Scenario planning in action: overview

**WHAT IS SCENARIO PLANNING?**

Generating actionable insights by creating a small set of scenarios for an organization's future environment that are:

- Relevant to critical business decisions
- Distinct
- Individually realistic and believable
- Together cover the breadth of relevant uncertainties

**POSSIBLE OBJECTIVES FOR SCENARIO PLANNING**

- Foster useful strategic conversations among key executives and managers
- Generate and assess innovative strategies and options
- Build deep understanding of business environment drivers
- Create the future
- Enhance responsiveness to emerging challenges and opportunities
- Align strategic planning activities across the organization
- Communicate strategic perspectives across the organization and beyond

**WHY SCENARIO PLANNING?**

- The pace of technological and social change is increasing
- Industry structures are rapidly shifting
- Strategy must take uncertainty into account
- Responsiveness to change is vital for success
- The future is increasingly uncertain

**SUCCESS FACTORS FOR SCENARIO PLANNING**

- Getting the right question and scope
- Broad and meaningful involvement throughout the process
- Balance between plausibility and stretching thinking
- Bringing in external perspectives
- Creating compelling stories
- Focus on effective communication of the scenarios

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- Long-term strategy
- Scenario planning
- Stimulus for innovation
- Thought leadership content
- Futurist
- Keynote speaker
- Strategy advisor
- Author

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Scenario planning in action: example process

**DEFINE**
- Prioritize objectives
- Decide focal issues
- Set time horizon
- Define scope
- Name core and extended scenario teams

**EXPLORE**
- Provoke new thinking
- Brainstorm spectrum of issues
- Identify vital driving forces
- Research key themes
- Distinguish certainties and uncertainties
- Test preliminary scenario frameworks

**CREATE**
- Establish scenario framework
- Build scenario logics
- Generative compelling narratives
- Ensure internal consistency
- Test preliminary scenario frameworks

**COMMUNICATE**
- Create scenario documents and outputs
- Enable people to experience the scenarios
- Generate discussion of implications
- Define a core strategy robust against scenarios
- Establish contingent strategies

**ACT**
- Test current strategies
- Generate strategic options
- Build systems to monitor weak signals
- Build responsiveness to change

**EMBED**
- Establish ongoing strategic conversations
- Build systems to monitor weak signals
- Establish ongoing strategic conversations

*Note: Every scenario planning project is unique, and the process design will depend on the specific objectives and organizational context. The diagram shows a typical process.*