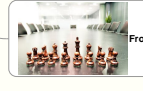


# Scenario Thinking Key Learnings



### Story Elements

- Conveying of events in
  - Vocal gestures
  - Words
  - Visualization
  - Images
  - Sounds
  - Bodily Gestures
- Essential to humans
  - Reynolds Price
  - second in necessity
  - apparently after nourishment
- David H. Ingvars
  - We all create multiple story lines while we sleep
  - The brain method to anticipate the uncertainty of the future
- Maelstrom
  - Edgar Allan Poe
  - Driven by "the most terrible hurricane that ever came out of the heavens", their ship was caught in the vortex. One brother was pulled into the waves; the other was driven mad by the horror of the spectacle, and drowned as the ship was pulled under. At first the narrator only saw hideous terror in the spectacle. In a moment of revelation, he saw that the Maelstrom is a beautiful and awesome creation. Observing how objects around him are pulled into it, he deduced that "the larger the bodies, the more rapid their descent" and that spherical-shaped objects were pulled in the lastest. Unlike his brother, he abandoned ship and held on to a cylindrical barrel until he was saved several hours later. The old man tells the story to the narrator without any hope that the narrator will believe it.

### Understanding Media

- viewing listening
  - engaged in message
  - requiring new filters
  - shapes messages differently
  - each new form of media
- Tetrad
  - Enhanced
  - Obsolete
  - Bring Back
  - Reverse
- Sides
  - they pay attention to and focus on the content, which blinds them to see
  - the psychic social effect
- Conventional pronouncements fail in studying media
- "The medium is the message?"
  - Message resides or depends on how the medium is used
- Media
  - Hot media are those that require low participation from users, since they foster detachment.
  - High fidelity
  - Cool media are those that require strong user participation, since they urge users to engage themselves completely in their use.
  - Low fidelity
- Pun of the day
  - Marshall McLuhan
  - Likes to use Pun
  - An elevator makes ghosts happy because it lifts the spirits.

### Development

- Group
  - Meruzio has the key player in creating a powerful scenario story from our research
  - Used it every night to iterate the scenario stories
  - Needed only meeting to get out the general concepts
  - Stybe was a key element in our Group work
- Personal
  - Having shock factor and then humor in numbers that matters, really mattered for the storyline
  - "I don't know anyone in the Scenario space that is not dyslexic"
  - Always think of the storyline when pitching "things"
  - Power of stories

### The Golden Rules

- Everything is connected to everything else
- You can never do just one thing
- The key question is, how soon and in what way?
  - Noting grows forever
  - There is no "away"
  - Don't fight positive feedback; support negative feedback instead
- Nature knows best
  - High morality depends on accurate prophecy
  - If you can't make people self sufficient, you add does more harm than good
- Look for high leverage points
  - Don't try to control the players, just change the rules
  - Don't make rules that can't be enforced
  - "Obvious solutions" do more harm than good
  - Good intentions are not enough
  - Every solution creates new problem
  - There are no final answers
- There are no simple solution
- Loose systems are often better
  - The sloppy looking system are the ones that will survive > e.g. Agile Development
- Watch out for thresholds
- Don't be fooled by system cycles
- Remember the Golden Mean Beware the empty compromise
- Beware, the Tragedy of the Commons
- Foresight always wins in the long run
- Competition is often cooperation in disguise
- Bad boundaries make bad governments
- TANS: There Ain't no such thing as a free lunch
- has a purpose within a larger system
- change in response to feedback

### System Theory

- Characteristics
  - maintain their stability by making adjustments based on feedback
  - All of a system's parts must be present for the system to carry out its purpose optimally
  - system's parts must be arranged in a specific way for the system to carry out its purpose
- Process
  - local policies
  - action
  - changes
  - inferring
  - estimating
  - How things influence
- System Theory
  - the neighboring universe
  - the state of
  - abstract organization
  - Transdisciplinary study

### Development

- Group
  - It ended in a 4 by 2 big paper matrix covering the wall
  - Sameer and Mauricio were very strong in getting the over all picture on the wall
  - Spent good six hours in a meeting room creating the system diagram
  - Sri and Artur extremely good in giving a different perspective
  - The group, inc me, little confused after the system map exercise
- Personal
  - Switching roles is a great way to bring in new thoughts and ideas into the group work
  - The group is now much more active, I talk now less... a good thing
  - I am now not confused for the EU project
- Content
  - An Introduction to General Systems Thinking by Gerald M. Weinberg, 2001
  - Draper L. Kaufman, Systems 1 - an Introduction to Systems Thinking
  - Jonathan Rosenhead, Introduction: old and new paradigms, 1989
  - Laamans, R., Communicatie zonder Mensen, Amsterdam: Uitgeverij Boom, 1999
  - Russell L. Ackoff, Creating the Corporate Future - Plan or Be Planned For
  - Systems Thinking, Carter McNamara
  - The System Thinker

### Scenario

- Good
  - Focused
  - Plausible
  - Coherent
  - Surprising
  - Consist of two to four stories
  - 0.5% to 1.0% of what can go wrong
  - Could the World go through a crisis?
  - Scenarios should be equally probable
  - Good and rich
  - Solid assumptions
  - Beyond the dubious
  - Clear names
  - Logical flow
  - Meta level information
  - Plausible
- Balanced

### What Are Scenarios

- Tool
  - challenging our mental models about the world
  - helping us to take a long view in a world of great uncertainty
  - to challenge a belief about the future
  - envision the future
- Stories
  - about the way the world might turn out tomorrow
  - help us recognize and adapt to changing aspects of our present environment
  - organized ways for us to dream effectively about our future
  - describe in some detail a hypothetical sequence of events that could lead plausibly to the situation envisaged
- the true value of scenarios are the strategic conversation that results from the scenario process...
- is about making choices today with an understanding of how they might turn out
- liberated planning from the traditional predict and control approach
- thinking tool

### Scenario planning

- is a discipline for rediscovering the original entrepreneurial power
  - of creative foresight in contexts of
  - accelerated change
  - greater complexity
  - genuine uncertainty
- people inside and outside the organization
  - work together to construct plausible strategic scenarios
  - managers
  - technologists
- is a process in which
  - involves challenging old assumptions and developing new ones
  - the sides together create a shared strategic language
  - Shared language
  - enables organizations to deal with the
  - strategic challenges
  - uncertain environment
- There is not just one future
- Numbers that Matter Out through Bullshit
- Always remember the thank the secretary
- Think the non-thinkable in a non-liberal way iterative
- If you meet an expert
  - What is the key uncertainty?
  - Works very well in interviews
  - If you would meet an Oracle what question would you has her?
- People crave
  - Health
  - Safety
  - Pressure
- Business Plans with one estimation and an NPV of €3,465,987.89 are b\*\*\* s\*\*\*
- "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."

### Development

- Group
  - The group started right away defining questions
  - Very good group that I belonged to
  - I talk a lot on meeting
  - The guys are a little overwhelmed
  - Created a driving forces and divided them amongst our self after research team
  - Afterwards this was not a good idea as it limited the group information gathering to a team
  - We are having difficulty in finding people to interview and not everyone is motivated for the interview progress
  - We found later an ok solution to this, we decided to start watching videos of "Gurus" e.g. on YouTube
  - About the motivation
  - It takes a certain personality to do interviews and therefore not everyone wanted to do interviews.
  - We got coughed up in the pressure of other classes
- Personal
  - This is a tool that I can see my self using
  - Used Scenario Thinking in my Business Plan
  - Helped me to define real options and define a deeper business model
  - When to an job interview
  - Talked with the Group CO about scenario thinking for 20 minutes and sold him the idea
  - I used the question "What is the key uncertainty?" on a CFO at a company that I was interviewing for
  - He got silenced for nearly 2 minutes
  - Answer: How the company can adapt to technology changes
  - My role

### Content

- Arie de Geus, Planning as Learning, Harvard Business Review, 1988
- Arie de Geus, The Living Company, Harvard Business Review, 1997
- Daniel Erasmus, The future of ICT in financial services - The Rabobank ICT scenarios, 2008
- Diana Scarso, Katherine Fulton, What if ? The Art of Scenario Thinking for Nonprofits, 2004
- Pierre Wack, Scenarios: Shooting the Rapids, Harvard Business Review, 1985
- Pierre Wack, Scenarios: Uncharted Waters Ahead, Harvard Business Review, 1985
- Renate Kerter, The Art of the Possible - The scenario method and the 'Third Debate' in international relations theory, 1998
- Alexander Osterwalder & Yves Pigneur, Business Model Generation, 2009
- Scenario Planning @ Wikipedia
- ScenarioThinking.org

### Strategy

- Difficult to create a strategy that fits all the scenarios
- When you find a elements that works in all scenarios then you have found the core
- The true value is strategic conversation and the options generated
- Build a strategy that can fit in all scenarios
- "Traditional planning to scenario-based strategic planning requires a transformation of corporate culture"
- Sensitivity/Risk Assessment
- Strategy Evaluation
- Good
  - Using a "planning-focus" scenario
- Without using a "planning-focus" scenario
- Bad
  - Develop a complete strategy for each of the scenarios, and then by some means
  - Assign probabilities to the scenarios and then develop a strategy for the "most probable" one.
- Sanoma Learning & Literature
  - Sanoma is a strong European media group with activities in 20 countries.
  - Learning Company
- Bernard de Groot
  - Define the focal Questions
  - to create a Learning Organization
  - Most important
  - Guru
  - Who do you respect but not agree with?
  - Why 2020
  - Out side their planning & bonus

### Development

- Group
  - Not everyone likes thinking of the future in a non linear way
  - I talk a lot on meetings (before block II), trying to move the group to think outside of the box
- Content
  - Daniel Erasmus, A Common Language for Strategy, The Financial Times, 1999
  - Daniel Erasmus, The future of ICT in financial services - The Rabobank ICT scenarios, 2008
  - Ian Wilson, From Scenario Thinking to Strategic Action
  - Michel Godet, Creating Futures. Scenario Planning as a Strategic Management Tool, 2001