

Arctic Futures Initiative

Opportunities, Risks, and Global Implications

A. "The Arctic Ocean has become the northern maritime superhighway in less than 20 years, forever changing global sea routes, trade, investment, natural resource extraction, and national security..."

B. "The Arctic nations have taken an increasingly opportunistic approach to business development in an opening Arctic, presenting geopolitical opportunities and risks that will create both winners and losers..."

C. "Polar melting has stalled, according to the IPCC. An unidentified mechanism has caused the reduction in Arctic ice to slow, to the chagrin of those who rushed investment into the frigid region..."

**A melting Arctic Ocean could cause the most fundamental shift in global commerce since the 1869 opening of the Suez Canal – or it could be a mere blip.
How will your organization prepare for such a broad array of potential outcomes?**

The *Arctic Futures Initiative* – AFI – offers a unique strategy and decision-support capability to organizations strategically affected by trends and events emanating from the Arctic. AFI offers a way to understand not only the changing Arctic, but also its impact on the greater global operating environment: politics, economics, business, diplomatic, and military affairs. AFI helps executives to rigorously explore the opportunities and risks, and to develop strategies and contingent plans that will provide competitive advantage regardless of how events transpire north (or south) of the 67th parallel.

AFI is a collaboration between Rhumb Line LLC and the Futures Strategy Group LLC. Rhumb Line brings deep Arctic subject matter expertise to the table, specializing in complex maritime and geopolitical projects, and combining practical maritime experience with an interdisciplinary approach and a global perspective. Dr. Scott Borgerson, a Rhumb Line principal, AFI partner, and a fellow at Council on Foreign Affairs, is a recognized authority on the Arctic. The Futures Strategy Group is a world leader in the application of scenario-based approaches to strategy development and implementation. FSG has applied its expertise across domains such as manufacturing, transportation, retail, finance, maritime affairs, government and military, among other fields.

Our Service: AFI uses a set of five “platform scenarios” to guide clients through a process of evaluating alternative opportunities and risks. We work with clients, typically in a team setting, to customize the platform scenarios to the client’s business conditions. The goal is to create a set of strategies that will prove successful no matter how the Arctic operating environment evolves. We identify the global opportunities Arctic change may bring, while improving the resiliency of clients’ business or operating models against potential challenges. The process helps build executive alignment around a common understanding of emerging Arctic risks and possibilities and fosters strategic agility in the face of unalterable uncertainty and inevitable change.

Our Distinctive Approach: The AFI scenarios have been developed without the support of governments, professional associations, private corporations or NGOs. This independence engenders critical objectivity and a more global vision on a range of non-traditional challenges and opportunities, as well as on surprises that could plausibly shape the Arctic operating environment.

Who Might Benefit from the AFI? AFI is designed to serve a large range of organizational needs related to a forward-looking understanding of Arctic challenges and possibilities.

For example:

- **Resource companies** for whom the accelerated melting of the sea ice presents easier and cheaper access to oil, natural gas, fisheries, and minerals. They need to understand not only the opportunities related to the Arctic, but also the risks and the competitive dynamics.
- **Port authorities** whose business models may be upended – for good and ill – by changes in world trade routes.
- **Governments and military** who may be under- or mis-resourced for Arctic activities, vulnerable to the claims of other nations and a surge in **commercial** activity, or who risk being shut out of the Arctic altogether.
- **Financial institutions** and investors who need a framework for assessing winners and losers across a range of plausible Arctic futures.
- **Shipping companies and shipping customers** who need to understand the potential for cost savings, as well as the potential downsides of altered global shipping patterns.
- **Manufacturers and service providers**, the demand for whose products could be affected by massive change in the Arctic.
- **NGOs and advocacy groups** that work in Arctic issues or whose work will be affected by unpredictable developments in the North.

The principals of the Futures Strategy Group and Rhumb Line welcome inquiries about the *Arctic Futures Initiative*. For additional information, please contact:

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