

Tool 36: Scenario Planning

Aim of the tool

Make participants think about possible futures, as well as stimulate creative and forward thinking.

When to use it?

The Co-creation phase. Also to be used when planning next steps for the MSP, or for strategy development.

What is Scenario Planning?

Scenario planning uses stories of what could happen in the future with diverse stakeholders in order to decide jointly how they want to influence the future. It motivates people to challenge the status quo, or get better at doing so, by asking “What if?” Asking “What if?” in a disciplined way allows participants to rehearse the possibilities of tomorrow, and then to take action today, empowered by those provocations and insights.

The technique of scenario planning has been used by organisations for decades to prepare and adapt themselves for future scenarios outside their control. At CDI we use a shortened version, which emphasises that stakeholders should not just adapt to a future situation, but should be together instrumental in shaping their common future.

Scenarios should not be mistaken for predictions. Scenarios are provocative and plausible stories about how the future might unfold. Scenarios consist of a range of multiple stories or hypotheses to capture a range of future possibilities, both good and bad. They include diverse external issues, which might evolve, such as the future political environment, social attitudes, regulations and the future economy. We call these external future issues ‘driving forces’. Scenario planning consists of the process through which scenarios are developed and how they are used to inform strategic planning.

The guiding principles in scenario planning are:

- A long-term view: Scenario planning requires looking beyond immediate demands or urgent needs.
- An outside-in view: Scenario planning considers those aspects which stakeholders can control – thinking from the inside- but also considers external influences, which are outside of your control but have a great influence in how the future of your MSP might unfold.

Steps to use the tool:

This version of scenario planning takes about 3 hours.

Step 1: In this phase, the issue at stake has to be clarified. This can be based on the explorative tools, which participants may have already carried out, including a detailed picture and stakeholder analysis and an institutional analysis. Take into account the factors and institutions that are supportive or constraining the issue. From these, identify the driving forces.

Step 2: Synthesizing the driving forces. What are the implications (issues and opportunities) of the driving forces for the different actors?

- Think of the most important actors;
- For each actor, brainstorm about a few implications: challenges, issues, opportunities caused by the driving forces.

Step 3: Prioritize the driving forces by two criteria:

- The degree of importance of the driving forces to the issue at stake;
- The degree of uncertainty surrounding those forces.

Continue by identifying the two driving forces which are most important to the issue at stake and most uncertain. These driving forces are your ‘critical uncertainties’. They will be the foundation for your scenario set.

The two forces should not be too closely dependent on each other, and have to be able to go in contrasting directions in the future.

Step 4: Make the ‘scenario matrix’ based on the two identified driving forces, and the ‘critical uncertainties’. One force will constitute the X-axis and the other the Y-axis. Every quadrant of the matrix represents one scenario. Develop all 4 scenarios by discussing the following questions:

- What happens in each scenario?
- What policy options are available for each scenario?
- Which interventions are needed to prepare for each scenario?

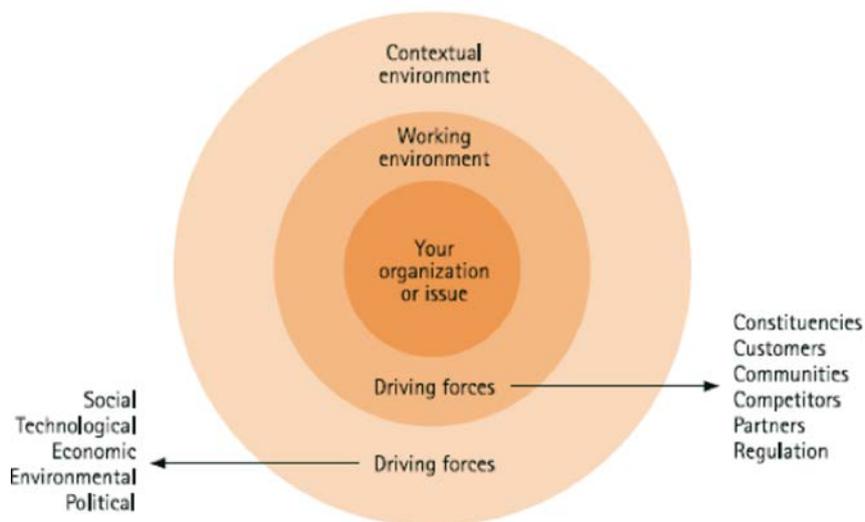
Request a small task force to do a write-up of each scenario, written in the present tense. It should read like a story imagined from that particular scenario. Request another small task force, or a professional artist to illustrate each scenario. Final outputs are 4 stories of e.g. 500 words each, and 4 illustrations.

Step 5: Reflect on the four scenarios and discuss their implications for the MSP.

Notes

A regular scenario planning will last for 2–3 days. The above 3-hour session should be regarded as an introduction only, for situations in which 2–3 days are not available.

We have adopted the concept of ‘driving forces’ (following Global Business Network), where others use a distinction between ‘Drivers’ and ‘Trends’ for the same purpose. In shorter sessions, we found ‘driving forces’ to be adequate and less confusing. Groups tend to have difficulty in, for example, distinguishing between a driver and a trend.



A framework for outside-in thinking. Source: Searce (2004:13)

Learn more

Methodology:

Diana Searce et al (2004) What If: The art of scenario thinking for non-profits. Global Business Network. http://www.monitorinstitute.com/downloads/what-we-think/what-if/What_If.pdf

Shell International's Global Business Environment (2003). Scenarios: An Explorer's Guide. Shell International. Available online at www.shell.com/global/future-energy/scenarios/explorers-guide.html.

Adam Kahane (2012) Transformative scenario planning: working together to change the future. San Francisco: Berrett-Koehler. For [sale](#), or [excerpt](#)

Drew Erdmann, Bernardo Sichel, and Luk Yeung (2015) Overcoming obstacles to effective scenario planning. McKinsey [blog](#)

Examples:

World Economic Forum (2017) Shaping the Future of Global Food Systems: A Scenarios Analysis. WEF's System Initiative on Shaping the Future of Food Security and Agriculture/Deloitte Consulting LLP. www.weforum.org/whitepapers/shaping-the-future-of-global-food-systems-a-scenarios-analysis/

Paula Cristina Roque and Paul-Simon Handy (2010) Sudan Scenarios to Strategies Workshop. Institute of Security Studies, South Africa
www.issafrica.org/uploads/SudanScenariosStatDec2009.pdf

Forum for the Future (2012) Dairy 2020: Scenarios for a sustainable UK dairy industry. See [project site](#), and click there on the 'Dairy 2020 Scenarios' pdf.

Jaïr van der Lijn (2012) Sudan 2012: Scenarios for the future. The Hague: Clingendael
Institute/Cordaid/Pax Christi www.clingendael.nl/sites/default/files/20090914_cscp_lijn.pdf