

## COVID-19 Local Response Initiative Session Ten “An Uncertain Future: Scenario Planning in a Pandemic”

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This handout reviews key points on crisis leadership from session ten of the Covid-19 Local Response Initiative for city leaders with Rebecca Henderson and Jorrit de Jong.

### PLANNING AMID THE “BUZZING CONFUSION”

Change is hard under any circumstances. Often, for city leaders, the challenge is to drive change, but in this moment, **change is driving you**. The trillion-dollar question is, “Where is it taking us?”

*Where will we be in six months? Or two years? What will the post-Covid-19 world look like?*

Of course, no one has the answers, but you still need to plan for the future. To help order your thinking and conversations, you need a way to take key uncertainties into account. You need a way to describe and plan for some finite number of plausible futures. This is what **scenario analysis** is all about: mapping out those plausible futures and using them as the basis for your planning.

- In a culture that is resistant to change, risk-averse, and data-obsessed, **scenario mapping** is an underutilized planning tool.
- Instead of relying on business-as-usual assumptions or efforts to predict the future with quantitative analysis, this tool makes use of our most primal human talents: **imagination and storytelling**.

### GRAPPLING WITH CHANGE

Right now, you can probably discern some clear **trends and trajectories**, read some inherent **tensions** between the lines, and spot a number of **threats and opportunities**.

But when you start to think and talk about the future, the sheer number of unknowns can set you spinning into an exponential curve of “what if...?”

*How can you structure a lively and productive conversation about what happens next?*

The goal of scenario analysis is not to make you any better at predicting the future. It is to help you **cope with uncertainty**.

Organizations that engage in scenario planning...

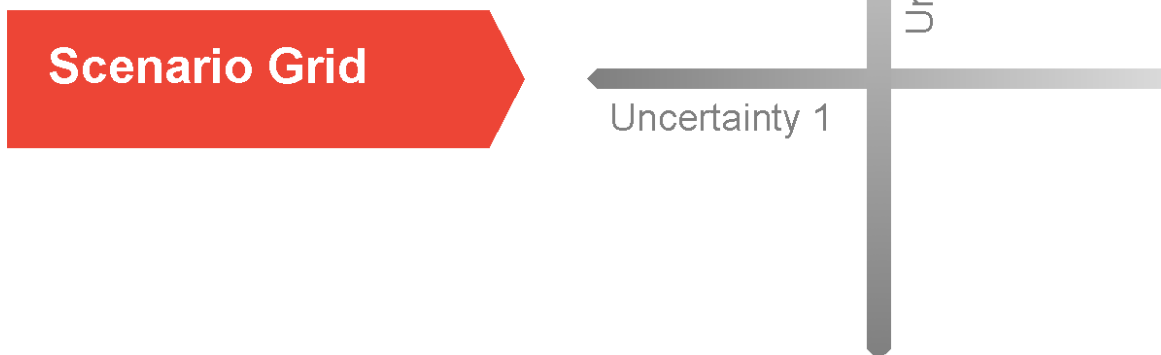
- Get the strategy “right.”
  - They develop a common vision of future challenges and a portfolio of **experimental efforts** to address them.
- Build an organization to support the strategy.
  - They allocate resources and time to new ventures and **manage the problem of things getting “worse before better.”**
  - They actively **embrace the tension** between entrepreneurial energy on one hand, and control and coordination on the other.

- They **invest in ambidextrous senior teams** who stay actively engaged at every step, managing and coordinating two complementary systems with different expectations, controls, and incentives.
- They **build deep cultural/emotional/values-based commitments** to adaptive organizational change and innovation.

## THE BASICS OF SCENARIO PLANNING

Ask yourself: If a visitor from the future happened to drop in on your next team call, what would you want to know? The answer to this question is the start of your list of **uncertainties** and the first step in your scenario planning process:

1. Generate a list of critical uncertainties
2. Choose the two most critical. (Ideally, these serve as indicators for many of the others.)
3. Draw a “scenario grid.”
4. Name each of the four scenarios.
5. Estimate the odds of each scenario occurring.
6. Discuss with your team.
7. Iterate.



Bringing together the collective imagination, expertise, and experience of your team, scenario planning will help you:

- Structure the current confusion.
- Persuade those around you to prepare for several possible futures.
- Improve decision-making processes.

**CONSIDERATIONS** [from [“Living in the Futures”](#) by Angela Wilkinson and Roland Kupers]

Again, the goal of scenario planning is not to predict the future. Rather, the “value lies in how scenarios are embedded in—and provide vital links between—organizational processes such as strategy making, innovation, risk management, public affairs, and leadership development.” Wilkinson and Kupers offer a few important considerations:

- The plausibility of a given scenario is more important for planning purposes than its probability. Scenarios with a “logical story line” make it easier to apply judgments and intuitions.
- Scenarios should challenge assumptions about the status quo while leaving enough of what’s familiar intact for engaged planning.
- Make the story memorable, but discourage attachment to any one story.
- Limit the number of scenarios you consider, and avoid the temptation of creating a “middle path.”
- Use quantitative data and analysis to augment the narrative and explore different scenarios in finer detail, but don’t let the numbers take over the conversation.
- Involve outside stakeholders in scenario analysis to broaden expertise and strengthen relationships.
- Use scenarios as a mediation tool to encourage dialogue and manage disagreements.
- Integrate scenario mapping and analysis into strategic planning processes to better understand how your capabilities fit and interact with different possible futures.

**ADDITIONAL RESOURCE:**

[“Scenario Planning and Strategic Forecasting” by Jay Ogilvy in Forbes](#)