

Scenario Planning: Organizing Your Blue Sky Thinking

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What does the future hold? That question has intrigued humankind for ages, and many great minds have done their best to imagine the world yet to come. Jules Verne, George Orwell, and David Bowie approached the issue in ways that entertained and informed the masses. But are there lessons to be learned for our co-operatives from trying to peer into a crystal ball? Can any practical worth come from looking far into an unlikely future? And is there a way to do it that will help us strategically?

Scenario planning is a tool that co-op leaders can employ to peer into the future in a way that helps us be prepared for whatever might come. By considering possible far-horizon scenarios, we imagine a myriad of ways our organization might have to adapt or change to thrive in a world very different from what we see now. This exercise can transform our culture from one that struggles to react quickly enough to what's happening to one that is proactively informed and agile.

In brief, scenario planning involves extrapolating out changes and trends into future scenarios and imagining how our co-op can thrive in a future that looks very different from our current reality. (See the sidebar for a quick overview of the process.) To get the most compelling scenarios, we'll start with some additional background and context.

Start with why

The first step in this, as with any other any strategic process, is to start with “why.” (Simon Sinek has written a great book on this concept.) What are the big questions we are trying to answer? The ones I've found most universally applicable and most powerful are: Why do co-ops and local community ownership matter? How can our co-op thrive in the future?

Context and framing

The next step is to bring in additional context and framing for the work. What other strategic conversations have we been having? What issues have we been studying? What upcoming decisions are looming? What are the existing priorities for the co-op in the coming years? What trends and issues are known key elements impacting the co-op's multi-year plan?

As we consider these questions, two other frameworks may be useful. The first concept comes from Robert Greenleaf's servant leadership (see CG167, “Servant Leadership and Cooperation”), in which he identified the importance of exercising foresight. He said without foresight—or a better-than-average estimate of what might happen in the future—leaders might find themselves stuck in a situation where there is no ethical way out. He said that foresight is a skill that can be developed through insight (another core principle of servant leadership).

Scenario Planning Overview

- STEP 1:** Big question: How can we thrive in the future?
 - STEP 2:** Bring in other context or framing
 - STEP 3:** Explore relevant trends and drivers of change and “black swans”: prioritize
 - STEP 4:** Develop multiple future “headlines” for each trend/driver: prioritize
 - STEP 5:** Develop in-depth scenarios for each headline
 - STEP 6:** Write potential answers for: “How can we thrive in the future scenarios?”
 - STEP 7:** Identify topics (trends, drivers of change, or ideas from the answers) to build insights and on to develop more foresight and be able to make smart, fast moves.
 - STEP 8:** Communicate with stakeholders *
- *A powerful idea! Build a bank or dossier of documents on as many of these topics as are relevant, and share those with everyone engaged in the process.

Smart fast moves

The second framework builds on Greenleaf and is named “smart fast moves”, as articulated by my colleague Art Sherwood, and it's a critical component that he applies and teaches in his entrepreneurship work. In short, to be able to make smart fast moves, we've got to be knowledgeable about ourselves and our surroundings and have assets and resources to apply. (See sidebar.)

Drivers of change and trends

To build our Insight, we identify and learn about relevant trends and drivers of change. We can ask our industry experts and gather trends. We can also look around and consider what we see changing in our world and ask ourselves what is causing those changes, and brainstorm lists of trends and drivers. Once we have compiled that,

we can ponder “black swans”—unpredictable or unforeseen events, typically with extreme consequences. Some examples that we remember might be the Mt. St. Helens volcanic eruption, the Japanese earthquake, Arab spring, or #metoo. Some potential future ones could be a solar flare with devastating effects on the power grid, a nuclear war, or others.

Once we have organized our complete list of trends and potential drivers of change, we can organize them. Here’s another place where using the STEEP/PESTLE categories might be useful to group the ideas (see Smart Fast Moves sidebar). Ultimately we’ll want to prioritize which trends/drivers to explore in more depth—what’s the most compelling, most urgent, most relevant, or some other factor?

Scenarios—from headlines to answers

Now we take our high priority trends and drivers and project them out to the future and write some headlines that give a quick snapshot of what might come. Each trend or driver might produce multiple different headlines that focus on different impacts. Again, after brainstorming a large list of headlines, we’ll want to prioritize which of those headlines we want to dig deeper into.

For each headline, we’re going to write a paragraph or so to help paint a more detailed picture of that world and the future that the original trend/driver helped create. Once we more fully imagine that scenario, then we go back to our original questions. In this strange new land we find now find ourselves in, does community ownership and cooperatives matter? And how does our organization thrive in that world?

This is where the creative juices really start to flow, as we take our co-op’s values and re-imagine them in a brand new context and environment. Perhaps some of what we do now will be even more needed in that future and some of what we do will be irrelevant or provided by some other means. What new needs might our member-owners and community have that we could meet? How might we want to positively impact that new tomorrow and change that world for the better? If we were to start a new cooperative in that world, what do we imagine creating?

Next steps

Once we have done the generative work of envisioning our co-op thriving in these various futures, we can again gather and organize our ideas. We can take the various scenarios and perhaps look at intersections of impact and likelihood or urgency and relevance or some other matrix including these or other factors. Now as we look at our output we must consider next steps in how to make this blue sky thinking resonate and move our organization forward.

To determine next steps for your co-op, it is probably wise to go back to the original context and framing in which we approached this work—previous strategic conversations, study topics, organizational concerns, upcoming decisions—to help us decide what do we need to build insight on to develop more foresight and be able to make smart fast moves? We can then prioritize areas in which to pursue greater exploration, investigation, and study and maybe have multiple tracks addressing these as board and management bring their unique perspectives and priorities to this. Then make a plan to tackle those in a timely manner, because the future might be here sooner than you think!

Communicate

As always, your co-op should be sure to look at opportunities to communicate with—or even include—stakeholders throughout the process. How can co-op leaders share strategic thinking and information on key trends and issues with staff, member-owners, and others in the community who may be impacted or working on similar issues? How can we tell the story of the strategic work and exploration?

Conclusion

Scenario planning work during strategic planning at the board’s annual retreat, or similar work for the management team (ideally, together!) should be timed with and tied into the organization’s strategic work, so the next steps fit naturally in the regular annual cycle.

In our fast-changing world, the future will be here before we know it. The time to imagine co-ops thriving in the future is now. Scenario planning is a way to explore a range of paths forward, the forces that lead us to and along those paths, and some of the key questions to help us make good decisions at the inevitable crossroads. So with our map to the future sketched in, we’re off on our journey!—we need to consider what we are taking with us and what should be left behind. Happy packing! •

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Smart Fast Moves

As a co-op you need to be prepared to make smart fast moves so you can take advantage of opportunities as they arise. If you have developed insight and wisdom on pertinent topics, you’ll be better prepared to make a wise decision when a question comes before the leadership of the cooperative.

You need to assess and analyze internally and externally what’s inside your co-op and the world you live in—in both macro and micro terms. There are different ways to explore the macro picture: PESTLE or STEEP are common analysis tools to look at the world and what’s happening through different lenses: Political, Economic, Sociocultural, Technological, Legal, and Environmental. The micro view is your industry—what’s going on with your buyers, suppliers, and competitors.

Inside your cooperative are the foundational blocks of culture, capital, talent, and systems that all need to be in good working order, and you need a clearly articulated vision around which you are aligned. You often don’t know what the next opportunity will be—but when it appears, if you are not aligned or your foundation is not adequate, you will not be ready (not fast), or you will try to make an unwise move (not smart). The foundational blocks don’t necessarily need to be excellent, but they need to be good enough to make the smart fast move.