Introduction to Scenario Planning

Matt Finch - mechanicaldolphin.com
Underlined words or phrases in this document hyperlink to further discussions or reading online.
Strategy is a conversation about the future.

The process is as important as the product.
Who are you having the conversation with?

What is its scope?

How much time/energy/enthusiasm do you devote to it?

Will you commit to letting the conversation shape your actions?
The future is the one place from which we can never gather evidence or data.

That means we need to use imagination and good judgment when we talk strategy.
Kids are taught to think in terms of timelines...
This evolves, in adulthood, into diagrams like Gantt charts. These are useful for marking project waypoints and coordinating efforts, but they can restrict our understanding of the future.

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Human and organisational endeavours are also about cycles:

- The daily churn of office routine
- Budget & planning cycles
- Election years
- Staff turnover
Strategic thinking is meant to help us prepare for the futures we didn’t anticipate, as well as the ones we hope, fear, or expect.

Organisational resilience depends on our ability to imagine how future conditions will evolve, and to imagine responses to change.
"Most of the time, forecasts are quite good, and this is what makes forecasts so dangerous.

Forecasts fail you just when you need them most. Forecasts fail to anticipate major changes, major shifts."

- Pierre Wack
What are scenarios?

A small set
of manufactured possible future contexts
of something
for someone
for a purpose
with a pre-specified usable interface
and used.
We construct possible futures for a specific context, user, and purpose;

We only construct enough futures to usefully inform decision-making;

We attend, in advance, to how the user will receive and incorporate the scenarios into their work;

and the scenario engagement is only truly successful if the scenarios are used – that is to say, if they inform the decision which needs to be made.
A scenario is good if:

it challenges your assumptions

you can use it to inform your decision-making
Plausibility not prediction

You don’t need to correctly foretell the one future that really comes to pass

You need to spot the futures which would catch you in your blind spot
We begin creating scenarios by mapping out everyone our organisation interacts with - their transactional environment.
Then we brainstorm all the factors affecting the people we interact with.
We do this because we’re trying to understand the future as the sea we will be sailing through - not just the boat we are sailing!
We then assemble the factors into challenging future contexts - whether that’s 2 factors on an axis...
...or by juxtaposing diverse factors in a number of scenarios.
Scenarios should go far enough into the future to plausibly challenge your present assumptions.

For a five-year strategic plan you might go ten years ahead into the future of your transactional environment.

When the paper industry did scenario planning, they had to go far enough ahead to imagine a world where genetic modification of plants meant they didn’t have to use bleach when they made white paper.

That was the future scenario which most challenged their assumptions - completely revolutionising their industry - so they had to imagine a future with that level of genetic modification available, and then think of all the knock-on effects you would see in that world, not just in the paper industry.
Remember, you’re looking at your transactional environment - the people you interact with - rather than your own future directly.

The aim is to understand the context you could be operating in, and make strategic decisions informed on that basis.

A good example is gastroenterology: to understand the future for stomach doctors, you need to understand the future of diet, cuisine, and agriculture!
Scenarios provide vantage points from which to look at the present.

“If this future comes to pass, then in hindsight will our decisions today have made sense? From the perspective of that future, what are we doing wrong or right?”
Scenarios also let us detect weak signals of change in the present or recent past.

“If that scenario or one like it was going to happen, what would we expect to see in 2020? What should we investigate?”
Your scenario may involve new roles, or altered roles for existing players.
Pay attention to what the future looks and feels like - and who is in it...
Futures of Heat, Light, and Power: Scenarios for the Australian Energy Sector in 2050

Matt Finch / mechanicaldolphin for Energy Consumers Australia
January 2020
‘Schools and/or Screens’

Scenarios for the digitalisation of education in Norway

Matt Finch / mechanicaldolphin for the University of Oslo
February 2020
Oslo in 2050 - Corporate power is ascendant

Knowledge workers serve corporate communities which have effectively replaced the nation-state

Data-driven machine intelligence supervises us at home and work

Every aspect of education is tailored to meet future social needs

This world is materially comfortable but democracy is vestigial

Scenario B

“Norway Prime”

One Norwegian scenario highlighted health as a battleground between parents and institutions in the digital age...
...which we then saw happening in the present as parents Facebook-lobbied the city of Oslo to close schools as the pandemic spread.
"Arrows of Time" is a quick way of testing what we can already see on the road ahead, the options or challenges we can already identify, and any potential blind spots.
What do we know is coming?
What do we fear? What do we hope?
What do we expect?
What have we failed to prepare for?
What can’t we avoid?

What will we still be dealing with?
What can’t we get away from?
What isn’t finished yet?
If we achieve only one thing in the next 5 years, it should be...

Examples of actions we could take that would help us to achieve this are...
How will we know if we’ve been **successful**?

What would **excellence** look like?
To make this happen, what should we:

Start?

Stop?

Continue?
“Why is it so important to stop sometimes?”
Go deeper into these questions with the Oxford Scenario Planning Approach.
For more on anything we discussed, visit me online to read more or say hello:

mechanicaldolphin.com