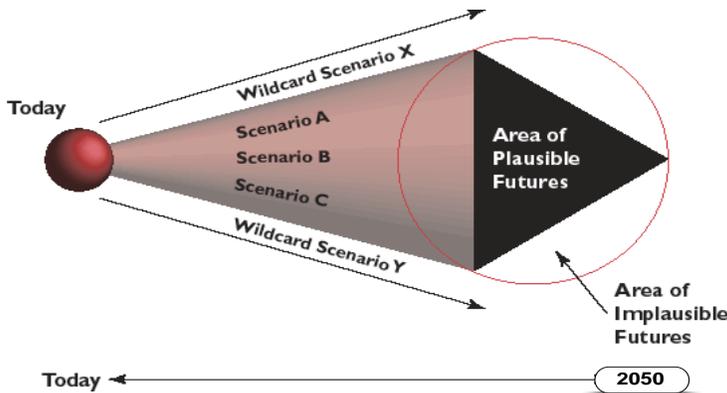


## Scenario Planning – In Brief

By Nicole-Anne Boyer, Adaptive Edge

### Definitions: What is scenario planning?

Scenario planning is a proven strategic foresight tool for making flexible long-term plans. Scenarios are alternative stories of the future; they depict how current events and trends may play out over time. Importantly, they are not predictions but rather describe a **range of possibilities** that incorporate both the expected and unexpected, conventional and unconventional thinking, because the future is always a mix of trends we can anticipate *and* discontinuities, i.e. surprising and novel shifts.



The purpose of scenario planning: to enable leaders to be more adaptive and resilient in a rapidly changing context, and make better decisions in the face of uncertainty. As Peter Schwartz, author of *The Art of the Long View*, wrote: “the test of a good scenario is not whether it portrays the future accurately but whether it enables an organization or group to learn and adapt.”

To achieve this, scenario planning focuses on two different capacities:

1. **Anticipatory skills - to perceive and respond** to future changes. This includes the ability to recognize the signals of change in time, but also the willingness to adjust one’s own “mental models” of the world to fit the emerging realities. As Charles Darwin put it, “it’s not the strongest species that survives, nor the most intelligent, but the ones most responsive to change.”
2. **Generative skills - to proactively shape and create** desired futures. As technology pioneer Alan Kay phrased it, “The best way to prepare for the future is to invent it.” This often means tapping into our sense of purpose as leaders, finding new conviction and creativity to explore uncharted territory.

### Rise of scenario planning: A new tool for now, but also timeless

In Bain & Company’s survey, since September 11, 2001, over 70 percent of global corporations and institutions now use scenario planning as their primary strategic planning tool, complementing traditional methods and forecasting. This is largely in response to a more complex and less predictable world where “plan, predict and control” approaches are less viable.

In recent years, the transportation sector has begun to embrace scenario planning. Planning entities from Delaware, Virginia, Utah, to, more globally, regions in China have been creating a set of best practices and tools for making this effective. Much of this learning is being documented and supported by the [Federal Highway Administration](#).

Notwithstanding these relatively recent applications, the roots of scenario planning go back half a century and longer, originating in the military, and were used extensively by senior government planners during the post-WWII reconstruction efforts. More profoundly, as human beings we all have the gift of foresight, which is [unique to our species](#). In fact, cognitive scientists are now claiming that our “big leap” in cognition occurred during the last Ice Age when early humans had to think contingently and plan for multiple possibilities in the face of a changing climate.

### **Diverse applications: Strategy, innovation, to stakeholder engagements**

Scenario planning often creates powerful new insights at an individual and group level, and is now used in many **innovation processes**. This is because it takes a highly **systemic approach**, combining multiple trends and drivers into coherent pictures of the future. It also integrates **multiple thinking styles**, from analytical modalities (“left brain” cognition) to creative thinking techniques (“right brain” cognition). As Peter Schwartz, author of *The Art of the Long View*, wrote: *“Anticipating the future in a volatile environment calls for more than systematic analysis; it also demands creativity, insight and intuition. Scenarios combine these elements into a foundation for robust strategies.”*

For the last 20 years, scenario planning also has a proven track record in creating breakthroughs in complex social and political environments. This is why it is used in many **stakeholder processes** where the goal is collective problem-solving or conflict resolution. It’s effective because it embraces divergent perspectives and multiple views. By thinking together about the future, it’s also easier to see the points of common interest, without requiring a consensus on one particular future. Most famously, the [Mont Fleur scenario](#) process is credited for enabling a peaceful post-apartheid transition in South Africa during the early 1990s.

#### VIDEOS:

- [Introduction to Scenario Planning](#), MIT Center for Transportation & Logistics (4:03 minutes)
- [Free your mind](#) (5:42 minutes)