

Scenario thinking is particularly well suited for nonprofits that: do work that is highly dependent on multiple actors inside and outside the sector; address interdependent and complex issues; have a clear interest in external trends; and feel a responsibility to address diverse points of view. [Scearce 2004]

Scenarios are stories that reflect the possible futures that will affect what decisions an organization needs to make, and provide a framework for examining strategic options.

This (<https://www.youtube.com/watch?v=pGuX47Xkd5U>) two minute video summarizes two different scenarios explored by Shell, where trends (such as population growth and urbanization) are projected out and combined with different possibilities of how emerging markets and established large governments react, to produce two very different business landscapes.

Building the set of scenarios requires a research period (ORIENT)-

- interviews of broad and diverse cohort ("Multiple perspectives", challenge conventional thinking)
- what systems [Meadows] affect the organization ("Outside in")
- what are the trends ("Long View")
- what are the uncertainties in those systems
- what are different and diverging possible resolutions

Review the research (EXPLORE)

- what are the driving forces
- what are the critical uncertainties
- what is predetermined (strong trends)

Develop the scenarios (SYNTHESIZE)

- select critical driving forces (probability dimensions)
 - degree of importance to the organization
 - degree of uncertainty
- Consider a matrix of outcomes
- Select several distinct outcomes and tell the story of that future

Identify the possible organizational strategies (ACT)

- What actions improve the organization in all scenarios?
- What actions make sense in some but not all scenarios?
- How do current actions perform in the scenarios?

Resources

Scearce, Diana, Katherine Fulton, and Global Business Network community. *What If? The Art of Scenario Thinking for Nonprofits*. Global Business Network (a member of the Monitor Group), 2004.

<https://www.wallacefoundation.org/knowledge-center/resources-for-financial-management/pages/what-if-the-art-of-scenario-thinking-for-nonprofits.aspx>.

The goal of this (~90 page not counting front matter, index, etc) guide is to introduce nonprofit leaders to a powerful way of embracing, influencing, and planning for the future—scenario thinking—and to help them assess whether the scenario approach is right for them.

Stanford Online. “The Power of Scenarios to Improve Strategic Decisions.” presented for the Innovation and Entrepreneurship Certificate, Stanford Center for Professional Development, April 17, 2013. <https://www.youtube.com/watch?v=2W2-Ufn4QdA&feature=youtu.be>.

(45 min, less if you scrub to actually beginning 2 min in and skip Q&A at end) This discussion with Henk Krijnen, Group Projects Economics Advisor for Shell Group, covers how Shell has used scenarios to recognize threats and opportunities, anticipate and manage uncertainty, and improve decision-making. Henk will be joined by Carl Spetzler, CEO of Strategic Decisions Group and the program director of the Stanford Strategic Decision and Risk Management certificate program, to discuss the role of scenarios in achieving decision quality (DQ).

“Scenario Planning.” In *Wikipedia*, January 12, 2019.

https://en.wikipedia.org/w/index.php?title=Scenario_planning&oldid=877958912.

Shell Scenarios Team. “Shell Scenarios.” Shell Global. Accessed January 21, 2019.

<https://www.shell.com/energy-and-innovation/the-energy-future/scenarios.html>.

There are some [videos](#) (hosted on YouTube) explaining how Shell uses scenario planning <https://youtu.be/nwub4Bhr-aM> 4 m 31s) You can also download their most recent

assessment of the future, New Lens Scenarios. In it Shell explores two possible ways the 21st century could unfold, with implications for society as well as energy systems.

Meadows, Donella H. *Thinking in Systems: A Primer*. Kindle. White River Junction, Vt: Chelsea Green Pub, 2008.