



What If?

**A GUIDE TO HELP YOUR BUSINESS SURVIVE
AND THRIVE IN UNCERTAIN TIMES**

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CONTENTS

- 3 What If...
- 4 Scenarios Are...
- 5 Scenario Planning
- 12 Scenario Prep and Facilitation
- 17 Moving Forward
- 25 In Closing...
- 26 About the Author



WHAT IF...



In order to recover, succeed, grow, and prosper, businesses and organizations, of all stripes, must take a critical look at themselves and ask, “**What If . . .**”

- we lose a major contract, customer, or vendor?
- our redesign of a best-selling product has major flaws?
- our most productive sales and marketing person resigns?
- our employee recognition and diversity initiatives are not working?
- our clients are pleading for more support than we can deliver?
- our plan to expand our service area simply isn't panning out?
- we're selling more than we can possibly deliver?

Why not try creating **Scenarios**?

It's a flexible process that helps answer countless “**What Ifs.**”

SCENARIOS ARE...

Narratives



Predictions



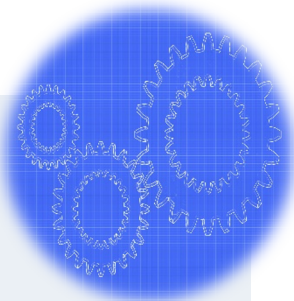
Roadmaps



Speculation



Schematics



"Game Changers"





SCENARIO PLANNING

SCENARIO PLANNING

Scenario planning (aka “Scenario and Contingency Planning”) is a structured process that can be used—to great advantage—by your business to help think about and prepare for the future.

Typically, a diverse group of staff and/or the Leadership and Management Group are tasked with creating **Scenarios**.

The focus of which could be how organizational issues, challenges, unexplored opportunities or major threats might influence the future.

“[Scenarios are] stories that can help us recognize and adapt to changing aspects of our present environment. They form a method for articulating the different pathways that might exist for you tomorrow and finding your appropriate movements down each of those possible paths.”

*- Peter Schwartz,
The Art of the Long View*



POTENTIAL SCENARIOS

- Because you guessed correctly, your firm needs to decide whether to make a major investment, move to a different location, or hire additional staff.
- Your company must address if a co-op market can benefit from putting millions into more stores, or if it should invest in secure websites and employ a fleet of trucks to make door-to-door deliveries.
- Your business must weigh how modifications could significantly affect its viability and/or existence. For example: Covid-19 and dramatic shifts in customer needs and buying habits, coupled with mandated closings, health concerns, drastic layoffs, and losses in sales and bottom line results have you and everyone still on the payroll in near panic mode.



INACCURATE PREDICTIONS



The world-wide reaction to George Floyd's murder, coupled with the ongoing impact of the Covid-19 Pandemic, has impacted all of us in ways that are only beginning to be fully determined or appreciated. The resulting needs -- within every segment of our economy, our communities, our educational and social systems -- will defy our abilities to assess, let alone address and satisfy.

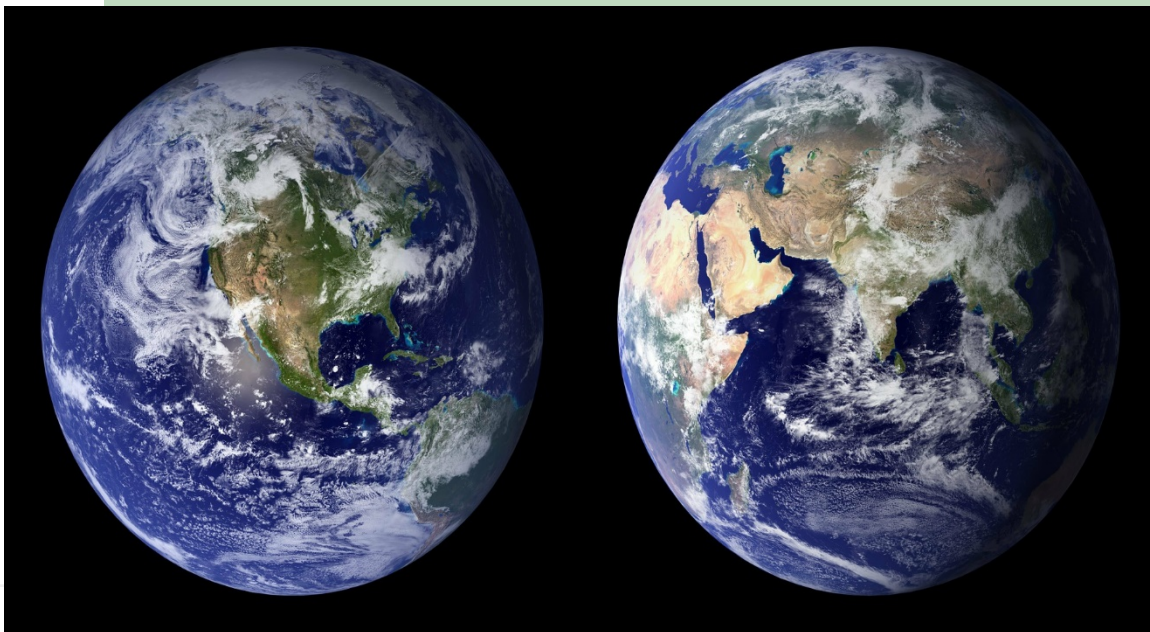
The blinding pace of change, coupled with the impact of social media and the Internet have made traditional approaches to Strategic Planning all but obsolete. The unusually steady path of economic progress and growth we have enjoyed in the past decade can no longer serve as a reliable template for anticipating or making bets on the future.

Many forward-thinking Leader/Managers are beginning to realize how misleading and inaccurate predictions can be when based on straight-line extrapolations from the past.

“Scenarios deal with two worlds; the world of facts and the world of perceptions. They explore for facts, but they aim at perceptions inside the heads of decision-makers. Their purpose is to gather and transform information of strategic significance into fresh perceptions.”

-Pierre Wack

Harvard Business Review, way back in 1985





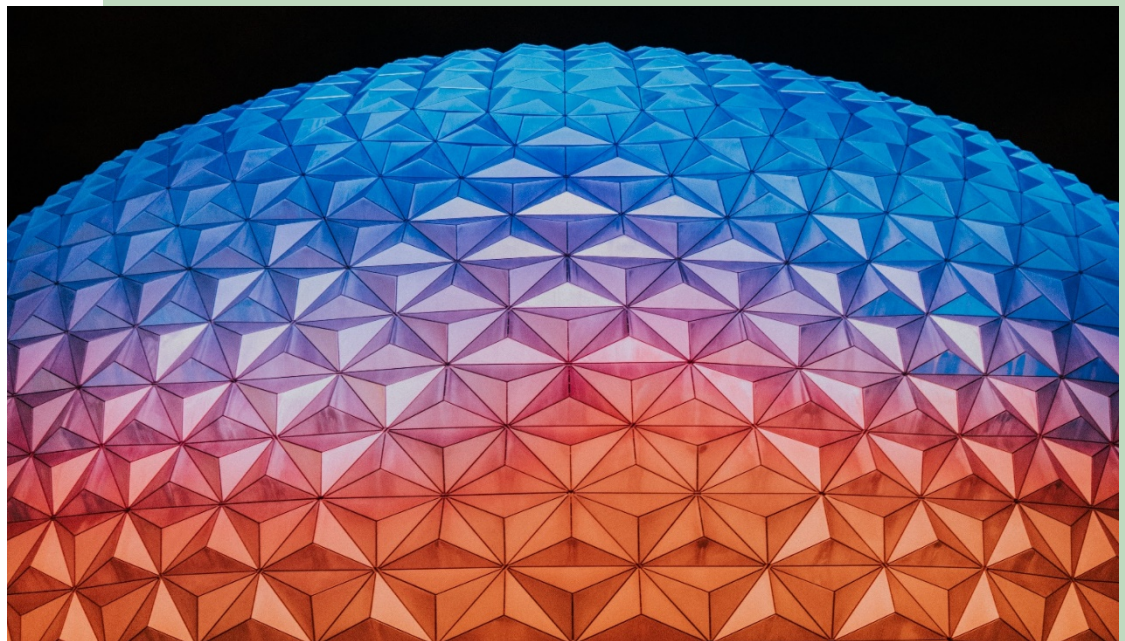
MOVING FORWARD

WHERE TO START

The process of scenario planning usually begins with a thoughtfully facilitated discussion about shifts in society, economics, politics, and technology. These elements can effect sustainability, operations, management practices, policies and other other organizational issues and concerns.

From this starting point, the group can begin to draw up a list of priorities, including things they agree will have the most influence on the issue(s) under discussion—especially those with uncertain outcomes.

These priorities then form the basis for sketching out scenarios which serve as alternative glimpses into the future.



SCENARIO PLANNING APPROACH

Concept of the Life Cycle in Creative Thinking

Hint: For your Scenario Planning group(s) to learn, grow and be more creative, encourage them to consider something new or to reimagine ways to approach what no longer seems to work as well as it used to.

You just may remember it was Archimedes who allegedly ran naked out of his bathtub, yelling "Eureka!" when he thought he had figured out how to measure the volume of irregular objects, i.e., gold coins.

Thomas Edison once said: "To have a great idea, have a lot of them." It's likely that one may just spark that "Eureka!" moment — when multiple connections seem to automatically collide, surfacing different, actionable, novel ideas and solutions.

There is very little argument that creativity is a fundamental pillar of progress; it's what keeps us moving forward. Its very definition is: *The making of the new or the rearranging of the old in new ways.*

According to Scott Barry Kaufman, Scientific Director at U Penn's Imagination Institute, the neuroscience of creativity and innovation involves more parts of our brain than you might think. He has presented strong evidence that more stages are needed to go from a blank page to a fully executed creative idea to a timely, effective plan.

To be specific, Kaufman has four basic stages:

SCENARIO PLANNING APPROACH

Stage 1: Preparation

To come up with new and different innovative ideas, you need to consider priming the pump with as much information as you can. This essential but undercelebrated stage is simply called “preparation,” and involves trying to learn many things. Rather than searching for magic leaps of understanding, it’s vital to pay close attention, think, and let the creative juices flow. Be careful not to rule out anything that comes to mind.

Stage 2: Incubation

Next comes a singularly important stage where you should stop thinking about the problem or issue you want to solve. Let your mind wander; it often leads to enhanced creativity—stacks of research can back that up.

Stage 3: Illumination

When connections, subconsciously collide and reach the threshold of consciousness, you have truly achieved the classic “Eureka!” moment.

Stage 4: Verification

Although the **Illumination stage** is exciting, it’s not the end of the process. As Kaufman observes, “Some of the greatest creative ideas of all time can easily be lost because they’re not presented in a way that others will understand or accept.”

Again, to communicate effectively with others and to accomplish anything, you need to use those critical-thinking skills to focus on your audience and generate your message or explain your idea.

QUESTIONS BEFORE BEGINNING

Before you complete the groundwork for Scenario Planning, answer these important questions:

- **Are the organization's/company's leadership, staff, and stakeholders ready for change?**
By their very nature, well-honed scenarios will challenge "business as usual" ideas.
- **How much "out-of-the-box" creativity can your organization's culture tolerate?**
An honest examination of how past efforts at using imagination, creativity, and innovation should give you an answer and, possibly cause for concern.
- **Are you willing to invite those with differing opinions and "Devils Advocates" into a space where they feel safe to challenge 'Sacred Cows' and other strongly held beliefs?**
- **How well does your organization handle uncertainty?**
Even the most thoroughly researched, carefully planned program, or product spawned from a scenario will be a gamble. Everyone involved needs to understand that taking a risk demands tolerance for uncertainty and the possibility of a failure.
- **Does your organization operate with a well-considered set of action plans or does it "fly by the seat of its pants?"**
Once imagined, a viable scenario requires a carefully developed strategic plan that balances quantitative factors with intuitive, gut instincts.

POSSIBLE SCENARIO OUTCOMES

Groups should be challenged to develop as many different outcomes as they can imagine, e.g.:

- **Best Possible Outcome** for that organization/business
- **Most Likely Outcome**
- **“Wild Card” Outcomes**, out-of-nowhere. external events
- **Worst Possible Outcome**
- **Disastrous Outcomes**, caused by mistakes, and/or plain old screw ups



LIMITLESS...

The beauty of the Scenario Process is that there is no limit to the number of scenarios that can be imagined. The number is limited only by time and circumstance.

Your carefully selected group has an opportunity to examine each scenario, using an agreed upon series of metrics and criteria, eliminating those that fail to hold up after being thoroughly discussed and challenged.





SCENARIO PREP AND FACILITATION

FACILITATION

An objective, well informed, experienced facilitator is a critical component to the process. This person must be able to stimulate, challenge, and keep all participants focused and constructively engaged.

Achieving the most useful scenarios requires planning, preparation, and coordination. It's important to understand that, if left to their own predilections, groups often get distracted, go rogue—even wild—and can construct frivolous and/or less-than-helpful results.

The facilitator's primary responsibility is keeping the group on task!



THE “RIGHT” FACILITATOR CAN. . .

- Guide participants through a careful examination of their own assumptions. This will reduce the generation of scenarios that are overly structured or regurgitations of old, tightly held “sacred cows.”
- Push back when dogma or NIH (Not Invented Here) attitudes are involved. This prevents participants from producing scenarios that are outgrowths of stale, historic, tired thinking.
- Encourage the group to arrive at some level of agreement about their scenario(s); this means there will most likely be a need to accept some level of compromise.
- Assist participants with eliminating confusing language, double speak, and “in-house slang.”



KEY QUESTIONS



Develop a set of key questions, such as:

1. What are our risks, liabilities, and prudent protection steps?
2. Are we looking through “rose-colored glasses?”
3. What benchmarks have we achieved?
4. What opportunities have we missed and why?
5. What should we begin to think about?
6. What should we do more of?
7. What should we do less of?
8. What should we do differently?
9. What have we learned from the actions and missteps we or our competitors have taken/are taking?

PEOPLE: THE SECRET SAUCE



Your people are likely to be the *Secret Sauce* of your organization's present and future viability and success. So now is when to make a ***Key People Assessment***, or a staff/staffing review, that should address:

- Goals and objectives for each key contributor
- New developmental experience for those with potential
- Who would be difficult to replace
- Who would be nearly impossible to replace
- Who is not contributing as needed

GROUP DISCUSSION

Encourage the group to review and discuss the business or organization's:

- Vision
- Mission
- Values
- Culture
- Strategic direction for short and longer term
- Products, goods, services
 - Market direction
 - Technology
 - Branding
 - Competition
- People
 - Staff performance
 - Applicant flow and quality of those who apply
 - Staff development
 - Succession planning



GROUP DISCUSSION

Remind the group to carefully review and discuss:

- Financials
 - Budgets and forecasting
 - Cash requirements
 - Sources of investment funding
- Marketing and Sales
 - Client retention
 - Name recognition
 - Building and enhancing the brand
 - Market penetration
- Investments in research and development
 - Continuous improvement
 - New products and/or services
 - People
 - Facilities
- Government regulations and requirements



SWOT ANALYSIS

Strength Weaknesses Opportunities Threats analysis (or **SWOT matrix**) is a planning technique used to help an organization identify strengths, weaknesses, and opportunities related to one or more business issues or concerns (e.g., project planning, introduction of a new product/service, and/or the impact of competitive threats).



A SWOT can be employed to question and evaluate each of the scenarios that have been generated by the business issue, problem, or project in question. It can identify the internal and external factors that are favorable and unfavorable for achieving the solution, change, or initiative being contemplated.

NOW, REVIEW



After a two- or three-day hiatus, have a new group carefully reexamine the results of the Scenario building sessions—those “what ifs”, loose ends, and unanswered questions. A second look will test the *Prevailing Reality*, the relevance, practicality, and usefulness of each storyboarded scenario. If you can’t pull together a “new group, challenge the same group to give it another go ... for good measure!

Since asking the ***right questions*** are essential when evaluating scenarios and their relationship to the *Prevailing Reality*, it’s important to have a realistic assessment of *what is*, *what simply isn’t*, and *what, most likely, won’t ever be!*

IN CLOSING

The Scenario Process encourages all involved to go a step or two beyond their comfort zones. Scenarios can go a long way toward helping participants (groups and teams) come away with a set of new and different roadmaps, strategies, and/or ideas that will be actionable, realistic, and implementable by their organizations/businesses.



Further reading:

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Schwartz, P., "The Art of the Long View", Doubleday/Currency, 1991; John Wiley & Sons, 1998.

Wack, P., "The Gentle Art of Re-perceiving", *Harvard Business Review*, September–October 1985.

* M*A*S*H* signpost cover image adapted from Smithsonian American History Museum Photo

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Dr. Rambo has a doctorate in Psychology, was a professor of organizational behavior and human resources management at the Hult International Business School, Cambridge, MA, and Dean at INCAE, the leading business school in Central America, with campuses in Costa Rica and Nicaragua. He has also taught and lectured at colleges and universities all over the world.

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