

# Plans for future scenarios are hard to communicate to employees

[blogs.lse.ac.uk/businessreview/2016/04/21/plans-for-future-scenarios-are-hard-to-communicate-to-employees/](https://blogs.lse.ac.uk/businessreview/2016/04/21/plans-for-future-scenarios-are-hard-to-communicate-to-employees/)

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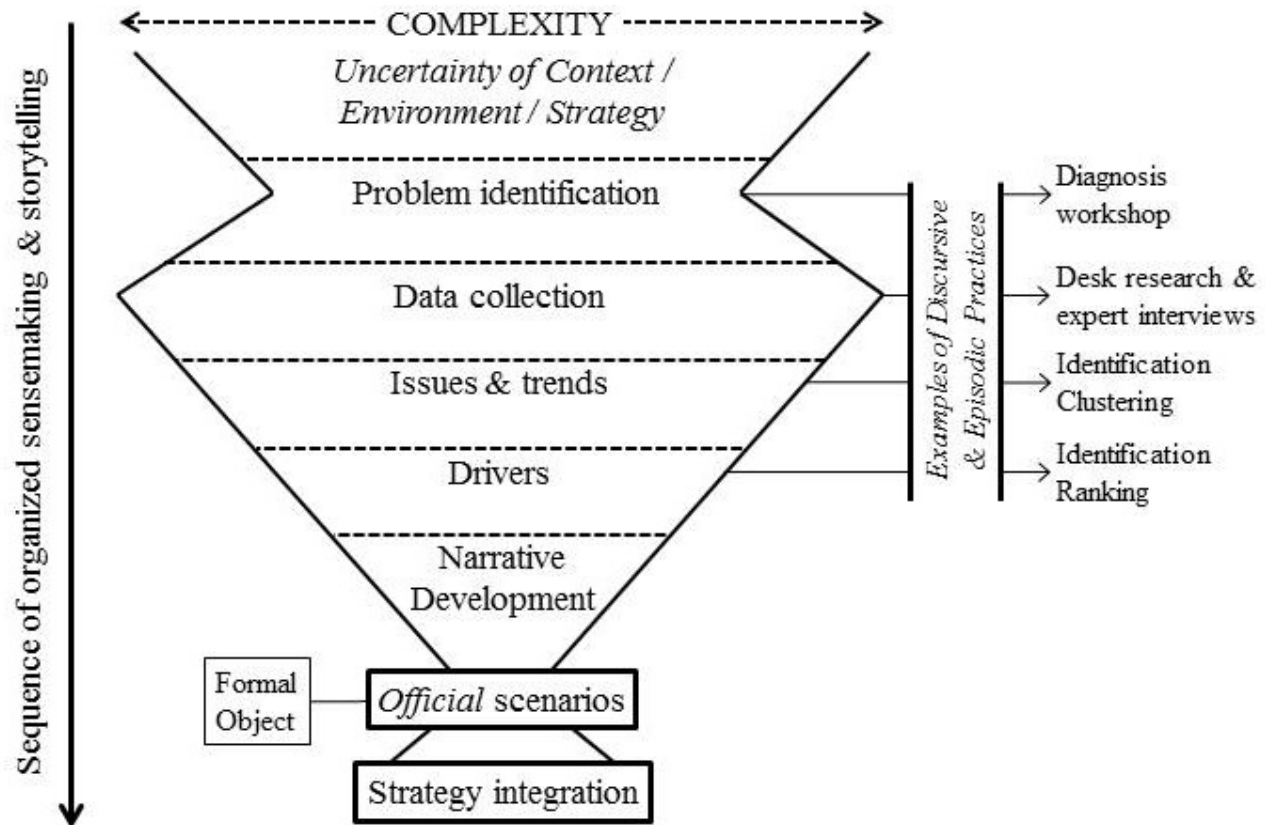
Scenario planning is a well-known and commonly used strategy tool. Despite such widespread use (and its presence in business school curricula), there exists little consensus over what it actually involves, how and when it is done (or should be done), and how it can help organisations. My research attempts to address these issues and develop a more thorough understanding of what scenario planning entails.

In the broadest terms, I follow the Anglo-American traditions (scenarios were created at RAND and Royal Dutch Shell) and think of scenario planning as a way for organisations to use a structured process to explore hypothetical futures, and in doing so consider the greatest challenges they face and thus expand their cognitive and decision-making capabilities.

Unfortunately, much of the literature is practitioner-focused and heavy on anecdotal tales of success; the tools development (and thus its efficacy) has been hampered by a weak theoretical underpinning. Attempting to address this shortcoming, I used Ian Colville's concept of *simplicity* to understand the application of the tool in a more theoretically rigorous manner.

*Simplicity* is an awkward (yet appropriate) portmanteau for using simple actions or activities (like workshops, discussions, analysis of data) to process complex thoughts (like how the future will unfold, or how a change in the environment might affect public needs). Critical to *simplicity* is the coming together of sensemaking (how we interpret and understand information about the world around us), storytelling (how we share knowledge and information with others), and organising (how we structure and provide structure to what we do).

**Figure 1. Simple, sequential practices help reduce the complexity in considering the long-term future**



Academic research has tended towards for-profit, single organisation settings. I wanted to expand this and sought to study how scenario planning was applied in a multi-organisational public policy setting. Multi-organisation partnerships have become a critical part of public sector work, and scenarios have become increasingly common in the public arena, particularly in the UK, Netherlands, US and Australia. Bringing these two aspects together provided a way to enhance understanding of an important strategy tool both in terms of practice and application and in terms of our theoretical knowledge.

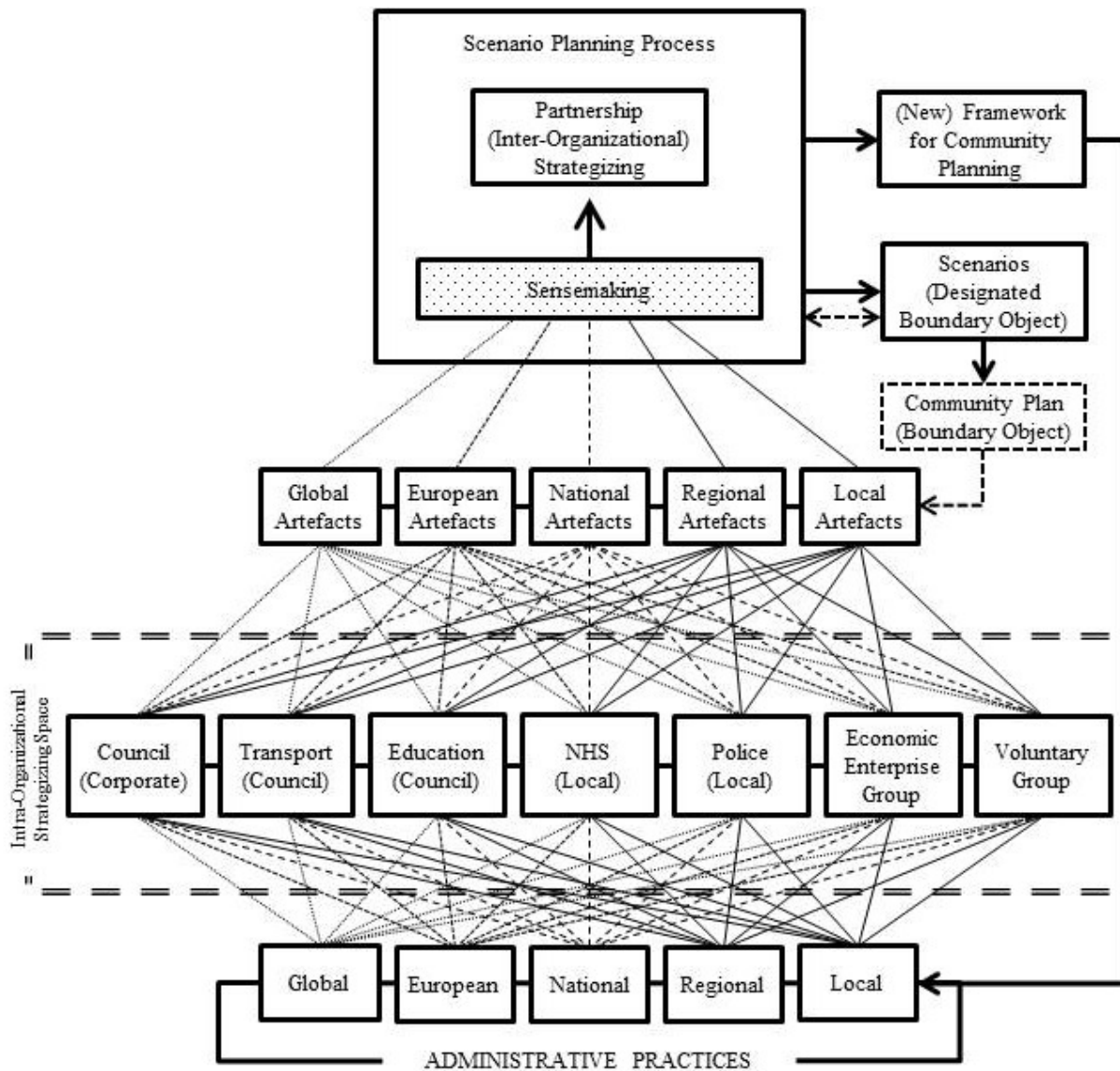
I chose the case of 'Northshire' (a horribly unoriginal pseudonym), a collection of public sector organisations in the UK employing 35,000 people with an annual budget of £1.6 billion that used scenario planning to underpin its main corporate strategy work.

Conceptualising scenario planning as a practice of *simplicity*, where complexity of thought combines with simplicity of action, the case of 'Northshire' demonstrates the importance and interaction of 'sensemaking', 'storytelling' and 'organising' in creating meaning within strategic activities at the inter-organisational level. In other words, participation in the process at the highest level (the inter-organisational level) yielded positive results particularly in terms of integrating strategy and thinking at the corporate level.

However, the study also demonstrated the relative weakness of the output of the scenario planning process (the *stories*) as an object capable of transferring knowledge and meaning to the intra-organisational level. In other words, the actual scenarios proved to be quite ineffective at communicating the corporate priorities to within the individual organisations, which had their own priorities and agendas.

Combining theoretical and empirical findings from the case, I developed a model to capture the flow of knowledge that illustrates the way sensemaking practices and storytelling artefacts are organised within the strategic activities at both the inter- and intra-organisational level.

**Figure 2. The clutter of intra-organisational strategising**



The activities involved in scenario planning – what are often called the *practices* (things like analysis of data, powerpoint presentations, discursive workshops) – offer a lot of subtle benefits to organisations, particularly things like aligning thinking, processing complex inter-organisational issues, and allowing ‘strategists’ to rise above the clutter of daily work to be able to focus on the most important issues facing the organisation.

The weakness of scenario planning is that the stories developed during this process struggle to penetrate the mindsets of those not involved in that process. The stories become just another part of *their* daily clutter – this was particularly evident when attempting to distil the outcomes from a high-level inter-organisational scenario process down to the intra-organisational level. The scenarios were lost amidst the day-to-day pressures of the intra-organisational infrastructure and the overwhelming number of other ‘strategy’-type documents and initiatives.

The challenge for scenario planning practitioners (and indeed the researchers working in this area) is how to connect the meaning that comes from participation in a process to those who are disconnected from the process but still involved in strategic decisions that the scenarios are supposed to inform.



Notes:

- This article is based on the author's paper [The Practice of Scenario Planning: An Analysis of Inter- and Intra-organizational Strategizing](#), in *British Journal of Management*, Vol. 27, 77–96 (2016) DOI: 10.1111/1467-8551.12098
- This post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.
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