Headline: A Faster Way to Build Scenarios That Yield Strategic Insight

Deck: New approaches to scenario planning can help managers navigate future uncertainties more quickly and with fewer resources.

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How leaders can engage with radical uncertainty is of increasing urgency — and they need tools for doing this rapidly. Scenario planning is growing in popularity as a way to better understand and prepare for changing business contexts, but as it has been practiced in the last few decades it can be too time- and resource intensive to meet today's need for fast insights.

While thoughtful attention and consideration of rapidly evolving issues is more important than ever for managers, dedicating valuable people's time to produce a set of scenarios is increasingly expensive. It is also ever more difficult because managers are stretched — exacerbated by the delayering of central management and strategy teams.

How then to produce a bespoke and useful set of scenarios to address one's own, specific situation and uncertainties? And how to do so without expending vast resources, managerial attention and person-days — nor waiting six months or more for useful insights?

A few companies have found a way to do all of the above. Their approach involves framing scenarios with their intended users at the center; placing a sharp focus on what really matters here-and-now for those users; and making judicious use of generative artificial intelligence (genAI) tools. We explain how these elements are applied in an accelerated scenario planning process, illustrated by the recent experiences of two companies: Fazer, a Finland-based Nordic FMCG company focusing on confectionery, bakery, and plant-based categories; and Unum Limited, the UK subsidiary of a US-based provider of employee benefits.

Framing Scenarios for Their Users, Here and Now

Scenarios explore the uncertainty of a firm's future business environment – framed for a specific purpose. As the discipline of scenario planning has evolved, so too has thinking about how to frame a scenario's purpose — that is, what it is about or who it is for. A particular approach that has emerged from this lively debate[1] is to tailor scenarios not to the organization in general nor to a given generic topic, but to the person or people whose decisions will be informed by those scenarios. This approach puts the unique worldview of the intended user or users at the center, because it's their own specific worldview that underpins their perceptions and actions on behalf of the organization. The power of scenario planning in this context is to help those users to surface, question, enrich, reframe, and re-evaluate their worldview.[2]

In this article we build on a refinement to this approach, which is to focus on challenging the user's ghost scenario.[3] The ghost scenario is the existing, often implicit scenario, as to what the user's worldview says about the company's current investments or strategies assume the future environment is going to be like. It is the set of assumptions about the future that the senior people already have in their head – and the ones they as users want to examine if they undertake scenario planning. By focusing on their specific assumptions, the work becomes anchored in the user's mental map[4] as it exists in the here-and-now. Challenging and contrasting these assumptions with others that are plausible makes the new scenarios immediately interesting and useful.

This much sharper approach quickly focuses scenario planning teams on establishing which small set of assumptions in the existing ghost scenario users will find most interesting and salient in the here-and-now. These assumptions, surfaced in conversation with senior management, may relate to gut feelings that the company is over-reliant on a particular trend continuing, or that could represent wishful or outdated thinking.

In the case of Fazer, the ghost scenario was identified by interviewing senior managers and making a list of 15 assumptions that they all agreed were held in the business. The scenario planners then conferred with the management team (the main users) to narrow the list to three or four assumptions that they should focus on. In Unum's case, a review of existing strategy documents, board minutes, and company announcements yielded a list of assumptions. After this was validated by senior management, the strategy director selected two for exploration with the final approval of senior management.

Focusing on a very small number of core assumptions related to a specific purpose and building scenarios that directly challenge the users' existing ghost scenario, makes the work immediately relevant and useful to those making important decisions on company direction. It avoids scenarios which 'boil the ocean' and prevents longer-term views from being unrelated to the here and now. This matters as strategic failure is highly correlated with senior managers making choices based on incorrect assumptions.[5]

Speed Up Scenario Development With AI

Using AI tools based on large language models (LLMs) in developing scenarios is now a subject of much research.[6] In the cases we studied, the tools were used to research factors that might either challenge or reinforce the assumptions in the ghost scenarios and to generate scenario outputs.

For each scenario developed, the output is typically a narrative told from the perspective of someone in the future, recounting what happened to lead to that future state. In the Oxford scenario planning methodology, a good scenario is plausible, not probable. That is, the work is an exercise in stretching the imagination to consider what could happen, not predicting the likelihood of outcomes.

Research to support scenario planning typically happens after the identification of the core assumptions to be challenged in the ghost scenario, as well as in the development of the scenarios. (See "A Focused, AI-enabled, Scenario-Building Process.") Research explores under what conditions, and in what ways, relevant technological, economic, political, social, environmental and legal factors could unfold and co-evolve (or not) in the future that especially challenges what is currently being assumed by executives. The research is aimed at sparking imaginative thinking and broadening perspectives.

After scenario planning workshops, as we'll see in the cases that follow, the highlights of presentations and other building blocks of the scenarios can be fed as prompts into a genAI tool, which produces a draft narrative. This may be done a few times to redefine each scenario and to distinguish each from the others. In addition, the scenario narrative produced by genAI can be fed into a video generation tool, making it easy to tell the story in a more accessible medium. We estimate the time required to produce both of these outputs via genAI vs. manually was reduced by 50% at Fazer and 40% at Unum. Given the rapid advancements in AI model capabilities since the work was done, we believe these times could be shortened even further in the future. Moreover, the AI models enabled additional elements to be incorporated into the work, such as video and image generation, which would not have been the case working without AI. In both cases, the refined outputs were judged to be of sufficient quality to be incorporated into reports and presented to senior management to support and inform strategic planning.

How Fazer Accelerated Scenario Planning

Exposure to several different markets and industry categories exposes a company to many unpredictable developments. This is the case for Fazer, a 134-year-old Finnish consumer goods company with a broad product portfolio including confectionery, bakery and breakfast products, plant-based drinks, flours, and more.

The company sought to thoroughly assess plausible future scenarios to improve its readiness for situations that were less obvious to foresee. It also wanted to energize the annual strategy dialogue with new perspectives that could support ambitious growth plans. It decided to adopt the Oxford approach based on the ghost scenario as this held promise to generate impactful scenarios without consuming an inordinate amount of resources and managerial time.

Initially, discussions meant to inform the strategy process had investigated what-if situations like “double digit volume drop”, “radical margin drops” or “significantly weaker demand." However, it soon became clear that those questions were too self-focused and didn't truly stretch strategic thinking.

The Oxford approach shifted focus to the broader context the company might inhabit. The Fazer strategy team, which later led the scenario planning effort, considered assumptions that had remained unquestioned in the strategy. This raised questions such as, “what if one or more key markets changed dramatically?” or “could the raw material upon which the portfolio depends shift materially?” As a producer of a wide range of consumer-packaged goods, many of the company's ghost scenario assumptions focused on the supply of inputs, primarily raw materials. These discussions helped the team outline what research was needed to support building plausible scenarios for such situations. Ahead of diving deeper into the scenario work, the ghost scenario and related aspects were discussed with senior management. By the end of March 2024, a working group consisting of 20 hand-picked senior representatives from supply chain, procurement, R&D, marketing, finance, and communication convened for a 2-day workshop where eight of the 15 assumptions were worked on with additional participant perspectives. The insights from the session were further analyzed and explored with support from LLM tools.

One month after the first workshop — that is, within two months of beginning the scenario planning process — the Fazer scenario team had created a half-dozen plausible futures which challenged key assumptions in the ghost scenario. (They subsequently eliminated a few deemed insufficiently unique or relevant to the core assumptions.)

The team went from exploring possible developments such as rising sea levels, changing cultivation conditions, and rising temperatures, to shaping a comprehensive view of a future where climate change resulted in significant negative impacts on the crops on which Fazer’s businesses depend. A specific scenario on climate change was developed which enabled the firm to explore how countermeasures for addressing such change may fail or prove insufficient. This reframed the Fazer team's view of climate change as primarily an issue to be mitigated by targeting emissions reductions and made explicit what had been less in focus: the somewhat inconvenient truth of the drastic impacts of these complex changes for Fazer’s suppliers, its own operations, and its customers. This allowed the firm to consider a comprehensive view of key impacts that would have gone unnoticed, including quantitative projections for future crop-growing regions.

Management teams in Fazer have been able to use the scenarios to explore alternative futures and how they see their work within them. They have questioned aspects of the strategy that had been taken for granted, but that related to some of the most fundamental elements of the current business model.

Strategic dialogue at Fazer involved active reflection against these scenarios, with each business expected to outline key topics to be addressed across each of them. One key learning was that the use of scenarios needs to be integrated into existing processes for strategic assessments. Otherwise, they are too easily put aside. But in this case, the scenarios generated compelling insights, enabling critical thinking to help executives challenge their underlying strategic assumptions and generate ideas which differ significantly from current strategy.

How Unum Challenged Its Own Assumptions

At Unum Limited, increasing uncertainty in the operating context prompted executives to challenge their assumptions as they developed the next strategic plan. The UK subsidiary of the US-based insurer Unum Group, Unum Limited is a specialist provider of employee benefits, offering income protection, critical illness, life, and dental insurance to over 2.8 million people across the UK.

Unum Limited had grown significantly following the COVID-19 pandemic. Capitalizing on a buoyant UK employment market with rising salaries, coupled with heightened corporate interest in employee health and wellbeing, the company aligned its propositions with evolving customer needs, and outperformed its larger, more diversified peers.

As Unum Limited approached the next strategy cycle, its operating context had shifted. It faced a sluggish UK economy, slowing employment growth, and mounting pressures on the public healthcare system. Added to this were uncertainties surrounding the adoption of AI and its implications for the UK employment market in the years to come.

Unum Limited launched the scenario planning exercise in January 2025 with the goal to explore the key uncertainties shaping its operating context and test whether its strategic choices would be resilient across a range of potential economic, political, and social futures. In order to meet a May deadline for delivering scenarios and a preliminary draft of the 2030 strategy to the board, the UK strategy team fast-tracked the development of a set of scenarios to be ready for mid-March, ensuring they could effectively inform and stress-test the strategic choices under consideration. They opted for our accelerated approach, focusing on key assumptions in the ghost scenario and using AI to significantly reduce the required time investment.

The initial step was to surface the ghost scenario. The strategy team extracted assumptions from a recent survey of (and interviews with) the executive team which had explored future trends. Executives' perspectives largely reflected an extrapolation of current trends, with a moderate level of disruption to the employment market from AI. The underlying ghost

scenario assumptions were grouped by topic, helping to narrow further research to 15 focal topics ranging from future trends in UK healthcare provision to the future of employment in an AI-driven corporate sector.

A full-day scenario development workshop held in February brought together subject-matter experts from across Unum UK, including sales, operations, marketing, and technology, as well as representatives from a public affairs consultancy and an executive with recent leadership experience at one of the company's closest competitors.

Before the workshop, the strategy team summarized the 15 key focal topics previously identified, covering key political, economic, societal, and technological trends. To streamline the research process, they leveraged LLMs to identify data sources for each topic, and then engaged directly with those sources to assess their credibility and obtain first-hand insights.

During the workshop, the strategy team presented the key hypotheses for each focal topic, along with opposing trends that could challenge those assumptions. Participants were encouraged to critique the content and contribute their own perspectives, including any additional trends or insights uncovered through their own knowledge, research, and personal experience.

Participants were then split into groups and given cards representing the opposing sides of each hypothesis. For example, one card might state that “AI drives the creation of high-skilled jobs” while its counterpart contends that “AI contributes to widespread job displacement”. Their task was to map a sequence of events that could plausibly lead to a specific set of outcomes by 2040. Extending the timeline beyond the 2030 strategy horizon encouraged broader thinking and opened the door to a wider range of potential scenarios. Each group then presented their plausible logical maps to the wider workshop. Where scenarios shared overlapping themes or led to similar outcomes, they were consolidated into unified maps to capture the most representative futures.

The resulting scenarios tested two key assumptions: 1) the extent to which AI would influence demand for human capital, triggered by whether AI would primarily displace existing jobs, or create new, high-skilled job roles that contribute to higher productivity; and 2) the level of government intervention, with an emphasis on the labor market. For Unum Limited, a provider of employee benefits that function alongside state-funded healthcare and social security benefits, these assumptions were identified as the most critical uncertainties shaping its future operating context.

Following the workshop, the strategy team refined the scenarios to ensure that each one sufficiently contrasted and challenged the ghost scenario. The final set of scenarios (consisting of the ghost scenario and three alternative scenarios) were then fed into an LLM to craft vivid narratives depicting what life in the UK might look and feel like in 2040 under each scenario. These narratives captured both the broader contextual environment and the specific market dynamics relevant to Unum Limited. The team also made 3-minute AI-

generated videos based on the narratives that illustrated life in the UK in 2040 under each scenario and described the key developments that had led to that scenario.

The team presented the scenario set to the executive team in March 2025, for validation and to evaluate potential risks and opportunities for the strategy under each future state. The videos proved to be a powerful engagement tool, facilitating meaningful discussion and enabling the executive team to grasp the nuances of each scenario. In contrast to text-based scenario descriptions, the visual format reduced the risk of misinterpretation and helped to quickly establish a shared understanding of the scenarios.

For Unum Limited, the scenario planning exercise proved its value in two key areas. First, it provided greater clarity on how the most critical uncertainties in its operating context might influence the strategic decisions under review. Second, it demonstrated the potential of AI to accelerate complex strategic processes, reducing the number of process-driven tasks to enable a greater focus on higher-value strategic thinking.

Lessons Learned Using GenAI in Scenario Planning

We advise approaching LLMs not as 'objective' sources of factual information for automating research, but rather as collaborators in imagining the future in creative ways. That is, think in terms of "AI-in-the-loop" rather than "human-in-the loop."[7] This subtle difference puts humans at the center of reasoning processes with LLMs helping in ways that are deemed useful in a specific situation (executive assumptions and strategic options are always unique to an individual organization). An 'AI-in-the-loop' perspective treats LLMs not so much as authoritative sources but rather as partners for brainstorming ideas[8] about the future. Some ideas may be fanciful, but this can be the case too with human-only idea generation. LLMs can provide executives with quick access to an ideation partner whose resources extend well beyond the firm's boundaries and the limits of groupthink.

Unum used personas in its prompts to generate new perspectives: "You are an expert scenario planner looking to challenge the assumption that [ghost scenario assumption]. Provide a set of compelling arguments that support and contradict the assumptions, providing links to the underlying sources, such as research papers from credible experts and international institutions." For Fazer, a helpful prompt when developing the scenarios from the 200-300 word descriptions generated in the workshops was asking "Make this alternative future description more captivating based on insights X, Y, Z". And "Give a second opinion on the description of the scenario, providing support for the reasoning behind the description, as well as counterarguments as to why this future may not be plausible." A key insight from both cases is seeing prompting as a thread and not a one-off activity.

Evaluating the outputs of LLM queries then comes down to assessments of plausibility (in the context of relevance and usefulness to the case at hand). Scenario planning is

conducted in situations of deep uncertainty where judgments about what is probable in the future are impossible to make. Yet human assessments can be affected by biases or a lack of knowledge and ways to counteract these need to be found. Fazer for example, in judging LLM outputs of the scenario descriptions, arranged discussions with identified external experts to review these descriptions, to validate insights and underlying data. Unum, treated the LLM outputs as 'raw' and went to the original documents from credible sources to help the firm assess the value of what was being proposed. Both cases attest to the importance of considering how best to evaluate LLM outputs acknowledging that the users of these outputs may have limited knowledge or biases that do not make such judgements straightforward or unproblematic.

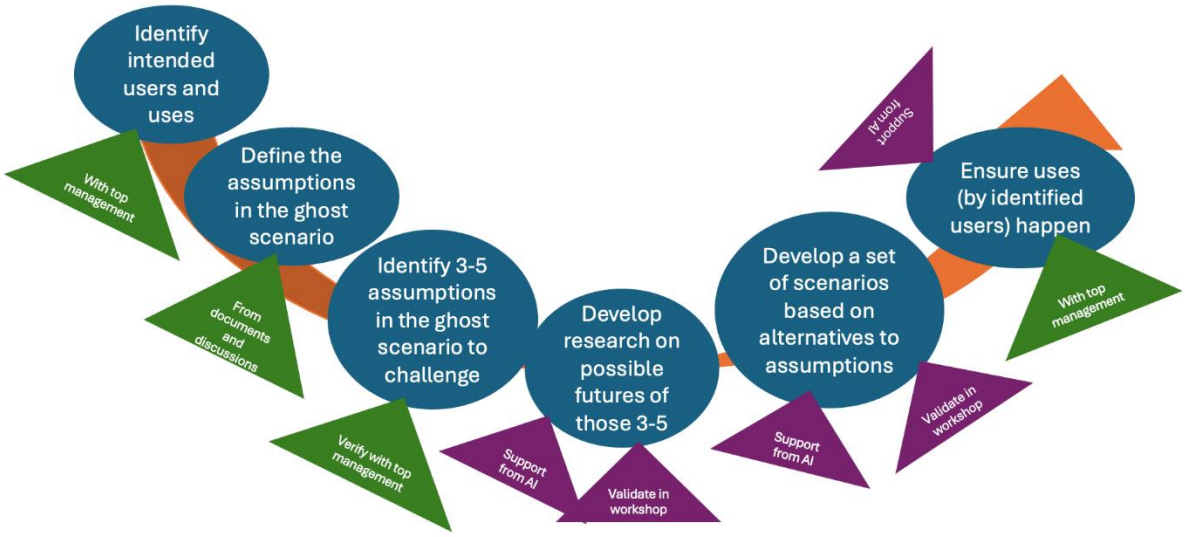
In conclusion

Scenario planning is more necessary than ever, but the level of uncertainty in the business environment is occurring at the same time as managerial time and attention is stretched. New approaches to the practice are needed to reconcile these two forces. We believe the three elements outlined in this article can help to focus the scenarios on the immediate needs of the intended users, bringing the longer term view into the here-and-now; frame the scenarios by questioning key assumptions in the ghost scenario, which also has the huge advantage of rendering it explicit and questionable, and finally, judicious use of AI to both produce and render the scenarios more effectively and quickly.

Title: A Focused, AI-enabled Scenario-Building Process

Caption: At the core of more streamlined scenario work is the concept of the ghost scenario, those assumptions that have not been questioned but underly an organization's current strategy.

[NB for designer: the purple triangles indicate where AI is being used; the green triangles indicate activities involving top management.]



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