

SCENARIO-BASED STRATEGIC THINKING

What it is:

Scenario-based strategic thinking is a system of planning for the future that describes potential futures (or scenarios) for your organization. It enables you to chart a path toward the potential future (or combination of futures) that you select. This exercise can best be conducted in a series of workshops using a large number of people. Buy-in by the participants is essential.

When to use it:

Use this tool when you want a flexible system of strategic planning that allows input from large segments of stakeholders. Rather than extending what you are doing now into the future, scenario-based thinking leads you to develop a broader range of possibilities. It then allows you to develop plans that will move you toward your chosen course. It is a good tool to use in a fluctuating economy or unsteady market, as it prepares you for sudden changes in direction.

How to use it:

Develop your scenarios. Use corporate intelligence, customer and potential customer interviews, reviews of the literature, research in related areas, etc., to develop a set of potential futures (or short future scenarios) for your organization. Use out-of-the box ideas as well as obvious ones. Write descriptions of the potential futures. If appropriate, conduct a workshop where several customers, stakeholders, managers and employees select about six of the most valuable (likely or profitable) futures for your organization and write descriptions for them. The titles of your potential futures should sound like the first element of a vision for your organization. Some examples of potential futures are

**A Defense
Programs R&D
institution**

**An Environmental
Research and
Application
Institution**

**An Energy
Research
Institution**

Unless you are in a position to be totally focused on one area, the “future” that you select at the end of this exercise will be a composite developed from this list. Write the titles of your potential futures on cards and stick them widely spaced on a wall. Put the descriptions of the scenarios nearby for reference.

Identify future events. Using workshops of stakeholders, customers, employees, managers, program managers, etc., develop a list of possible events that may, even remotely, affect your organization. Events are occurrences that may have any impact on or provide an opportunity for your organization and its direction. They can be from any source that affects you—new laws, foreign affairs, changes in national direction, rapid technological progress, discoveries, funding preferences, etc.

This exercise is very much like brainstorming, and you should apply all background knowledge. Events should be measurable (i.e., you can tell whether or not they happened), and may look a lot like headlines.

The following are some examples.

Another laboratory develops a new technique for whatever it is that you do

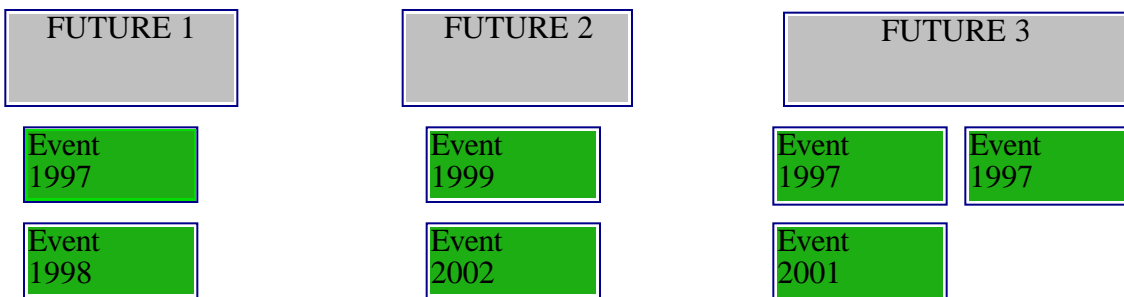
Massive earthquakes in China lead to an opportunity for structural materials research.

DOE is headed by a former Secretary of Transportation

Biological weapons are detected in a third- world country.

Whatever may have an effect on your organization, positively or negatively, is fair game. Some events will be controllable, some addressable, and others you will have no control over whatsoever. Write your “events” on cards, and paste them on the wall **under any potential future that they may affect**. Events may belong under more than one potential future, so be prepared to copy each one onto as many cards as necessary. You should now have about six sets of “futures,” each with an accompanying set of events.

Evaluate your premises and develop you strategies. Divide members of your workshop into teams and assign each team a potential future—including the description and related events—to evaluate and defend. The team may add events, throw out unlikely events, modify events, or make other changes as they see fit. The team orders the events into near-term or long-term, as well as must-happen or must-not-happen. The team also places the events into sequence according to estimates of their year of occurrence.



Each team presents and defends its decisions to the whole workshop, accepting changes and suggestions as appropriate. Use your favorite system of voting for the most popular choices.

Select your preferred future. After the discussions, select a most likely or most acceptable future. It may be one of the original six (or an adaptation thereof), or it may be a composite of several. Write a set of strategies and plans using the events as a guide. Plan to advance useful events, to deter things that must not happen, and to mitigate the effect of uncontrollable events. Strategies are best developed by observing the common sets of events associated with the preferred future.

NOTE

The process is quite complicated, and whereas a simple version is described here, consultants are available if you wish to embark on a more complex process.