

# New Synergist Insights

## *Scenario Planning*

January 2015

Preparing for the future is arguably the most important job of leaders. There are many examples of companies performing well 10 or 20 years ago who are struggling today. There are many reasons for the struggles of these companies, but the most obvious is the inability to adapt to change. Most medium to large organizations have a Strategic Planning process in place. Unfortunately, their strategic plans are all too often linear forecasts based on current conditions. If the world didn't change much, these forecasts would be a very useful tool in the strategic planning process. Plans based on slow, continuous change will prove to be useless when the environment external to your organization changes significantly.

*The problem with the future is that it is different. If we are unable to think differently, the future will arrive as a surprise.* – Gary Hamel

There are tools that allow organizations to adapt to change and prepare for the future. One of these tools, Scenario Planning, should be an integral component of the strategic planning process. How does the scenario planning process work?

Scenario Planning, Step #1: *Perform a Scan of the Environment*

Examine your customers, funding streams, company policies, and your industry.

Scenario Planning, Step #2: *Create Critical Scenario Options*

Utilize analytics, storytelling, and other tools to create and rank your options. Rate and rank the critical scenarios based on their likelihood of occurring and the impact on your organization.

Scenario Planning, Step #3: *Financial Projections*

Create performance-based budgets and cash flow projections for each of your critical scenarios.

Scenario Planning, Step #4: *Implementation Plans*

Action plans for each scenario, change management plans, and plans to monitor progress need to be in place.

An important point to consider is the resistance to change that you will likely encounter during the planning process. Your ability to convince your team to anticipate the future rather than reacting to it is critical to your success.

### **Questions?**

Contact New Synergist Consulting  
(don@newsynergist.com)

**February New Synergist Insights:**

What is Change Management?