

# Scenario Thinking

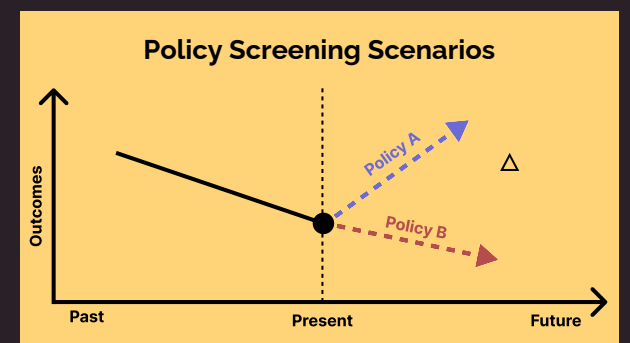
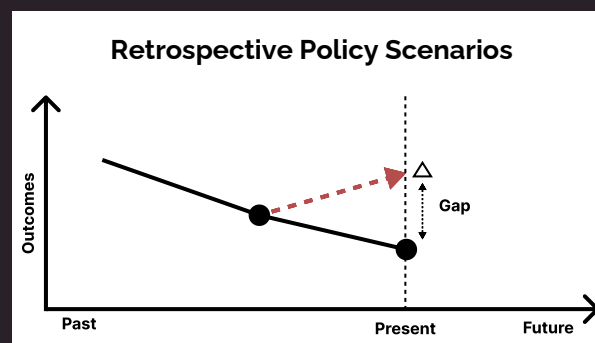
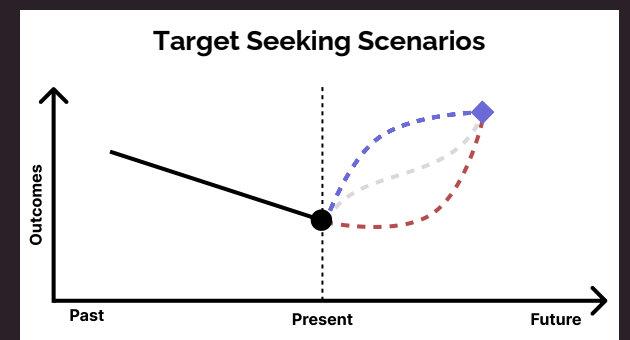
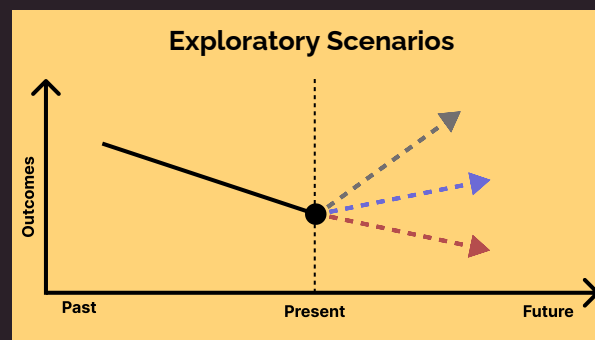
## How To Develop Innovative Insights

### What is Scenario Thinking

Scenario thinking, also called scenario planning or scenario analysis, is a strategic planning method you can use to make flexible long-term plans. It provides insight needed to manage uncertainty and risk. You can use it to set strategy, handle complexity, and improve decision-making.

### Planning Benefits

- Reveal new perspectives
- Challenge assumptions
- Understand the present
- Identify potential paths
- Develop greater certainty
- Promote a shift in attitude
- Encourage sharing of ideas
- Identify gaps in knowledge
- Promote awareness of external events
- Overcome business-as-usual thinking



### Scenario Thinking: How To

**Step One:** Decide on the key question to be answered by the analysis.

**Step Two:** Set the time and scope of the analysis.

**Step Three:** Identify major stakeholders, trends and driving forces.

**Step Four:** Find key uncertainties and identify extremes.

**Step Five:** Choose scenario types and define scenarios.

**Step Six:** Assess the scenarios.

**Step Seven:** Draw conclusions and make decisions.

### Types of Scenarios

- **Exploratory Scenario**  
Used to examine a range of plausible futures, based on potential trajectories of drivers – either indirect or direct.
- **Target Seeking Scenario**  
Used to examine the viability and effectiveness of alternative pathways to the desired outcome.
- **Retrospective Policy Scenario**  
Used to compare outcomes of previously adopted policies to hypothetical alternative scenarios.
- **Policy Screening Scenario**  
Used to forecast the effects of alternative policy or management options or interventions.

### Techniques

#### Delphi Method

- Define objectives.
- Select experts for scenario interviews.
- Create scenario questionnaires.
- Round 1: Distribute to experts.
- Summarize results and create a new questionnaire.
- Round 2: Distribute to experts.
- Summarize results (optionally run more rounds).
- Use results to draw conclusions and make decisions.

#### Backcasting

- Create the dream scenario.
- Work your way back to figure out what is needed to make the dream scenario come true:
  - What must you do?
  - What you must not do?
  - What must happen?
  - What must not happen?
  - What you must acquire?
  - What you must eliminate?
- Use answers to draw conclusions and make decisions.

#### Horizon Scanning

- Define objectives.
- Identify key stakeholders.
- Set a timeframe for the horizon.
- Break down issues and assign them to stakeholders to research.
- Perform the research.
- Document and distribute research reports.
- Collate reports and discuss.
- Use answers to draw conclusions and make decisions.



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