TEMPLATE 07 · STRATEGY

Scenario Planning Grid

Imagine four plausible futures, then find the moves that work in all of them and the signposts that tell you which is unfolding.

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Forecasts assume one future. Scenarios accept that the future is uncertain, and help you prepare for several.

> *The aim isn't to predict the future. It's to stop being surprised by it.*

Two axes, four worlds. Pick the two uncertainties that matter most and are least predictable. Each combination of their extremes is a scenario.

SIX STEPS

01 Frame the question

A decision with a horizon: "Where should we invest over the next five years?"

02 List driving forces

Use PESTLE (template 02). Sort them into near-certain trends and genuine uncertainties.

03 Pick two uncertainties

High impact and high uncertainty. They must be independent of each other.

04 Build four scenarios

Give each a vivid name and a short story of how the world got there.

05 Find the implications

For each world: what wins, what fails, what we'd regret not doing.

06 Agree moves and signposts

Robust moves that work everywhere, options to hedge, and early signs to watch.

TRENDS VERSUS UNCERTAINTIES

Trends (or predetermined elements) will happen in every scenario, such as an ageing population. Build them into all four stories. **Critical uncertainties** could go either way, such as the pace of regulation. These become your axes.

COMMON MISTAKES

- Making one scenario the "good" one and one the "bad" one.
- Choosing axes that move together, so two quadrants are impossible.
- Stopping at the stories without agreeing actions.
- Never revisiting the signposts.

Focal question

The decision the scenarios will inform, and its time horizon.

Driving forces

From PESTLE, industry and customer trends

DRIVING FORCE	IMPACT	UNCERTAINTY	TYPE	NOTES
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	
	H · M · L	H · M · L	TREND · UNCERTAIN	

The two axes

Choose two high-impact, high-uncertainty forces that are independent. Name both extremes.

1 Axis 1: uncertainty

ONE EXTREME

OTHER EXTREME

2 Axis 2: uncertainty

ONE EXTREME

OTHER EXTREME

Trends in every scenario

Near-certain forces to build into all four stories.

Four scenarios

FOCAL QUESTION

HORIZON

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AXIS 2: _____ ↑

A2+

A Scenario name

The story: how did we get here?

What it means for us

B Scenario name

The story: how did we get here?

What it means for us

C Scenario name

The story: how did we get here?

What it means for us

D Scenario name

The story: how did we get here?

What it means for us

A2–

A1– AXIS 1: _____ → A1+

Robust moves

Actions that pay off in all four worlds. Do these now.

Options and hedges

Small bets that keep doors open for one or two scenarios.

Signposts

Early signs that one scenario is unfolding, and who watches for them.