At any moment in time, there are a portfolio of possible future scenarios which could shape up, depending upon how critical uncertainties unfold. Scenario thinking and planning is not about predicting which of those scenarios might shape up. Rather its about embedding agility into our strategy and execution, so that we are prepared for any of them.

While we could create a multi-dimensional model of uncertainties and use a super-computer to run a Monte-Carlo type analysis, that wouldn't be very agile. This Agile Scenario Thinking & Planning framework will help you get value from considering key scenarios without suffering analysis-paralysis of too much or the denial of too little.

This tool is integral with the Options & Futures Matrix, Strategic Tri-Fold and the Traction Plan tools.
1. Deduce two critical uncertainties
2. Try a few different combinations before settling on one combination
3. Make sure they are ‘independent’ variables
4. Label four scenarios
5. Try other combinations of uncertainties and labelling scenarios
6. See which combination seems to make most sense and be the most valuable platform for conversation.
1. Defining Dimensions & Scenarios

**Macro-Economy**

- **Growth**
  - “Lazy Days”
  - “Commodity War”

**Micro-Economy**

- **Return to Old-Normal of Volume**
  - “Rush to the Bottom”

- **Reset to New-Normal of Much Lower Volume**
  - “Scorched Earth”
Commercial Printing Company

2. Developing Options to Succeed in Each

**Macro-Economy**

- **Growth**
  - “Lazy Days” Developing Options to Evolve Business Model
  - See Separate Tool: Options & Futures Matrix

- **Recession**
  - “Commodity War” Developing Options to Evolve Business Model
  - See Separate Tool: Options & Futures Matrix

**Micro-Economy**

- **Return to Old-Normal of Volume**
  - “Rush to the Bottom” Developing Options to Evolve Business Model
  - See Separate Tool: Options & Futures Matrix

- **Reset to New-Normal of Much Lower Volume**
  - “Scorched Earth” Developing Options to Evolve Business Model
  - See Separate Tool: Options & Futures Matrix
3. Deciding Upon Portfolio Balance

Macro-Economy

Growth

“Lazy Days”
Developing Options to Evolve Business Model
See Separate Tool: Options & Futures Matrix

Core Strategy
Robust Integration of Key Options Which Copes with All Scenarios

“Commodity War”
Developing Options to Evolve Business Model
See Separate Tool: Options & Futures Matrix

Bet the Farm

Micro-Economy

Return to Old-Normal of Volume

“Rush to the Bottom”
Developing Options to Evolve Business Model
See Separate Tool: Options & Futures Matrix

Hedge

Hedge

Satellite

Reset to New-Normal of Much Lower Volume

“Scorched Earth”
Developing Options to Evolve Business Model
See Separate Tool: Options & Futures Matrix

Hedge

Hedge

Satellite

Recession
“Scenarios are stories. They are works of art rather than scientific analyses. The reliability of [their content] is less important than the types of conversations and decisions they spark.”

Arie de Geus, *The Living Company*

De Geus is a former corporate planning director for Royal Dutch Shell