

DISRUPTIVE SCENARIOS

- Exploring the Perfect Storm

Innovation Pioneers Tank meeting 2-2017

This briefing paper includes key take-aways from the 38th tank meeting, #2 2017, hosted by Googol in Stockholm. Jan Sandqvist, Bengt Järrehult, Clas Rolander and other representatives from Googol, led the tank meeting, that explored six different methods on how to create future scenarios, and applied scenario planning on a case in a workshop.

“SCENARIOS ARE INCREDIBLY POWERFUL”

“A GOOD WAY TO BE AWARE AND TO BE BETTER IN STRATEGY. A WAY TO BETTER UNDERSTAND STRATEGIC DECISIONS.”

“A TOOL THAT SUPPORTS RATHER THAN FOLLOW A CHECKLIST”

“EXCITED TO APPLY THIS “AT HOME””

PURPOSE

The purpose of the workshop was to explore and experience different methods on how to create future scenarios. Throughout the day, the participants were divided into smaller groups to share insights, thoughts and experiences.

METHOD

The tank meeting introduced six ways to envision the future; forecasting of an ongoing development, contingency planning, sensitivity analyses, back casting, hype/fad testing and scenario planning. Each method has its own advantages. Thereafter, the day focused on scenario planning and introduced a process in 4 steps: information gathering, scenario structuring, scenario writing and scenario usage.

5 TAKEAWAYS

- Scenario planning is a continuous process and it takes time, often between 6-12 months.
- Scenario planning should be used in discussions whose success depends on an uncertain future.
- Do not estimate plausibility! Estimate uncertainty.
- Incorporate external partners or networks for a scenario planning exercise.
- Do not use scenario planning on a too short timeframe since paradigmatic changes must be able to happen.



The day contained presentations about the evolution of scenario planning to give the participants an understanding of how it has been applied and used in the past. The presentations also included both successful- and unsuccessful examples of scenario planning. The successful case was from the company Shell Planning Group while IBM exemplified an unsuccessful case of scenario planning.

In order for the participants to understand and explore scenario planning, each workshop followed three steps: a theoretical presentation, presentation of how scenario planning had been applied on a demo-case and lastly the participants got to apply the step themselves into the “workshop case”.

During the workshop, the participants were divided into smaller group of 10-12 people and documented their work on a large canvas. After each step, the groups presented their learning and takeaway.

The digital tools Mentimeter was used to share and document takeaways at the end of the day.



DESCRIPTION

STEP 1- INFORMATION GATHERING

In the first phase, information gathering, it is important to decide key focal issue and set a timeframe. Reflect, *what is the actual question to be answered or decision to be taken?* The timeframe of how far into the future we want to anticipate should not be too short because then not much is likely to change and not too far into the future because that can cause disengagement.

6 WAYS HOW TO ENVISION FUTURE

1. Forecasting of an ongoing development
2. Contingency planning
3. Sensitivity analyses
4. Back casting
5. Hype/fad testing
6. Scenario planning



Using PESTLE analysis, the participants can analyze key trends and uncertainties. Interviews and data gathering are two useful methods to explore external trends and uncertainties. Examples of key trends can be Blockchain, Virtual reality or autonomous vehicles.

Given that the timeframe for the workshop was limited, the information in Step 1 was already given to the groups.

STEP 2- SCENARIO STRUCTURING

In the second step, scenario structuring, the groups rank the key uncertainties by importance and select scenario pivot points. When identifying and ranking the key uncertainties, it is important to consider what events will significantly affect the issue you are dealing with. Identify the extremes by clustering them together and choose those that have greater importance and uncertainty. Next, use the extremes to create different axes. The number of axes you can work with is flexible but a 2x2 framework creates 4 different scenarios.

STEP 3- SCENARIO WRITING

When the groups have identified the extremes, they write a short narrative on each scenario. It is important that the scenarios appear plausible to the participants and that each scenario is totally different from the others. It should also give decision-making power, challenge current wisdom and engage by consistency.

STEP 4- SCENARIO USAGE

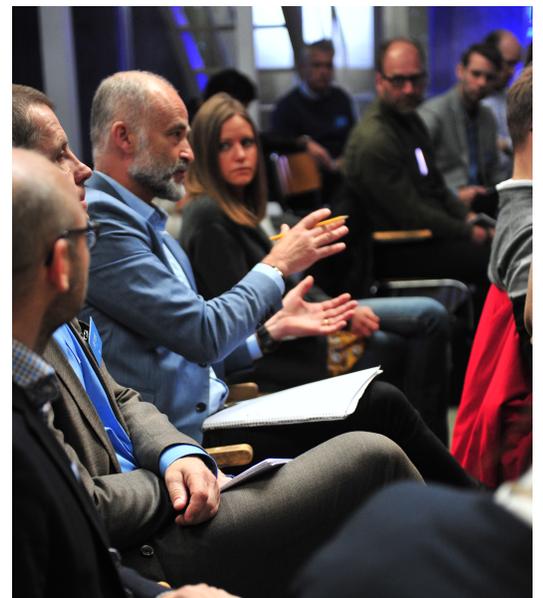


When the information is gathered, the scenarios are structured and written, the last phase is the scenario usage. Scenario usage identifies what the early-warning-signals are for each scenario and what the appropriate strategies are for each. In order to generate early-warning-signal, the participants should identify what events would likely happen on the way that would indicate the scenario to be true. Changes in the stock market or environmental changes are examples of early-warning-signals.

LEARNING & RESULTS

A standard scenario planning process takes at least 6-12 months however this crash course gave the participants a good understanding of the different methods, how to apply scenario planning and the advantages of envisioning the future.

Scenario planning should not be just an internal exercise. Instead, the participants saw great value in collaborating and incorporating external suppliers, customers and professionals from different industries. For example, in the step of scenario usage, a network like Innovation Pioneers functions as platform for professionals to



share methods, insights and experiences that are necessary for visioning opportunities and detecting possible early-warning-signals.

LIBRARY

If you are interested in deepening your knowledge for scenario planning, you should read:

Kosow, H. and Gaßner, R. (2008). *Methods of future and scenario analysis*. Bonn: Dt. Inst. für Entwicklungspolitik.

Schoemaker, P. (1995). Scenario planning: A tool for strategic thinking Sloan Management Review (Winter 1995), pp. 25–40. *Journal of Product Innovation Management*, 12(4)

Thank you for your participation during this year's second tank meeting and we look forward seeing you in September at the next meeting #39 on the initiating group business meeting the 12th and all members workshop day on the 13th, hosted by Alfa Laval in Tumba. The topic is Innovation beyond 2020. Sign up [here](#)



One of Innovation Pioneers firm beliefs and core values is that innovation is driven by diversity. We aim to have a balance of gender, origin and various industries and organizational forms represented at our meetings.