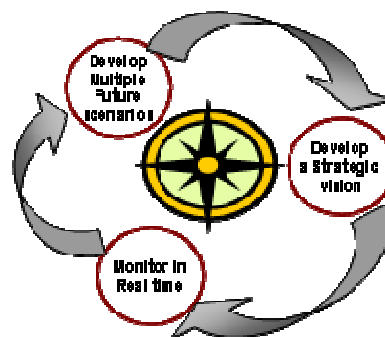


# Scenario Planning

## WHAT & WHEN

Scenario planning or Scenario thinking is a strategic planning method that some organizations use to make flexible long-term plans.

The basic method is that a group of analysts generate simulation games for policy makers. The games combine known facts about the future, such as demographics, geography, military, political, industrial information, and mineral reserves, with plausible alternative social, technical, economic and political (STEPS) trends which are key driving forces.



## WHY

Scenario planning is used to :

- Evaluate the risks of business decisions
- Create 'alternative' plans in case some parameters change dramatically over time
- Develop 'flexible business thinking' in order to 'outperform' the competition in case the course of action has to be changed rapidly (because many alternatives have been discussed before)

## How

Generally scenario planning is seen as a 7 step process :

- Bring 'experts' in that look at things from very different perspectives
- Decide Drivers for Change/Assumptions
- Bring Drivers Together into a Viable Framework
- Produce Initial (7-9) Mini Scenarios
- Reduce to 2-3 Scenarios
- Draft the Scenarios
- Identify the Issues Arising

This exercise often culminates in one 'core strategy', which addresses the most important issues common to the scenario's and a number of 'alternative strategies' that address each the 'specifics' of the different scenarios.