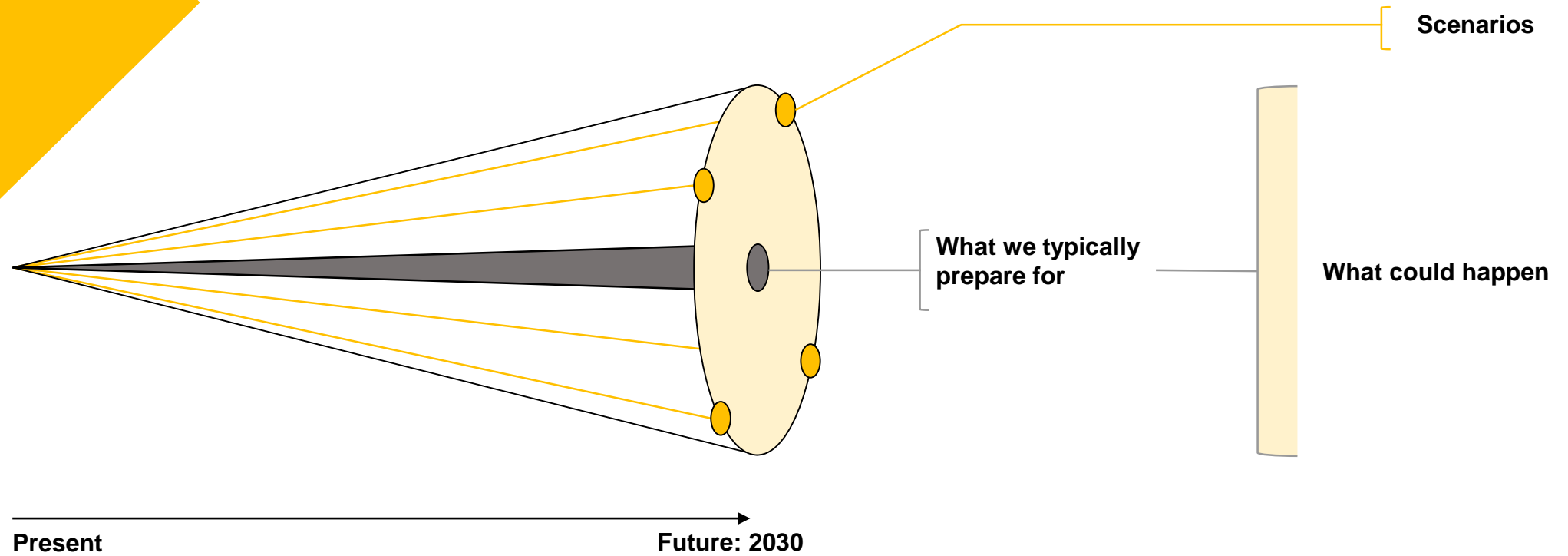


DO IT YOURSELF KIT

Scenario-based planning



HOW WILL THIS KIT HELP YOU?

- ◆ We usually prepare ourselves for best-case, worst-case or most-likely scenarios. These are often based on a bias for the short term, or to seek information that reinforces existing beliefs.
- ◆ This DIY kit has been developed to enhance your ability to make decisions under uncertainty through:
 - Greater awareness of a broad range of factors that may influence outcomes
 - Structured approaches to make sense of interactions and consequences in complex systems
 - Systematic development of strategies that balance short and long-term performance

STEP 1: SCANNING AND IDENTIFYING KEY UNCERTAINTIES

SCAN

Brainstorm, involve divergent thinkers, systematic search, etc.



COLLECT & SELECT

List 30+ factors



Select 5-8 key factors



BUILD SCENARIOS

Discuss and consolidate the key factors into two main factors that will form the axes of your scenario cross

POLITICAL
New laws, executive orders, etc.



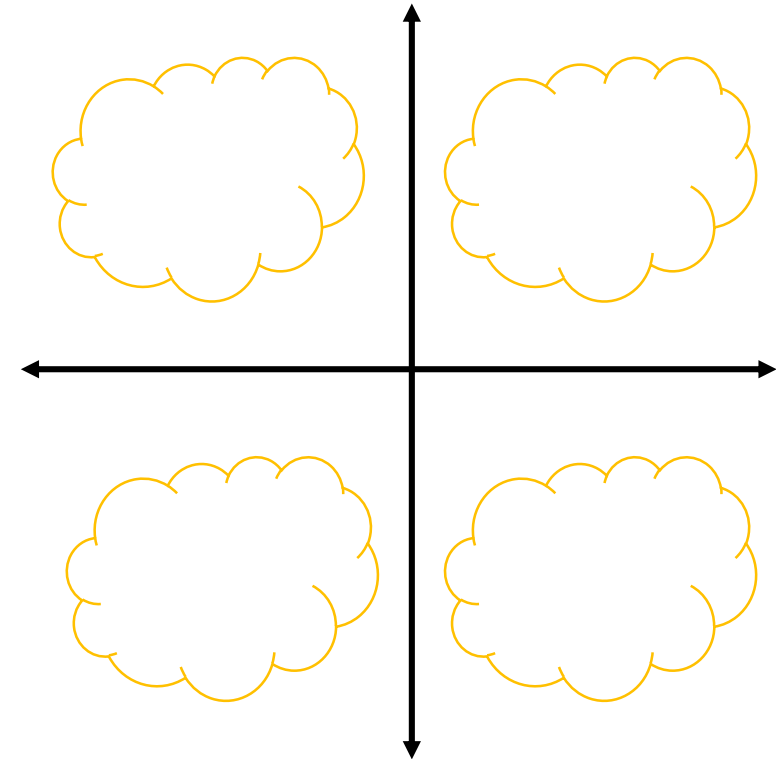
ECONOMICAL
Factors driving supply, growth, etc.



SOCIAL
Factors affecting customer needs, consumer behaviour, etc.



TECHNOLOGICAL
Availability of technical solutions, automation, etc.



STEP 2: MAP STRATEGIC CHOICES.

ACTION FIELDS

Including, scope of offering, type of customer, channel, pricing, logistics, source of competitive advantage, etc.

--	--	--

... *Add more field if needed*

ALTERNATIVES

List all alternative choices you have in each action field.

For example your offering may include only to produce a product or to produce the product and offer a range of value added services.

Or your competitive advantage might be base on price or on quality.

Your logistics could leverage own your own fleet of trucks or on

STRATEGIES

After constructing the grid of alternatives you will be able to identify alternative strategies, which are choices that fit together and feel consistent and feasible.

Use colours to circle the choices that fit together and form a strategy



Strategy A



Strategy B



Strategy C

STEP 3: CRAFT ALTERNATIVE STRATEGIES.

ACTION FIELDS

Including, scope of offering, type of customer, channel, pricing, logistics, source of competitive advantage, etc.

--	--	--

... *Add more field if needed*

ALTERNATIVES

List all alternative choices you have in each action field.

For example your offering may include only to produce a product or to produce the product and offer a range of value added services.

Or your competitive advantage might be base on price or on quality.




Your logistics could leverage own your own fleet of trucks or on

B	B	B
A		C
	A	A
C	C	

STRATEGIES

After constructing the grid of alternatives you will be able to identify alternative strategies, which are choices that fit together and feel consistent and feasible.

Use colours to circle the choices that fit together and form a strategy

-  Strategy A
-  Strategy B
-  Strategy C

STEP 4: DECIDE ON WHAT TO DO NEXT.

Congrats you have built awareness of your key uncertainties, you have mapped your strategic choices, now is time to build the entrepreneurial drive.

NO REGRET MOVES

List all actions that will help you in all (or most) scenarios. Those can be implemented directly. For example build a closer relationship to your customer.



BUILD OPTIONS

List all actions that expand your strategic action field. For example find and make preliminary contracts with alternative suppliers.



PLACE BIG BETS

List actions that are risky, but highly interesting. From this list you can choose to make big leaps of faith that shape the future of your company or industry.



CREATE A CONSISTENT STRATEGY

Integrate the list of actions into a consistent strategy. Make it engaging by formulating it as Massive (aspirational) Transformative (cause significant change to industry, community or planet) Purpose (the clear 'why' that can unite your people and stakeholders). Be bold!

Massive transformative purpose (MTP) examples:

- ◆ Tesla: "Accelerate the transition to sustainable transportation."
- ◆ TED: "Ideas worth spreading."
- ◆ X Prize Foundation: "Bring about radical breakthroughs for the benefit of humanity."

SCENARIO DEVELOPMENT BOX

KEY FACTORS

All drivers of change that are important for the firm and uncertain in their future development

--	--	--	--

... *Add more field if needed*

PROJECTIONS

Alternative future states of this factor in the time horizon.

For example the price of oil is an important factor for the mobility sector. If we develop scenarios with a 30 year time horizon the projections of this factor could 10\$ per barrel (a very low level), 50\$/b (approx. today's level) and 200\$/b (a very high price)

WHAT NEXT?

- ◆ Now that you have built your strategy playbox, it's time to let implement it.
- ◆ You may also share your results with us at EDHEC Chair for Foresight, Innovation and Transformation to:
 - Partner with EDHEC's FIT Chair for further insights
 - Help others in your industry get started with scenario-based planning



Prof. Dr. Rene Rohrbeck

Professor of Strategy
Chair for Foresight, Innovation and
Transformation



<http://fit-chair.edhec.edu>

Make an impact