

SCENARIO PLANNING

"HOWEVER GOOD OUR FUTURES RESEARCH MAY BE, WE SHALL NEVER BE ABLE TO ESCAPE FROM THE ULTIMATE DILEMMA THAT ALL OUR KNOWLEDGE IS ABOUT THE PAST, AND ALL OUR DECISIONS ARE ABOUT THE FUTURE."

SCENARIO PLANNING ENABLES DECISIONS TO BE MADE BASED UPON TODAY'S COMPETITIVE ENVIRONMENT WHILE HAVING THE FLEXIBILITY TO RESPOND TO CHANGE.



SCENARIO PLANNING PROVIDES A PLAUSIBLE RANGE OF FUTURE OUTCOMES AND IDENTIFIES KEY "TRIGGER" FACTORS/EVENTS THAT CAN SIGNIFICANTLY ALTER THE FUTURE



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▶ SCENARIO PLANNING

—A DISCIPLINED METHOD
FOR IMAGINING THE FUTURE



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IT IS OFTEN SAID, GOOD MANAGERS "KNOW WHERE THEY ARE", "WHERE THEY'RE GOING", AND "HOW THEY'LL GET THERE".

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ORGANISATIONS FREQUENTLY EQUATE MANAGERIAL COMPETENCE WITH "KNOWING", AND

ASSUME THAT DECISIONS DEPEND ON FACTS ABOUT THE PRESENT AND ABOUT THE FUTURE. THE REALITY IS, OF COURSE, THAT WE HAVE NO FACTS ABOUT THE FUTURE.

UNLIKE FORECASTING THAT PREPARE A COMPANY FOR ONLY ONE FUTURE OUTCOME, SCENARIO PLANNING FACILITATES DISCUSSION ABOUT STRATEGIC ALTERNATIVES.

A DISCIPLINED METHOD FOR IMAGINING THE POSSIBLE

SCENARIO PLANNING FACES UP TO OUR DILEMMA OF UNCERTAINTY AND RISK PLANNING BY CONFRONTING US WITH THE NEED TO ACKNOWLEDGE THAT WE DO NOT, AND CANNOT, KNOW THE FUTURE.

IN THE MOST FUNDAMENTAL WAY, SCENARIOS SEEK TO CHANGE OUR "MENTAL MAPS" OF THE FUTURE. SCENARIOS CHALLENGE THE WAY WE DEFINE MANAGERIAL COMPETENCE. BY



SCENARIOS SEEK TO CHANGE OUR "MENTAL MAPS" OF THE FUTURE.

ACKNOWLEDGING UNCERTAINTY, SCENARIOS UNDERSCORE THE FACT THAT WE CANNOT KNOW THE FUTURE, AND SO WE PERCEIVE THEM AS CHALLENGES TO OUR PRESUMPTIONS OF "KNOWING", AND THUS OF MANAGERIAL COMPETENCE. AND BECAUSE FEW, IF ANY, CORPORATE CULTURES.

SCENARIO PLANNING VS. LONG-RANGE FORECASTS

LONG-RANGE FORECASTS CAN ONLY...

- EXTRAPOLATE THE IMPACT OF KNOWN TRENDS AND ASSUMPTIONS.
- UNABLE TO CAPTURE THE POTENTIAL IMPACT OF KEY EVENTS (E.G., TECHNOLOGY BREAKTHROUGH, COMPETITOR ACTIONS, GOVERNMENT REGULATORY CHANGES) THAT COULD SIGNIFICANTLY CHANGE YOUR BUSINESS ENVIRONMENT.

SCENARIO PLANNING OFFERS...

- PROVIDES A PLAUSIBLE RANGE OF FUTURE OUTCOMES AND HELP IDENTIFY THE KEY "TRIGGER" FACTORS/EVENTS THAT CAN SIGNIFICANTLY ALTER THE FUTURE.
- PROVIDES MORE THAN ONE ANSWER

SCENARIO PLANNING BENEFITS INCLUDE:

- ESTABLISH A SHARED, COMMON BACKGROUND FOR INDIVIDUALS INVOLVED IN DEVELOPING STRATEGIES.
- IDENTIFY CRITICAL 'TRIGGER EVENTS' THAT LEAD TO DIFFERENT FUTURES.
- LEARN TO COPE WITH STRATEGIC UNCERTAINTY.
- GAIN A BETTER UNDERSTANDING OF STRATEGIC SUBTLETIES.
- ALLOW THE DEVELOPMENT OF COHERENT ALTERNATIVES.

WHY USE JBA SCENARIO PLANNING?

MANAGERS COMMONLY HAVE A VESTED INTEREST IN NOT ACKNOWLEDGING THEIR IGNORANCE, AND FREQUENTLY RESIST THE INTRUSION OR CHANGE.

OUR PROVEN 8-STEP METHODOLOGY DIRECTLY ADDRESSES THIS WITH PREDICTABLE, CONSISTENT RESULTS;

1. IDENTIFY FOCAL ISSUE OR DECISION.
2. IDENTIFY DRIVING FORCES.
3. PRIORITISE DRIVING FORCES—RANK BY IMPORTANCE AND UNCERTAINTY.
4. SELECT LOGIC'S—AXIS AND DIMENSIONS.
5. FLESH OUT THE SCENARIOS.
6. IMPLICATIONS OF THE SCENARIOS ON YOUR BUSINESS—THREATS AND OPPORTUNITIES.
7. IDENTIFY "EARLY WARNING SIGNALS".
8. IDENTIFY AND VALUE POSSIBLE OPTIONS FOR YOUR BUSINESS.

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