

# STAY AHEAD AND PLAN FOR THE FUTURE

## Innovation in Action - 2017

This paper summarizes the workshop about scenario planning that was a part of Innovation in Action 2017, both the methodology and the learnings. The workshop introduced scenario planning as a supportive tool when dealing with uncertainties and was led by Klara Magnusson and Isabell Oskarsson, representatives from Volvo Cars.

“A VERY NICE TOOL THAT I WILL BRING WITH ME, AND WHICH MY COMPANY CAN BENEFIT FROM “

“A SIMPLE TOOL THAT ENABLE REASONING ABOUT THE FUTURE IN A STRUCTURED WAY”

“I HAVE USED SIMILAR TOOLS BEFORE, BUT NEVER WITH SUCH A FUTURE PERSPECTIVE”

## PURPOSE

The purpose of this workshop was to understand the importance to keep track of trends and how it could affect a business, and to introduce a method of how to work with uncertain trends in a structured way.

## METHOD

The workshop participants were met with a welcome from the leaders, and each participant got a sign to put on his shirt to symbolize that they were all employed at the company *My Car* during the workshop. The room was furnished differently to break patterns of where to sit and to encourage creativity. Areas with various seating furniture was marked up with tape on the floor, shaped as different means of transport such as a car, a bus or a flying saucer. Later the participants within each area became a workshop group, perhaps with diversity in experience, industry and personality.



## 5 TAKEAWAYS

- It is important to prepare for scenarios that might happen.
- Scenario planning is a structured and stepwise tool that is easy to apply.
- Scenario planning is applicable in companies of different sizes.
- As the industry is moving in a higher pace, scenario planning becomes even more useful.
- Scenario planning takes time and can be done on about ten different scenarios.

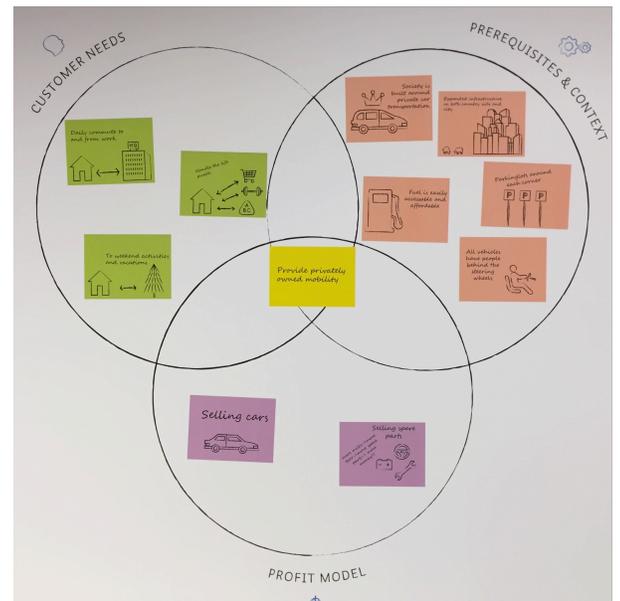
The workshop began with a presentation that highlighted why it is so important to plan and prepare for the future. It was done by presenting examples of when scenario planning could have had a great impact on the outcome as well as examples of how much that have happened only the last ten years. To manage the nearest

future, forecasting could be useful; but to manage the future in about ten years or more, there is too much uncertainty and too many possible scenarios, therefore scenario planning could be a useful tool. Then, a scenario planning process of seven steps were introduced: (1) understand the company, (2) identify trends and uncertainties, (3) combine uncertainties to create scenarios, (4) define and communicate scenarios, (5) do scenario mapping, (6) close gaps, and (7) plan.



The seven steps in the introduced scenario planning process.

Since scenario planning often require some time and this workshop only lasted for two and a half hours, the four first steps were given to the groups. The company, *My Car*, was described using the same model as in the scenario mapping, and the uncertainties *shared mobility* and *virtual meeting spots* were combined into a scenario that was communicated by showing a film, and handed out as a booklet to use during the workshop. Thereafter, the workshop continued into the actual workshop phase when the groups were placed along the walls and given a template for scenario mapping and post-it notes in four different colors. The participants went through one step at the time, during a designated time, starting with the mapping and it's four steps, followed by closing the gap. The seventh step was not gone through but explained by the workshop leaders.



The workshop ended with each group making an elevator pitch of their new company core and how they did come to that conclusion. Finally, the leaders presented how *Volvo Cars* uses this tool to plan and prepare for the future, and the participants got to ask questions and comment on the tool and how to use it.

## DESCRIPTION

The seven steps in the introduced scenario planning process are described briefly below.

### STEP 1 - UNDERSTAND THE COMPANY

The first step in the process is about understanding the company. This can be done by defining the present company core, customer needs, prerequisites and context, and profit model.

### STEP 2 - IDENTIFY TRENDS AND UNCERTAINTIES

To create scenarios, trends and uncertainties need to be identified. This is usually the most time-consuming phase, it is done by collecting data and is preferably done by neutral resources from outside the company, otherwise there is a risk for biases. Trends are predictable while uncertainties are not, however, they can be identified due to data pointing to a direction.

**“SCENARIO PLANNING IS A  
MUCH MORE POSITIVE  
TOOL THAN OTHERS I  
KNOW ABOUT”**

### STEP 3 - COMBINE UNCERTAINTIES TO CREATE SCENARIOS

One single uncertainty may not necessary have such a large impact on the future business, but a combination of two uncertainties can affect the industry much and require a change in how to do business. Therefore, the uncertainties are combined into scenarios using a scenario cross, with one uncertainty on each axis. This results in four possible scenarios that can be further analyzed.

### STEP 4 - DEFINE AND COMMUNICATE SCENARIO

This is a very important step in the process since uncertainties often are identified by neutral resources and need to be communicated to those who will perform the remaining steps. The scenario can be described by defining the uncertainties and their main forces and assumed impact. This can be presented using different techniques, for example by writing a text, making a movie or by explaining it vocally.

### STEP 5 - DO SCENARIO MAPPING

The scenario mapping is done by analyzing the future scenario in four steps: (1) customer needs, (2) prerequisites and context, (3) profit model, and finally (4) the new company core.

STEP 6 - CLOSE GAPS

When the scenario mapping has ended up in a new future company core, it would probably be rather different from the present. Therefore, there is a need for a stepwise plan on how to close that gap. What changes need to be done within the company if the scenario happens?

STEP 7 - PLAN

Since scenario planning is about possible future scenarios that are uncertain but might happen, companies need a plan for how to prepare for these scenarios. Companies need to know what forces and indicators to look for and what actions to make when that happens.

**LEARNING & RESULTS**

Although scenario planning usually requires more time, the participants got the opportunity to experience important parts of a scenario planning process. The initial presentation about the first four steps was very descriptive, which enabled the participants to get a good understanding about these as well as the remaining steps. The workshop steps were done with a time limit that was enough for both creation and learning about the process.

The participants got to learn the importance to explore the future and keep track of trends. Also, how companies can prepare for uncertain future scenarios in a structured way. All workshop teams ended up in a new company core and they described how they got there. This indicates that they understood the process' steps. Because the new company cores were rather different than the one they started with, they learned how trends and uncertainties can affect the way to do business.

This workshop was appointed "best workshop" at the first day of Innovation in Action 2017, based on votes by the participants in each workshop.

