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Scenario Thinking as the Main Tool of Strategic Thinking in the Information Age

Ivan Klinec
Institute of Economic Research
Slovak Academy of Sciences
Bratislava
E-mail: ivan.klinec@gmail.com
Scenario Thinking in the Information Age

- Scenario thinking is strategic thinking for the information age
- One scenario strategies of industrial age are substituted by multiply alternative scenario strategies
- Emergence of scenario thinking has same timing as emergence of information age
Scenario Thinking in the Information Age

- Emergence of scenario thinking is response to growing uncertainty of emerging information age
- Scenarios are about freedom and choices
- Scenarios are about choices of future and present
Strategic Thinking

- Industrial Age
  - Forecasting
  - Technological Forecasting
  - Prognosing
  - Trend Extrapolation
  - Modelling
  - Strategic Planning
  - Strategic Analysis

- Information Age
  - Scenario Thinking
  - Scenario Writing
  - Scenario Planning
  - Scenario Designing
  - Long View
  - Mental Maps
  - Wild Cards
  - Assumption Based Planning
  - War Gaming
  - Learning Organization
  - Robust Strategies
  - Puzzle Paradigm
<table>
<thead>
<tr>
<th>Scenario Thinkers</th>
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<tbody>
<tr>
<td>• Herman Kahn</td>
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<td>• Pierre Wack</td>
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<td>• Gill Ringland</td>
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<td>• Miriam Galt</td>
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<td>• Jerome Glenn</td>
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<td>• Theodore Gordon</td>
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<td>• Liam Fahey</td>
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<td>• Robert Randall</td>
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<td>• Chantel Ilbury</td>
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<td>• Clem Sunter</td>
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<td>• Diana Scearce</td>
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<td>• John Petersen</td>
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<td>• Peter Schwartz</td>
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<td>• James Ogilvy</td>
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<td>• Napier Collyns</td>
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<td>• Art Kleiner</td>
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<td>• Kees van der Heijden</td>
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<td>• Adam Kahane</td>
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<td>• Ged Davis</td>
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<td>• Michel Godet</td>
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<td>• Andrew Marshall</td>
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<tr>
<td>• Katherine Fulton</td>
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<td>• Max More</td>
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</table>
Strategic Thinkers

- Herman Kahn
- Ossip Flechtheim
- Buckminster Fuller
- Daniel Bell
- Yoneji Masuda
- Alvin Toffler
- John Naisbitt
- Pierre Wack
- Peter Schwartz
- James Ogilvy
- Arie de Geus

- John Petersen
- Jerome Glenn
- Peter Senge
- Napier Collyns
- Lawrence Wilkinson
- Art Kleiner
- Stewart Brand
- Andrew Marshall
- Arthur Cebrowski
- John Garstka
- Thomas Barnett
Scenario Thinking Organizations

- RAND Corporation
- Hudson Institute
- SRI International
- Royal / Dutch Shell
- Batelle
- Global Business Network
- Arlington Institute
- World Economic Forum
- CIA - NIC
- Millennium Project of AC/UNU
- Net Assessment Office DoD
- Club of Rome
- Global Scenario Group
- Chatham House
- IDON
- RAND Pardee Center
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- Herman Kahn: On Thermonuclear War. 1962
- Herman Kahn: Thinking about the Unthinkable. 1962
- Herman Kahn: On Escalation. Metaphors and Scenarios. 1965
- Daniel Bell: The Coming of Postindustrial Society. 1973
- Donald Michael: On Learning to Plan and Planning to Learn. 1973
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- Kees van der Heijden: Scenario. The Art of Strategic Conversation. 1996
- Kees van der Heijden, Ron Bradfield, George Burt, George Cairns, George Wright: The Sixth Sense. Accelerating Organizational Learning with Scenarios. 2002
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- Arie de Geus: Planning as Learning. 1988
Scenario Thinking Bibliography

- John Petersen: Out of the Blue. How to Anticipate Wild Cards and Big Future Surprises. 1999
- Michel Godet: Creating Futures. Scenario Planning as a Strategic Management Tool. 2001
- James Ogilvy: Building Better Futures. Scenario Planning as a Tool for a Better Tomorrow. 2002
- Peter Schwartz: Inevitable Surprises. Thinking Ahead in a Time of Turbulence. 2003
- Rober Lempert, Steven Popper, Steven Bankes: Shaping the Next One Hudred Years. 2003
- Diana Scearce, Katherine Fulton: What If ? The Art of Scenario Thinking for Nonprofits. 2004
Milestones of Scenario Thinking

- 1950 Herman Kahn started and developed scenario techniques at RAND Corporation
- 1956 Emerging information society in United States
- 1960 Herman Kahn founded Hudson Institute
- 1960 Several Herman Kahn’s books on scenario thinking
- 1970 Warning scenarios of Club of Rome
- 1970-1980 Developing scenario thinking and scenario planning at Royal / Dutch Shell
- 1984 Pierre Wack’s articles on scenario planning
- 1987 Foundation of Global Business Network by Peter Schwartz, Jay Ogilvy, Napier Collyns, Stewart Brand and Lawrence Wilkinson
- 1990 Emerging World Wide Web
Milestones of Scenario Thinking

- 1997 The Millennium Project of AC/UNU started
- 1997 State of the Future reports published every year
- 1999 Future Research Methods 1.0 edited by Jerome Glenn
- 1999 Out of the Blue - How to Anticipate Wild Cards and Big Future Surprises by John Petersen
- 2003 Future Research Methods 2.0 by Jerome Glenn and Theodore Gordon
- 2004 Pentagon´s 2020 warning scenario by Peter Schwartz and Doug Randall
- 2009 Future Research Methodology Version 3.0 by Jerome Glenn and Theodore Gordon
- 2010 – Global Governance 2025 scenarios by NIC - CIA
What Are Scenarios

- Scenarios are stories
- Scenarios are maps of the future
  - Scenarios are mental maps
  - Scenarios are mental models
  - Scenarios are narratives
  - Scenarios are pictures
  - Scenarios are models
- Scenarios are sets of indicators
  - Scenarios are tools
  - Scenarios are art
What Are Scenarios

- Scenarios are the powerful vehicles for challenging our mental models about the world.
  - Peter Schwartz
- Scenarios are a tool for helping us to take a long view in a world of great uncertainty.
  - Peter Schwartz
- Scenarios are stories about the way the world might turn out tomorrow, stories that can help us recognize and adapt to changing aspects of our present environment.
  - Peter Schwartz
What Are Scenarios

• Scenarios are attempts to describe in some detail a hypothetical sequence of events that could lead plausibly to the situation envisaged.
  • Herman Kahn

• Scenario is a tool for ordering one’s perceptions about alternative future environments in which one’s decisions might be played out.
  • Peter Schwartz

• Scenario is a set of organized ways for us to dream effectively about our future.
  • Peter Schwartz
What Is Scenario Planning

• Scenario planning is about making choices today with an understanding of how they might turn out.

  • Peter Schwartz

• Scenarios liberated planning from the traditional predict and control approach. They are not accurate forecasts, they are, as Kahn said, thinking tools.

  • Kees van der Heijden
Steps to Developing Scenarios
Peter Schwartz’s Method

- Step One: Identify Focal Issue or Decision
- Step Two: Key Forces in the Local Environment
- Step Three: Driving Forces
- Step Four: Rank by Importance and Uncertainty
- Step Five: Selecting Scenario Logic
- Step Six: Fleshing Out the Scenarios
- Step Seven: Implication
- Step Eight: Selection of Leading Indicators and Signposts
  - Peter Schwartz: The Art of Long View
Scenario Thinking – 5 Phases
According to Diana Scearce and Katherine Fulton

- Phase One: Orient – Interviews, Focal Issues
- Phase Two: Explore - Critical Uncertainties, Predetermined Element
- Phase Three: Synthesize – Scenario Framework, Scenarios
- Phase Four: Act – Implications, Strategic Agenda
- Phase Five: Monitor – Leading Indicators, Monitoring System
Europe 2036

<table>
<thead>
<tr>
<th>Nation State</th>
<th>Market State</th>
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<tr>
<td>Europe of Conflicts</td>
<td>Europe of Alliances</td>
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<tr>
<td>Puzzle Europe</td>
<td>Superpower Europe</td>
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Europe 2036 Wild Card Scenarios

- Economic Conflict with USA
- Economic Conflict with China
- War Conflict within European Union
  - War Conflict with Russia
  - War Conflict with Islamic Countries
- War Conflict with Countries of North Africa
  - Civic War within Region of EU
  - Permanent Economic Crisis
    - Collaps of Eurozone
  - Dezintegration of European Union
- Big Terrorist Attack on the Territory of EU
  - Local Arm Conflict
  - Ecological Disaster
- Collaps of Basic Infrastructure
- World or European Pandemy
  - Natural Disaster
Europe 2036 Driving Forces

- Information Technology
- Internet
- Information
- Knowledge
- Education
- Science
- Information Capital
- Knowledge Capital
- Networking
- Digital Economy
- Communication
- Spirituality
- Art
- Culture
- Health
- Diversity
- Emerging Markets
- Social Capital
- Sustainability
- Information Economy
- Network Economy
- New Economy
Europe 2036
Scenario Europe of Alliances

- **Driving Forces:** Industrial Policymakers plus Market
- **Political System:** Aliances of National States, National Governments, National Sovereignties, Parliament Democracy, Dictatorships, Partisan System, Corruption
- **International System:** Alliances of National States as International Players
- **Economy:** Second Wave Industrial Economy, New Economy of Information Society in Selected Countries
- **Security:** European Security System, Security Alliances
- **Defense:** National armies, Defense Alliances
- **Priorities:** Second Wave Industries
- **Currency:** National Currencies
- **Competitiveness:** Partialy
- **Internet:** According to Economic Performance
- **Social Capital:** Decrease
- **Demography:** Decrease, Ageing
- **Organization:** Industrial Hierarchies, Crime and Shadow Economy Networks
- **Society:** Second Wave Industrial Society, Information Society in Selected Countries, Tribalism
- **Culture:** Industrial Unification
Europe 2036
Scenario Superpower Europe (United States of Europe)

- **Driving Forces:** Information Technology plus Market
- **Political System:** United States of Europe, Federalism, Parliament Democracy, Civic Society, Government, Parliament, President, Regional Governments
- **International System:** United States of Europe member of UN and International Organizations
- **Economy:** Third Wave New Economy, Eco-Social Market Economy
- **Security:** European Security System
- **Defense:** European Army
- **Priorities:** Third Wave Priorities, Information Society, Science, Education, Tourism
- **Currency:** EURO
- **Competitiveness:** Global
- **Internet:** High Penetration
- **Social Capital:** Moderate Growth
- **Demography:** Stagnation, Moderate Growth
- **Organization:** Information and Value Networks
- **Society:** Third Wave Society, Civic Society
- **Culture:** Diversity
Europe 2036
Scenario Europe of Conflicts

- **Driving Forces:** Industrial Policymakers plus Events
- **Political System:** International Agreements, National Governments, National Sovereignties, Parliament Democracy, Dictatorships, Partisan System, Corruption
- **International System:** National Governments Members of UN and International Organizations
- **Economy:** Second Wave Industrial Economy, New Economy of Information Society in Selected Countries
- **Security:** National Security Systems
- **Defense:** National Armies
- **Priorities:** Second Wave Industries
- **Currency:** National Currencies
- **Internet:** According to Economic Performance
- **Competitiveness:** Partially
- **Social Capital:** Rapid Decrease
- **Demography:** Decrease, Ageing
- **Organization:** Industrial Hierarchies, Crime and Shadow Economy Networks
- **Society:** Second Wave Industrial Society, Tribalism
- **Culture:** Industrial Unification, Disruption
Europe 2036
Scenario Puzzle Europe
(European Union)

- **Driving Forces:** Third Wave Technocracy plus Market
- **Political System:** European Commission, Council of Europe, European Parliament, President, National Governments, Limited National Sovereignty, Parliament Democracy, Civic Society
- **International System:** National Statesmembers of UN and International Organizations
- **Economy:** Transformation to Third Wave New Economy, Eco-Social Market Economy
- **Security:** European Security System, National Security Systems
- **Defense:** European Defense System, National Armies
- **Priorities:** Third Wave Priorities, Information Society, Science, Education, Tourism, Selected Second Wave Industries
- **Currency:** EURO, National Currencies
- **Internet:** According of Economic Performance
- **Social Capital:** Stagnation or Moderate Growth
- **Demography:** Stagnation or Moderate Growth
- **Organization:** Hierarchies and Networks
- **Society:** Emerging Third Wave Society, Civic Society
- **Culture:** Diversity
• Thank You For Your Attention!