

Contents

- [1 Introduction](#)
- [2 Triggers for learning](#)
- [3 So, what is scenario planning?](#)
- [4 Purposes of scenario planning](#)
- [5 Scenario planning methods](#)
- [6 USM's approach to futures workshops](#)
- [7 Lessons learnt](#)

Introduction

In May 2005 a group of about 20 lecturers and senior administrators including the Vice-Chancellor of USM gathered at a hotel in Batu Ferringhi, Penang to participate in a 2-days 2-nights futures workshop facilitated by a well-known futurist. I had the opportunity to observe and participate in a workshop conducted by a facilitator of international repute and was awe-struck with his skills in handling the participants. He appreciated every view or idea from the participants. But many of us were also frustrated at the lightning speed with which we were accomplishing the objectives of the workshop. We were struggling to stay afloat trying to make sense of all the new information, concepts, techniques, methods, trends and so on and at the same time attempting to use them to create our own futures for the university ? all in 2 days! We were incredulous and some of us even expressed amazement at the perceived ease with which we were being ?managed? to complete each step of the process to arrive at the future. For many of the original participants of this futures workshop, they could not find a connection between the future of the university and their role as a lecturer-researcher or administrator so many quietly retreated and eventually disengaged themselves. But as I persevered with a small group of believers, we found others in other organisations who felt similarly numbed and overwhelmed after having undergone similar futures workshops (even those conducted by other international consultants).

From being a participant I eventually found myself in the shoes of the facilitator during which I encountered project leaders who rejected the methodology, saying that they are all ?nonsense?. In one instance, a workshop leader told us, the facilitators, that he already had all the answers so there was no need to ?dream? too much about the future. We should focus on realities.

Triggers for learning

As a town planner by training, the term alternative scenarios was not an alien concept to me when we started the scenario planning project at USM since planners must visualise alternative futures in order to be able to create a plan, usually for a desired or even utopian future. Typically, planners have relied mostly on forecasting tools which are trend-based or based on certain assumptions with a focus on resolving current or anticipated issues and problems. Or, if we are creating something new such as a new city the planner is given almost a freehand to create his vision of the future. So how is scenario planning any different from what planners have been doing?

Our first futures workshop was preceded by a lecture by the same futurist several months earlier during which he presented several scenarios for higher education from his earlier work. To most of us, it appeared that the subject was already well-studied so there were several persistent questions from the floor asking what is the most likely scenario but the futurist was reluctant to tell the audience what he thought was the most likely future for higher education. Another major concern was how to create the futures or more precisely, how did the futurist generate the various scenarios. In fairness, it was only a one hour lecture which was more focussed on discussing the

alternatives scenarios rather how to create them. Nevertheless, one major lesson I learned is that when you present a series of alternative scenarios to a highly critical academic audience they are likely to be distracted by the justifications for the scenarios than to focus on the stories being told about each scenario.

As we approached the first workshop, a set of reading materials was distributed to participants about one week earlier in order to familiarise them with methods and concepts. Most admitted having ignored the homework because of time pressures but among those who did attempt to do justice to the literature, most (including me) found it dry and alien. It is safe to say that most of the participants went into the workshop unprepared, expecting to pick up the skills during the workshop sessions itself. Each session was preceded by a short presentation by the facilitator and then the participants were instructed to work in small groups learning and applying the methods at the same time. Certainly some were able to grasp the concepts with ease while many were puzzled even after successfully completing each task. Having applied all the methods, we generated more than 30 possible scenarios and as the facilitator deftly assisted us to select five scenarios for further development many of us sat in awe at the wealth of experience and knowledge required to undertake such a task. I left the first workshop with a feeling of accomplishment but yet felt inadequate. In particular, I felt that I did not know enough of what had happened before and what's in the pipeline and coming on-stream in the near future because I have not made it my responsibility to track what is going on in the world, especially in terms of higher education. Afterall, it is not my discipline of study or area of specialisation.

After the first workshop, each group worked further to develop the stories and produced documentation and even movies to allow us to communicate with the rest of the campus community. We conducted several rounds of presentations and dialogue with staff and students and circulated a questionnaire for feedback. These sessions were learning opportunities. At one extreme, one participant dismissed the whole effort as being 'useless' because the Minister would overturn everything. Another questioned why we did not have 'dead university' scenario. Others puzzled about what is new about certain scenarios because what was described was, in their eyes, already happening. Many wanted various aspects from several scenarios to be combined into a hybrid scenario. Others reacted by rejecting certain scenarios because they did not like the overcome such as the university becoming too money-oriented if it is too focussed on being a corporate university or the university becoming very impersonal if face-to-face interactions becomes obsolete in a virtual university. As we reflected and responded to the feedback and wrote the book documenting the project, we learned more about scenario planning 'what it is and what it is not and how we could do it better. We have adopted ideas from numerous futurist-writers to develop a process for conducting futures workshops which has been well-received.

So, what is scenario planning?

Scenario planning has been around since the 1960s, used initially for military applications.

Scenario planning requires serious research work to look for evidence pointing to alternative futures, especially to alternatives which we are either not willing to consider or is not within our normal line-of-sight or vision. These alternative futures are not prognosis, forecast or predictions. They are possible futures which could emerge given the direction or trends observed over an extended period of time. A key here is that scenarios are driven by emerging trends or forces from multiple factors or directions converging to disrupt the status quo. Sometimes, a single phenomenon could tip the change in an irreversible tangent.

Scenario planning helps us to re-perceive by challenging assumptions. It helps us to change our view of reality. Scenario planning is about changing mind sets of decision makers. It is not to help us to get a more accurate picture of tomorrow. In fact, it is said that scenarios are by definition cartoons (or works of fiction) because they are stories woven around a certain plot to bring prominence to specific aspects of the future which would otherwise be overlooked in the normal course of decision making. Its power lies in the ability to allow us to see

different perspectives in a systematic way.

Purposes of scenario planning

When we first started, I had the impression that scenario planning is used primarily for knowing (or predicting) the future. In other words to allow us to create the future. Typically, this means that from the various scenarios generated the next step would be to initiate actions to move the organisation towards a particular preferred scenario which has been developed into a vision for the organisation. This approach is especially appropriate for organisations seeking to realign their core business when the future prospects for their current business looks bleak. It can be achieved through the development of a strategic plan or an action plan which will guide the day-to-day decisions of the management. But the fact is that most strategic plans are prepared in absence of a scenario planning process. Strategic plans traditionally also lack the built-in mechanism to scan and monitor key indicators to discover how various phenomena are converging to disrupt trends to reveal which of the alternative scenarios is emerging as the most probable future.

Scenario planning does not necessarily have to lead to the production of a strategic or action plan. Two other major uses of scenario planning are to influence public attitudes and to use it as a tool for organisational learning. Our own experience participating in and conducting futures workshops suggests elements of learning and changing attitudes are just as crucial to the success of the scenario planning project as the generation of alternative scenarios.

Scenario planning methods

Is there a science behind scenario planning? Or are scenarios more the product of fertile minds? Scenario planning is both science and art. Science provides the hard facts to support the ideas but it takes creativity and imagination to combine disparate information to generate alternative futures different from the norm. Scenario planning is only useful if we think outside the box. Fortunately, there are many methods available to make the process more systematic instead of relying on those elusive moments of inspiration.

Depending on purpose, availability of in-house expertise and resources, scenario planning exercises can be conducted in various ways. It can be conducted by a small expert group or involve participation by a cross section of stakeholders in the organisation. The methodology adopted and the methods used may vary but most scenario planning efforts will start from one or a series of focal questions to which the organisation is seeking answers. The next step is to examine and evaluate the relevant forces or trends which are driving that industry. These forces will not be limited to what is happening in that particular industry alone because developments in several industries could converge to become disruptive technologies changing entire business models. Emerging technologies are only one part of the equation and many other forces such as demographic trends, political awakening, rising consumerism, the rise of the individual, the new innovation economy and its hunger for talent, media and public perceptions, globalisation, security and safety concerns, the search for renewable energy and global warming will all play some part in how the future will turn out. Which of these forces will have direct or indirect impacts of a particular sector or industry and change the outcomes must be studied extensively and in-depth to sieve out the improbable or the unlikely. The key question to ask is 'is the trend really a trend?' or is just a fluke or a temporary phenomenon with no long term consequences. This is the part which will require expert knowledge and substantial research by the scenario planning team. But nobody is an expert in everything! Certainly a futurist cannot be an expert in every conceivable area which he is exploring. Futurists and scenario planning team members must rely on published work in peer-reviewed journals and even trade magazines in the relevant areas to study trends, driving forces and the forecasts of the experts whose views are limited to their respective narrow fields. The futurist must be able to identify which fields are relevant to the sector being

So, what is scenario planning?

explored by using tools such as systems mapping. The novice in scenario planning can get a jumpstart by reading books or articles written by the professional futurists to know the top emerging trends in the world. In some areas, the scenarios themselves have already been extensively developed and discussed and could form the basis for an organisation to build scenarios appropriate for their special needs.

Having assembled all the driving forces and trends, the next step is to narrow them down to the 2 or 3 which really matters in terms of impact and certainty. Some futurist may advice you to disregard those which are very unpredictable while others will suggest that you pick forces which are the most uncertain because if they materialise they will have the most profound impact. Simple tools in the form of a prioritisation matrix is helpful to identify forces based on level of impact and predictability. The selection of the driving forces to be used for building the scenarios can also benefit from an analysis of the causal relationships between the various forces using causal-loop diagrams and the futures wheel. This helps to deepen our understanding of how the various forces will interact to produce changes all around it.

The selected forces would then become the axes or factors to build alternative scenarios. Tools which can be used to generate the scenarios include the 4-quadrant diagram in which two driving forces form the axes to create 4 (or more) very different scenarios. However, creating alternative scenarios is not a straightforward or mechanical process of merely applying the tools or methods but will require reshaping and regrouping of the ideas as they are developed, presented to stakeholders and further refined. Just like in any story telling, different plots can be used with the ultimate purpose of bringing life to the alternative futures. These stories can be considered as myths of the future and as any successful author knows a memorable or catchy title which captures the heart of the story will help to sell the 'book'.

Having created the stories (scenarios), the scenario planning team must then assist the management to understand the implications when any of the scenarios or parts of it become reality. To do this effectively, we must be able to identify before hand the signs or indicators which have to be monitored so that as the future unfolds we will recognise which of the scenarios is the closest to reality and then take the appropriate actions and make those mission- and business-critical decisions to stay in the game.

USM's approach to futures workshops

We have adopted an approach which emphasises learning opportunities for the participants each step of the way. The first workshop over a period of 2 days will generate several alternative scenarios but care is taken not to overload the participants with too many methods. The workshop is carefully structured to alternate between the facilitators providing the concepts and explanation of the method to be used followed by small group work applying the method and then group presentation for collaborative learning. Each session is given a generous time slot of about one and half hours. The selection of methods emphasises practical and easy to use techniques which are not overly theoretical or too academic in nature. In the second workshop, also over a 2-day period, we allocate sufficient time to expand the search for other scenarios (did we miss anything?) and develop indepth understanding of the implications of the various scenarios. The participants then select the scenarios which they feel addresses their focal issue or questions and develops the stories to communicate to their stakeholders. The third and final workshop focuses on developing the actions to respond to the various scenarios and identifying the signposts to facilitate scanning and monitoring to recognise emerging scenarios. Our approach have been well-received by workshop participants and continue to be refined based on participant feedback.

Lessons learnt

Scenario planning is used in numerous fields both in the corporate world as well as to develop public policies and actions. It has been used by intelligence agencies and various international bodies to peek into the futures of a sustainable world (Millenium Assessment), biotechnology, agriculture, city planning, bird flu pandemic and numerous others. The value of scenario planning lies in its ability to offer alternative views of the future based on substantial research. When used appropriately it is a valuable tool to inform decision-making and strategic management but it can also be effectively used to change attitudes and facilitate organisation learning all of which are crucial for future-proofing an organisation.