What If? The Art of Scenario Thinking for Non-Profits

Purpose: To help you build relationships, create a space for multiple perspectives to be heard, build alignment, and/or facilitate the development of a shared vision for the future.

Applications of Scenarios thinking:

- **Setting strategic direction**: Scenarios can be used for various levels of strategy development: making a decision on a specific strategic issue; setting a high-level strategic agenda; creating the platform for an ongoing strategic conversation; and assessing risks and opportunities by exploring how complex factors could create very different environments that you might have to navigate.

- **Getting Organizations “unstuck” and catalyzes action**: It does so by rehearsing diverse and provocative future possibilities—both desirable scenarios that you would like to help create and dark scenarios that generate a sense of urgency.

- **Accelerating collaborative learning**: An important result of such collaborative learning is to challenge “mental maps” by introducing new perspectives and new knowledge that could lead the group to discover as yet unimagined solutions.

- **Alignment and visioning**: Scenario planning helps to enhance a deeper and shared understanding of the complexities of public problem solving – the potential opportunities, barriers, allies and pitfalls.

Phase One: Orient

- Involves clarifying the issue by learning more about the challenges that an organization/community faces, and the underlying assumptions that those in the organization, decision-makers in particular, hold about the nature of those challenges and how they will play out in the future.

- Requires asking pointed questions through structured interviews and establishing timeframe for the scenario thinking process (longer timeframe for slow-changing areas, like many environmental and societal issues and shorter for rapidly changing areas).

- Open-ended questions about the external environment are often the best way to expose underlying assumptions. For example:
  - What would you want to know about the next “x” years answered?
  - What do you believe is predetermined for the next “x” years?
  - What are the most important strategic issues/decisions for your org on the immediate horizon?

Once the nature of your challenges, issues, and underlying assumptions have been identified it is necessary to frame the focal issue or question that will orient your scenario thinking process.

Phase Two: Explore

- Explore the different forces of change outside your organization, “driving forces”, that will shape future dynamics and affect your focal issue in both predictable and unpredictable ways. These include internal factors such as developments related to stakeholders/community or shifts in the broader environment—social, technological, economic, environmental, and political.

- Driving forces can be either “predetermined elements” (eg. locked-in degree of income disparity, predictable cuts in public spending, or a foreseeable shift in demographics) or “uncertainties (nature of public opinion or shifts in social values)
Phase Three: Synthesize

- Synthesize the driving forces that you have identified to create scenarios. Those that are most important to the focal issue and most uncertain will become the “critical uncertainties” which form the foundation of the scenario set.
- Critical uncertainties will be placed on axes that frame the poles of what seems possible in the timeframe you are dealing with. These “axes of uncertainty” represent a continuum of possibilities ranging between two extremes (creates Scenario Matrix).
- Settling on a scenario framework is a trial-and-error process that requires testing various combinations of critical uncertainties to create a strong platform for your strategic conversation. Ultimately, the goal is to develop a set of plausible scenarios that tell very different stories, each of which challenges your assumptions and illuminates the strategic issues you are facing.
- It can also be helpful to develop “subjective” scenarios—scenarios in which your organization plays a central role in creating the future. These subjective scenarios explore how an organization or stakeholder group influences the environment, and the insights from such an exercise can be used to shape a vision.

Phase Four: Act

- Scenarios are used to inform and inspire action.
- Groups are forced to think about the implications of each scenario and plan actions to prepare of differing future possibilities.
- These actions can either help to catalyze a desirable future, or to mitigate a negative one.
  *Risk: Strategies based entirely on implications that are true in all scenarios would be very low risk, whereas those that bet on the evolution of one or two scenarios would be of much higher risk.

Phase Five: Monitor

- Creation of mechanisms that will help track shifts in the environment and adjust its strategy accordingly.
- Involves the creation of a monitoring system to identify and track a few “leading indicators” that will tell you if a particular scenario is beginning to unfold, causing some implications to rise in importance and some uncertainties to evolve into predetermined elements. (Eg. The passing of a debated piece of legislation, or more subtle things such as societal shifts such as a rise in volunteerism).

Best use of Scenario planning:

- The basic process for developing scenarios is best used when you want to clarify and/or set strategic direction and when you are aiming to achieve increased alignment around a future vision.
- By contrast, if your goal is collaborative learning or initiating a strategic conversation, you can use a standalone exercise, emphasizing one of the five phases.

Scenarios and Visions

- Scenarios provide a lot of grounding for a vision. If a vision already exists, it is possible to test the vision in each of the scenarios in an effort to determine what it would take to get from scenario to vision.
- Alternatively, a single shared vision or theory of change can also be derived from a basic set of scenarios about the external environment. One begins by developing a set of scenarios that examines a range of external environments, then aggregates the desirable elements and leverage points from across the scenarios into a single scenario or vision and test it for plausibility.