Scenario based approach as planning tool
• How we think and feel is given by the future we are living into
• Good planning allows you not only to be prepared for eventualities, but literally transforms who you are
• Scenarios help to open up the future as a space of possibility
Traditional and Scenario Thinking

**Traditional:**
- Reductionist, linear - the future is singular
- Prediction, probability
- Getting the future right
- ‘Good’ strategy is intelligence dependent

**Scenarios:**
- Complex, systemic, multiple causality - the future is plural
- Plausibility, robustness
- ‘Good’ strategy is process and engagement based
Scenario Thinking

• Creating stories about possible futures
• Informed by the past but not limited by it
• There will be discontinuous change
• Envisaging a discontinuous future requires creativity and a good understanding of the past
• Scenarios are designed to illuminate choices in the present in the light of possible futures
Six Basic Areas of Scenario Thinking

• Identify the current strategic agenda
• Challenge existing assumptions
• Examine the environment systemically
• Choose challenging scenarios
• Make relevant, compelling story lines
• Review strategy for robustness
Scenarios

- **scenario 1** an outline of the plot of a play, film, opera, etc., with details of the scenes, situations, etc.  
- **scenario 2** a postulated sequence of future events  

Concise Oxford Dictionary

- “Scenarios deal with the world of facts and the world of perceptions. They explore for facts, but they aim at perceptions inside the heads of decision-makers.”  
  
  Pierre Wack
Scenarios

• “Scenarios are a set of reasonably plausible, but structurally different futures.” *Kees van der Heijden*

• “The most important purpose of the scenario building process is to shift the thinking of the leadership inside the organisation about what might happen, in the future, in the external environment.” *Pierre Wack*
Test of a Good Scenario

• Not right or wrong
• Plausible and internally consistent
• Relevant and challenging
• Has an element of novelty (stimulates thinking)
• Substantial (good understanding)
• Leads to better decisions
The Business Environment

Driving Forces:
- Societal
- Economic
- Political
- Technological
- Environmental
- Ethical

Transactional Environment

Organisation

Players

Stakeholders

Competitors

Contextual environment

Source: van der Heijden (1996) p155
The Wack Scenario Approach

- Interview-based Initial Agenda
- Key Driving Forces
- Relevant Research Questions
- Systemic Understanding
- Alternative Futures
- Systemic Understanding Expressed in 2-4 Scenarios
Agreeing on Key Driving Forces

• The objective is to distil the main picture
• Identify the main factors influencing the business environment
• Which are pushing you (forces from outside)?
• Which are pulling you (opportunities)?
• Put them into a chart
Scenarios are...

• devices for ordering one’s perceptions about alternative environments in which one’s decisions might be played out
• there to help you to think through market values and needs, to think through your competencies, to think strategically
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