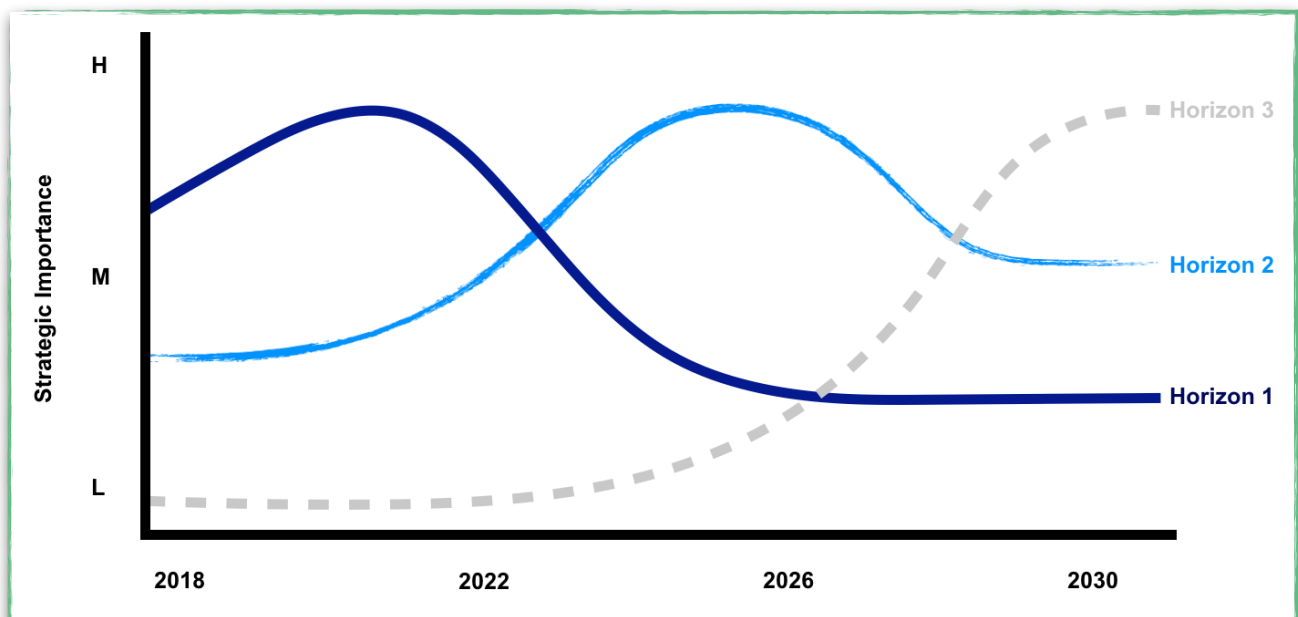


Horizon scanning is a technique for looking ahead. Its focus is the future rather than the present and its purpose is to identify - anticipate - the strategic issues that will become important. Mostly, these will be different from the issues that are strategically important today.

The three horizons model illustrates how strategic issues change over time.



The present and the near future is defined in the model as **Horizon 1 (H1)**. H1 issues are strategically important now, are visible and well understood and are generally the issues that the business is already responding to. They are the focus for current operational planning and implementation.

H1 issues will become less important over time as they are overtaken by other trends or events that will emerge and become more important in the medium term - **Horizon 2 (H2)**. Exactly how Horizon 2 will develop may not be apparent yet, but many of the key trends and factors – the change drivers - that will define it are already in play. Strategic planners need to look at these emerging issues closely to understand their potential impact on the business and to adapt the strategic plan in anticipation of future need. Ideally, this should be a collaborative process.

In the long term, H2 will give way to **Horizon 3 (H3)** and a new set of strategic challenges. The change drivers that will shape H3 are difficult to see in the present and it is not clear how they will develop, how they will interact or whether they will create opportunities or threats for the business in the future. The challenge is therefore to identify and track the drivers that will shape H3, to develop foresight about the strategic challenges the business might face in the long term future and to rehearse the strategic choices required to sustain success.