK**

# THREE HORIZONS



Thinking about the future means learning to think differently. Emerging change will challenge our current assumptions, and over time today's decisions, policies, and products will become obsolete. How can we futureproof our thinking and planning?

The Three Horizons Framework (3H) helps by asking people first to make their assumptions explicit, and then to explore emerging change as a way to reframe what they think, what they want, and what they do. The final step looks back at history, forward at the possibilities, and creates actions that bridge from today to tomorrow.

## OVERVIEW

"Three Horizons" ... connects the present with desired (or espoused) futures, and helps to identify the divergent futures which may emerge as a result of conflict between the embedded present and these imagined futures<sup>1</sup>.

3H maps overlapping waves of change visible in the present as mindsets: **managerial, visionary, and entrepreneurial.**

Three Horizons was developed by Bill Sharpe of International Futures Forum as part of work for the UK Foresight Program's Intelligent Infrastructures Project<sup>2</sup>. Sharpe wanted initially to depict overlapping waves of technological innovation and change more realistically than traditional technology road-mapping. Three Horizons has proven widely useful as a conceptual model to aid people thinking about current assumptions, emerging changes, and possible and desired futures. It is constantly evolving and a sizeable library of case studies now exists.

1. Curry and Hodgson, "Seeing in Multiple Horizons: Connecting Futures to Strategy" in *Journal of Futures Studies*, August 2008
2. Sharpe and Hodgson, UK Foresight Programme, [Intelligent Infrastructure Futures Technology Forward Look](#)

<i>What it is</i>	an approach to sense-making overlapping waves of uncertain change in the context of our current assumptions.
<i>What it needs</i>	knowledgeable facilitator; diversity of contributors; scan data.
<i>Mode</i>	mixes logical, intuitive (pattern identification), and creative thinking.
<i>Strengths</i>	helps staff spot vulnerabilities in current assumptions, opportunities for strategic action.
<i>Weaknesses</i>	qualitative approach; people mistake it for a simple timeline.
<i>Cost</i>	knowledgeable facilitator; participant time; cost of scan data.

## WHEN TO USE IT

Three Horizons is an adaptable futures tool, and has several uses:

- **Providing a simple introduction to futures thinking**

It helps participants inventory their tacit knowledge and basic operating assumptions about an issue, or their organization, and then explore the impacts of short, medium, and long-range change - and how they might react to those impacts.

- **Sense-making trends and emerging changes**

If participants are reviewing data on trends, emerging changes, and potential impacts, the 3H framework of overlapping changes can help them sort critical changes by how mature they are, and when their impacts are likely to be felt in relation to current projects.

- **Providing internal structure to scenario narratives**

Because 3H depicts overlapping and often competing timelines of unfolding change, they can provide a narrative 'backbone' of the change patterns driving a given scenario.

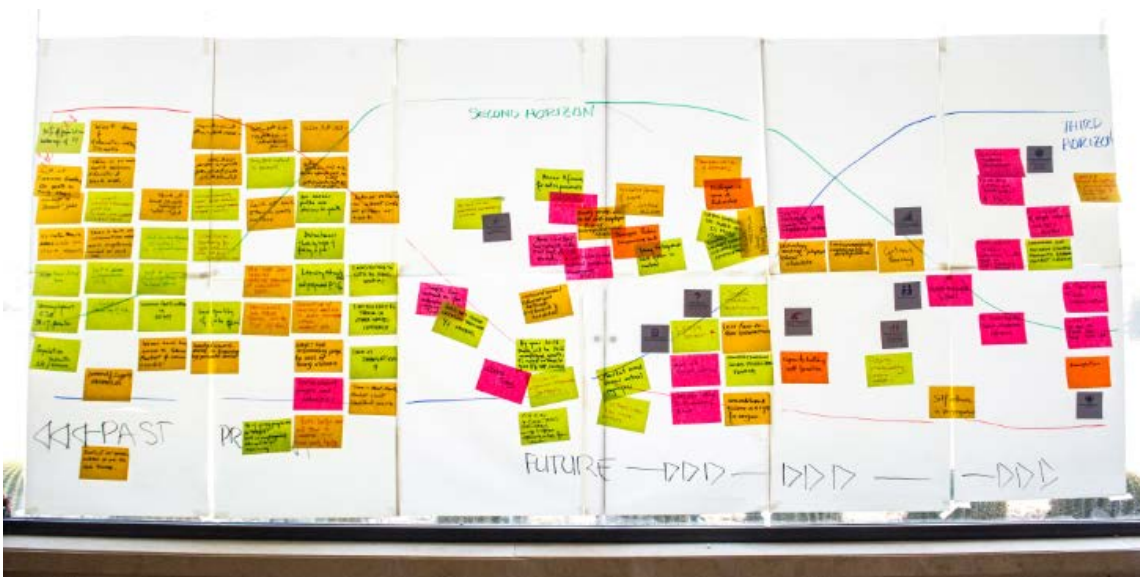
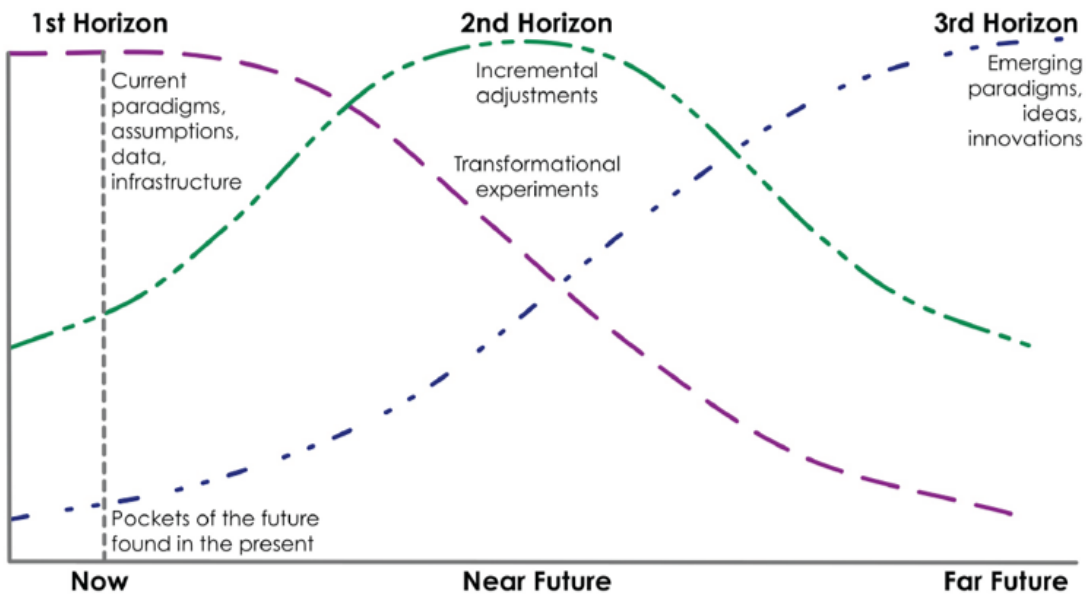
- **Generating innovations** : new products, services, policies, or initiatives

The 3rd horizon changes challenge the assumptions of the first. Those challenges, and resulting conflicts, emerge in the 2nd horizon. That means the 2nd horizon presents an opportunity to discard the old and take practical steps to create something new using emerging changes as building blocks.

# HOW TO APPLY IT

## Setting

Three Horizons ideally requires a **large room** with one blank wall (no windows, paintings, blackboards, etc.: empty wall space), in order to create a large, long wall mural on which to draw the three overlapping curves depicting the three horizons. This wall mural becomes the workspace on which participants brainstorm, using post-its. Because participants will be standing in front of the mural, clustering post-its, moving them around, and discussing them, the wall should have plenty of open space immediately in front of it: at least five feet between the wall surface and any chairs or tables.



## Materials

- 4' X 12' banner paper for the wall mural (or multiple overlapping flipchart sheets to create the same amount of workspace on the wall)
- water-based chisel tip magic markers to draw the 3H graphic
- large post-its for participants to use
- sharpies to write ideas on the post-its

Ideally the post-its should be in three colors: yellow for 1st horizon current assumptions; blue for 3rd horizon emerging changes; and green for 2nd horizon entrepreneurial activities. You will also need a “[trends and emerging issues](#)” deck - a set of pre-printed cards summarizing emerging changes for people to think about. This is usually in addition to asking people to brainstorm what changes they have noticed, to expand their sense of what is possible. Multiple online sites offer trend lists, or of course you can create a list from original [horizon scanning](#) and [emerging issues research](#).



## START

Introduce the Three Horizons framework, describing the horizons:

**First Horizon** – current context and conditions; the focus is maintaining stability, and the mindset is that of the *manager*.

**Third Horizon** – transformative emerging changes, ideas about possible futures, and visions of preferred futures; the focus is on transformation and disruption, and the mindset is that of the *visionary*.

**Second Horizon** – actions taken in the present to resist change, to adapt to change, or to build on change; the focus is on creating and managing change, and the mindset is that of the *entrepreneur*.

## STEPS

Ask participants to work in pairs. Distribute the yellow post-its and sharpies.

### Horizon 1

*What does now look like?*

*20-30 min*

We start the 3 Horizons tool with Horizon 1 – “**the current state of play.**” Ask all the pairs to brainstorm as many responses as possible to the question:  
**What** are the current working assumptions about production, services, resources, staff, customers, capital?  
**What** is the current state of play?  
**What** are managers taking for granted when they make decisions?”

- **15 minutes brainstorming** in pairs, jotting each item down on a separate orange post-it; facilitators help participants add post-its to the mural
- **15 minutes clustering**, discussing, filling in the blanks.



---

## Horizon 3

What's  
changing?

45 min

The next step is to identify **emerging changes** that represent **transformational shifts from the present**.

Ask questions like:

**What** changes are emerging as completely new paradigms and novel means to understand and undertake various human activities?

**What** new issue or invention has you worried - or excited? **What** are visionary leaders saying?"

- **15 minutes brainstorming in pairs**, jotting each item down on a separate orange post-it; facilitators collect post-its to display on mural.

Thinking about the future may be new to many of the participants. They may not have been collecting information about emerging change (as futures researchers do), so it is likely there will be fewer ideas generated in this round. In order to expand the possibilities considered, and expand everyone's thinking, it is useful to come prepared with [a deck of 'change cards'](#) that describe various trends and emerging issues.

[Spread the change cards out on a work table](#), and ask the pairs to review the cards, cluster them into related changes if they like, and choose what they feel are the most significant to post to the 3rd horizon on the wall mural

- **15 minutes reviewing the change deck cards**, clustering, and posting on the 3rd Horizon
- **15 minutes to review all the changes** posted on the 3rd horizon and discuss



## Horizon 2

What assumptions are challenged by those changes, and how can we respond to the resulting opportunities and risks?

45 min

Pairs should join at a table to create a working group of 4-6 people. Review the assumptions on Horizon One and the emerging issues on Horizon Three.

**Which** assumptions will be most challenged by change?  
**Which** are most vulnerable to these emerging changes?  
**Are** there any which are being strengthened? Pick one highly vulnerable assumption.

**How** can you use the emerging changes to create entirely new products, services and markets?

**Is** there another business model that could replace a challenged model? Other production process(es)? New sources in the supply chain? Emerging customer segments?

Choose two or three emerging changes that could be used to build entirely new business models, source raw materials, build new production processes, or open up entirely new markets or means of advertising and distribution.

Each group use emerging changes to create **an interesting transition idea** for your business/industry that helps successfully bridge from Horizon One to Horizon Three.





## Debriefing

In plenary, participants discuss key highlights from the exercise:

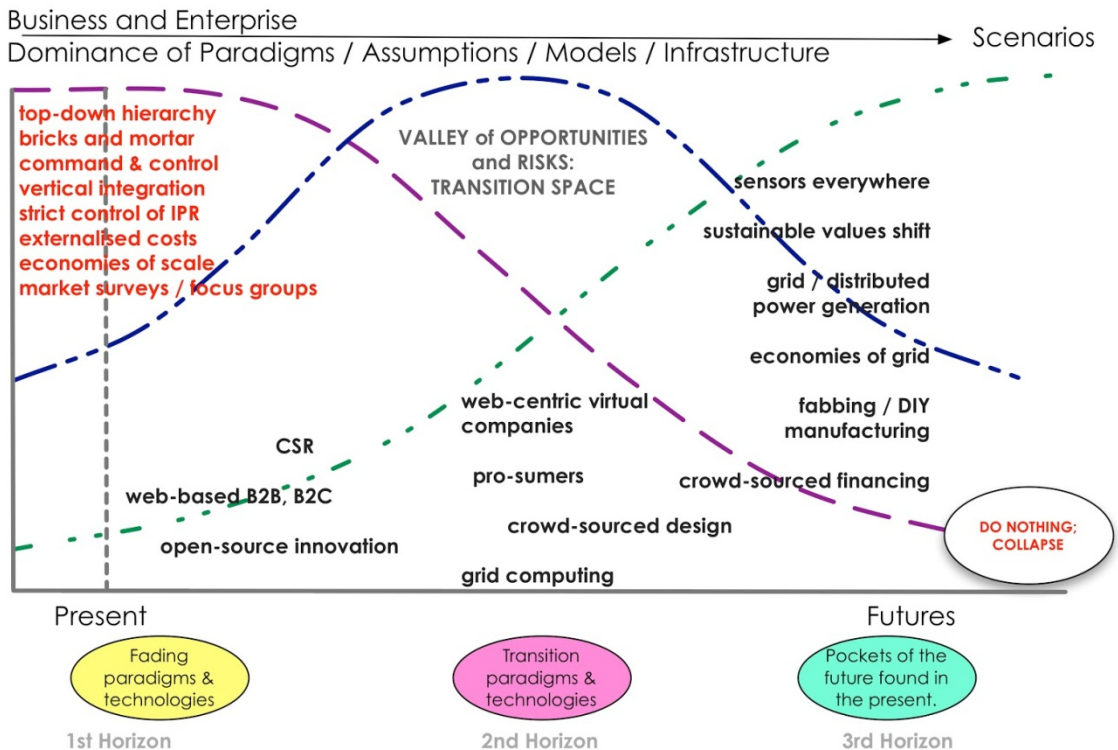
What have we learned?

15 mins

what current assumptions will be most challenged by change? will any become obsolete in the face of the changes we've identified?  
 what changes offer the most promise and immediately actionable opportunities?  
 which innovations or initiatives hold the most promise?

## Example

Simple Three Horizons showing Horizon One traditional business paradigms and operating assumptions, and Horizon Three emerging issues.



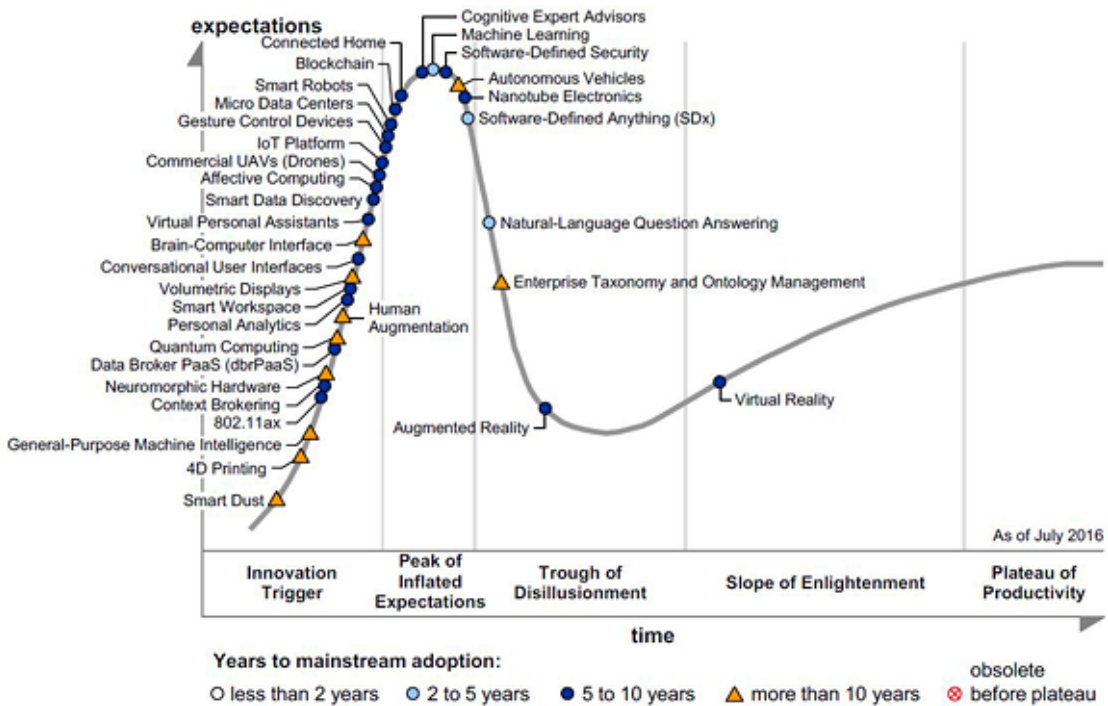
# TIPS

**Keep emphasizing** the particular mindset of each horizon when participants are working in that horizon:

- **1st horizon** emphasizes what's known, what's taken for granted, what we assume 'will always be with us,' and focusses on maintaining stability
- **3rd horizon** emphasizes the new, the transformative, the visionary, the break with past traditions and current assumptions
- **2nd horizon** emphasizes incremental adaptation, actions resisting change, and practical new innovations to create opportunities from change

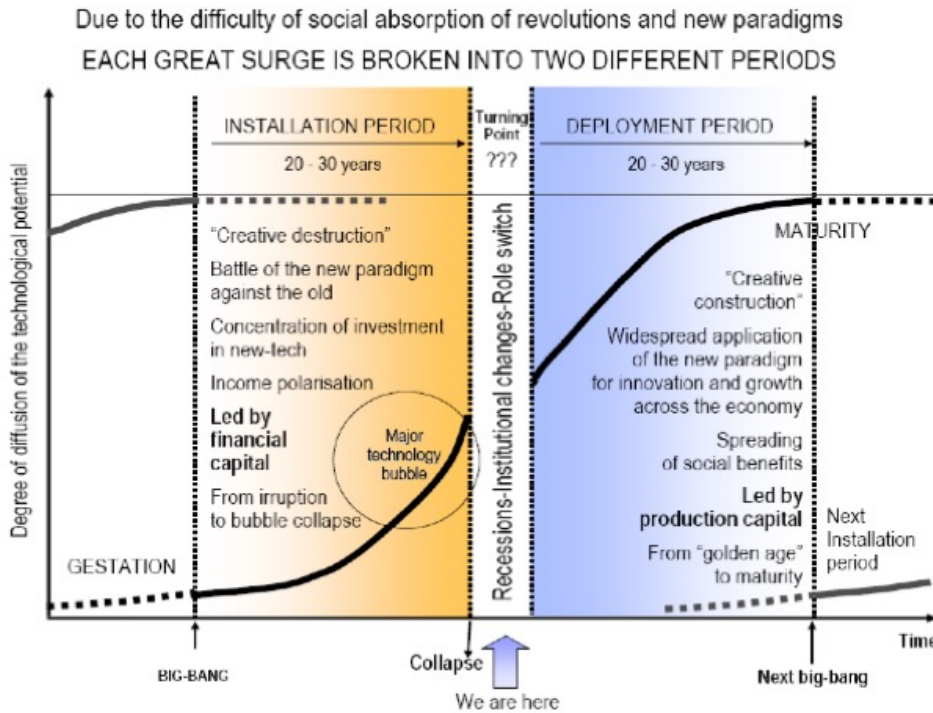
# HOW TO ADAPT IT

1. Blend it with the [Gartner Hype Cycle](#)



Source: Gartner (July 2016)

2. Blend it with [Carlotta Perez' work on historical eras, surges, and change](#)



3. Use [Causal Layered Analysis](#) as a discussion prompt for each horizon - this works especially well to dig more deeply into the assumptions on Horizon 1.

4. Use [the Verge Framework](#) as a discussion prompt for each horizon - this works especially well to dig more deeply into the assumptions on Horizon 1.

## EXAMPLES OF USE

- Case study: [Scottish Education](#)
- Case study: [Pepsico](#)

## RESOURCES

- Sharpe and Hodgson, UK Foresight Programme, [Intelligent Infrastructure Futures Technology Forward Look](#)
- Curry and Hodgson, “[Seeing in Multiple Horizons: Connecting Futures to Strategy](#)” in *Journal of Futures Studies*, August 2008
- Bill Sharpe, *Three Horizons: The Patterning of Hope*, International Futures Forum,
- Trends decks: [UK Parliamentary Office of Science and Technology](#); Forum for the Future, [The Futures Centre](#)