

Case Study

Scenario Planning: Being Prepared for an Uncertain Future

Situation

The CEO of the \$4 billion manufacturing company was frustrated by the lack of strategic thinking by the members of his executive committee. Because he was concerned by the increasing pace of change in the competitive environment, he realized he needed some new thinking sooner rather than later. As a result, he decided to develop strategic thinking in a group of high potentials.

Intervention

Due to the strategically critical nature of the situation, it was important to make sure the group of high potentials selected for this program was truly the best and brightest and not selected for political reasons. It took several meetings of rejecting some suggested slates before we were satisfied the selection process was free from people picking favorites or feeling every business unit had to have the same number of candidates.

We designed a 1.5-day workshop on scenario planning. To make sure it was customized and would meet the CEO's goal of stimulating new strategic thinking, before we ran the workshop, the faculty researched and discussed with the CEO the major uncertainties in the industry. During the workshop, participants applied the faculty's methodology to the company's actual competitive situation.

Outcome

As the workshop ended, the CEO, who had been observing the entire workshop, said "First, I didn't know how bright these people were. Second, they revealed some major weaknesses in our current strategic plan. And, third, I want this class to be broken down into three action learning project teams to redo our strategic plans in light of what they learned here."

The outcome of their work was:

1. A set of scenarios describing the industry's future 5 and 10 years out
2. Recommended changes in the firm's strategic plans based on these scenarios
3. The Board of Directors accepting these changes