Seven Sure-fire Ways to Do Scenario Planning Badly:

A Guide to Poor Practice

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Introduction

COVID-19, the economic inequality enhanced by the pandemic, the climate crisis, and geopolitical tensions have accelerated the desire and need for excellent scenario planning. Unfortunately, the demand for seasoned, competent scenario planners has outstripped supply.

The practice of scenario planning has no barriers to entry. Scenario planners have neither to pass a bar exam as do lawyers nor do they have to be certified by a professional body, as do engineers or medics. It follows, then, that quality control is non-existent, except ex-post, when bad scenario planning may have already negatively impacted the organisation.

The result of too-few competent scenario planners is the ease with which scenario planning can produce results that are simply not useful—if not harmful—and waste valuable time and money.

This article proposes seven ways to execute scenario planning poorly. (Although this is written tongue-in-cheek, we hope this guide can help less-competent scenario planners to lift their game.)

1) Render scenarios useless: Failing to identify the user and the use, and avoid supporting the using.

One good way to do scenario planning badly is to make it useless. Here are four reliable ways to ensure uselessness.

The first technique is to avoid clarifying in detail who the primary user of the scenarios will be and how it will be used. Indeed, obtaining uselessness is helped when there is no user.

The second way to achieve uselessness is to state the intended use as vaguely as possibly, if at all. For example, suggest the scenarios will illuminate a 'focal' issue. This works particularly well in conjunction with not specifying the intended user.

The third option is to publish a set of generic scenarios for 'anyone'—which in reality means that they are relevant to no one without significant re-working and adaptation. (This poor practice works well when combined with #5 below.)

A fourth way is to ensure that there is no way that the scenario set can be used – this is achieved by not setting up a strategic planning system which can use the results, and benefit from the insights afforded by the scenario set. It also helps to render a scenario set obsolete quickly by failing to develop the early warning system which would have refreshed it.

2) Introduce Confusion: Employing the term ‘scenario’ to depict something (anything) that is not actually a scenario.

Many forecasters realise that predicting the future with sufficient precision is difficult in the context of radical uncertainty. So, instead of providing a forecast, they provide ‘high’, ‘medium’, and ‘low’ versions (also proffered as sensitivity analyses) of their prognostications, and they wrongly call them ‘scenarios’. These propositions are not scenarios produced by scenario planning, but instead different runs of a model obtained by altering a parameter in their model such as inflation rates or costs of carbon. For many forecasters, ‘scenarios’ are the outputs of the model.

Moreover, forecasters use probabilities in what they refer to as “scenarios.” Deploying this confusion is a perfect way to produce poor scenario planning. Good scenario planning practice holds that probabilities are impossible to use in radically uncertain contexts - the contexts which useful scenarios explore. Pretending probability can be applied in these conditions can be costly.

In contrast, scenario planners view ‘scenarios’ as different contexts of the model or organization. For example, in the Oxford Scenario Planning Approach, scenarios enable the assumptions about the future context to be reframed in different ways. In this way, the scenarios provide alternative frames to see the possible future context, thereby helping assumptions of the model or the organization to be constructively challenged.

3) Befuddle: Confusing the distinctions required to make scenario sets useful.

A great success achieved by many bad scenario planners involves confusing the scenarios (which assess what might come to pass, independent of one’s will) with the strategy one pursues (which depends entirely on the choices one makes oneself). While good scenario planning involves testing the strategy with the scenarios, confusing the two renders this useful application impossible to achieve.

Another way to achieve confusion is to conflate the immediate transactional environment (something one can influence, and which the scenarios shed light on) with the contextual one (something one cannot, and w from which the scenarios are built). The consequence of this confusion is that the scenarios fail to highlight potential surprises and disruptions caused by deep uncertainty fail to challenge the assumptions upon which an organization’s strategy is built.

Finally, including too much information, too many graphs, too many tables and too many comparisons, or creating too many scenarios are other superb ways to befuddle. This does a great job of flagrantly opposing the rule of thumb that to produce helpful insights, less is more.

Any way of decreasing the clarity of a scenario set and confusing intended users’ thinking rather than clarifying it, is a good way to make sure the scenario planning has little impact.

4) Believe in pop-up scenarios: Pretending scenario planning can be done from scratch in an afternoon.

Many results of scenario planning that have taken several months or person-years to produce are presented in a succinct, readable manner. However, those who have not seen what has gone into the production may believe they can produce an equivalent outcome in just a few hours' work.

Attempting pop-up scenarios is a bit like assuming that just because a great TED talk can be delivered in an 18-minute format, one can produce such a talk in only 18 minutes, without preparation or practice. It is surprising how many requests one gets to do exactly this!

Worse, some people believe they can write a scenario set alone, with no or very little conversation involved. Instead, good scenario practices require one to reach out to remarkable people with different perspectives that can sometimes oppose each other, making disagreement among them a rich source of learning. Because understanding each other also involves active listening, back and forth, the process takes time.

Scenarios done entirely in one afternoon by inexperienced scenario planners do not give one time to develop alternative frames, to consider which set of contrasting frames is most useful and to develop a new thought process based on that set. Doing all of this requires not only more hours of work than those which an afternoon offers, but more importantly, they also necessitate more afternoons (and particularly the nights in between to allow dreaming to reorder the systems of views in one's mind) so that alternative mental frames and re-perceptions can emerge.

Just like fast food is often junk food, doing scenario planning fast can produce junk scenarios.

5) Call on magic: Suggest scenario sets are miracles and can foretell the future.

Scenario planning cannot predict the future, as it was developed to deal with those aspects of the future that are characterised by deep uncertainty. Therefore, suggesting scenarios can somehow predict the future is to call on magic and is a sure way to drive bad scenario planning.

If one produces scenarios for 2040, for example, it is because a perspective from 2040 will be useful here and now or in the coming weeks or months - not in 2039. Scenario planning is about the future, not the long term[i]. The future is part of the present; it comes to us and is expected to be different from the present as it unfolds and passes – at least according to the Oxford English Dictionary's definition of "future". The long term is for later. Good scenario planning works with the future for the present. Bad scenario planning seeks to foretell the future.

Finally, pretending that scenarios can predict the future will not only mislead and disappoint but make a given set of scenarios impossible to use. This fact alone often perpetuates the idea that all scenario planning is always and necessarily useless. This does not always occur by accident but can instead be done deliberately. For example, modellers and forecasters can sometimes propagate this agenda, as good scenario planning will question their own models and forecasts in ways they feel they need to do for themselves, even if they have not previously considered doing so.

6) Downplay: Make scenario planning appear to be necessarily incomplete.

It may be obvious, but a good way to ensure that scenario planning is done badly is to pretend that the only way it can be done is badly. There are people who have already made up their minds that scenario planning is incapable to meet their expectations because they take it to be (almost by definition) an incomplete methodology.

For example, one government department, which had inherited a very narrow definition of scenario planning, decided they needed to call their own practice ‘enhanced scenarios’ to make up for the artificial restrictions of the limited scenario methodology that had been introduced. By definition, for people in that department, any scenario planning that wasn’t enhanced with other add-ons would be interpreted as falling short of requirements.

Another version of this well-tried way of producing bad scenario planning in this mode is to pretend that scenarios are ‘only stories’. This can be a favoured tactic by those whose practices see the introduction of good scenario planning as a threat to their own remits (say, risk managers, or those in charge of spotting issues that should go on the top management agenda). By excluding proper systems mapping inherent to scenario planning, less competent scenario planners can produce artificially diminished versions of the scenarios that make them easy to ridicule and denigrate.

Similarly, insisting that a scenario set done several years ago did not accurately predict an actual outcome and therefore argue that the set was somehow incomplete is another good way to pretend that the scenario planning was bad. (This works particularly well when combined with #5 above.)

7) **Create a domino effect: Hiring the ‘wrong’ professionals.**

Finally, hiring the wrong scenario planning professional can have a negative and rapid multiplier effect for an organization eager to use scenario planning thoughtfully. This flawed hiring can apply internally as well as to external advisors and facilitators.

For example, a foundation wanted to do scenarios “the right way” and had the resources and leadership commitment to undertake a robust and productive process. Yet, the hired person lacked scenario planning competence and skills, and rather than oversee the introduction of a rigorous process, relegated responsibilities to an equally unknowledgeable staff. No partnering or train-the-trainer model was used; quality control was not even considered. The result was not a rich journey leading to sensemaking and resilience, but a complex and convoluted train wreck. In hopes of salvaging the experience, frustrated staff defaulted to a strategic planning process that actually impeded the organization’s efforts to navigate the impact of the COVID pandemic.

Conclusion

Adopting these seven suggestions, alone or combined with each other, can help executives secure a bad outcome for their scenario planning. Following these suggestions should also improve the effectiveness of those attempting to poorly execute scenario planning.

In all seriousness, we hope these observations might substantially lift the quality of scenario planning undertaken for those who want to avoid bad scenario planning - the complexity and deep uncertainty of our world deems good scenario planning essential.

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[i] We thank our colleague Dr Angela Wilkinson, CEO of the World Energy Council, for this insight.