

## Scenario Options: A White Paper

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Do you ever wonder what the *future* holds for your organization? If the answer is yes, you're not alone, particularly now, during these "interesting" times, when stress is high and fundraising is low. Yet when a well-meaning consultant mentions "scenario planning" as a possible *strategy to weather the storm*, many nonprofit executives roll their eyes and sigh loudly.

Daily, nonprofit leadership is filled with *troubles to be shot*. Putting out fires and finding ways to manage a variety of challenges is the bane of nonprofit leadership. A reactive mode causes a good bit of the stress, so an innocent consultant just wants to turn the tables a bit, and put the nonprofit leader back into control of the situation – now and in the nebulous future.

Real scenario planning may end with options for organizations to *balance* in the future, but the beginning work is taking stock of the present. You might call the organization's initial activity an *environmental scan on steroids*. Yes, steroids! **The first step** is to conduct a robust **scan of current trends or patterns** in the subsector, and the nonprofit sector generally, the community, the governments (local, state, federal and international) and yes, the for-profit sector. Why do leaders need to spend that kind of precious time? The cost of "*not seeing*" trends or patterns that could hurt financially makes ongoing scanning worth the time.

Why look at international trends? Scenario planning requires *thinking differently* about the positioning of the organization in the world. A nonprofit organization is part of a world network of community support, and not just a few programs in East Duluth or an annual fundraising event.

Insular thinking tends to be tactical; "**outside-in thinking**" is a core strategic competency for effective scenario planning. Outside-in thinking is an assessment of how world (local to international) events and trends will ultimately influence the organization. It assumes that all of us are connected in some way, just as world markets are affected by an eroding US market.

### **If we could have any question about the next five years answered, what would we want to know?**

Many who are suffering from the current economic chaos may wish they had had answers to the above question in 2004. A good forecaster could have delivered the bad news, but current events are the result of many decisions along the way, events that went by unnoticed or disbelieved. The challenge of any leader is to continually *read the tea leaves*, and to question a break in a trend or pattern. The human factor is also critical since the desire for power as well as affection and significance are basic human needs. Unfulfilled needs in one area can cause corruption in another: greed, self-aggrandizement, deception. There's no magical cure for excesses of the human spirit, but a different approach to sustainability could yield better organizational outcomes.

There's nothing magical about scenario planning either; actually it's rather methodical. There's a method to the work, and compelling reasons to allow intuition to be a passenger on the journey to effective outcomes. Nonprofit leaders like practical ideas for solving problems or overcoming challenges, but "practical" ideas are

based in “tried and true” practices. Economic chaos requires *new practices* and sometimes *bold imaginations*. To paraphrase a much-quoted Einstein maxim, “*Nonprofits cannot solve problems based on the way they were created.*” Going forward, new systems, more manageable objectives, different programs and delivery modes, new relationships and boundaries, new working arrangements and new flexibilities will drive sustainability. Organizations will also want to assess human factors and needs *within* the organization, so that internal tensions are minimized. Strategy need not be impersonal.

### **A Snapshot of Scenario Planning with Options**

Comprehensive trend data will create vibrant discussions. Those discussions will surface tensions that will allow polarities to emerge. Assessing the relationship among polarities will display practical scenarios, which can then become the basis for implementation planning. The concept of “both/and” is critical to success. If at the end of scenario planning work, a leader is left with an either/or choice, the work is little more than brainstorming and deciding on an option. Scenario planning includes all options that emerge from strong polarities. **Creative implementation planning** ensures that all of the options are included as *possible futures*, because indeed they are.

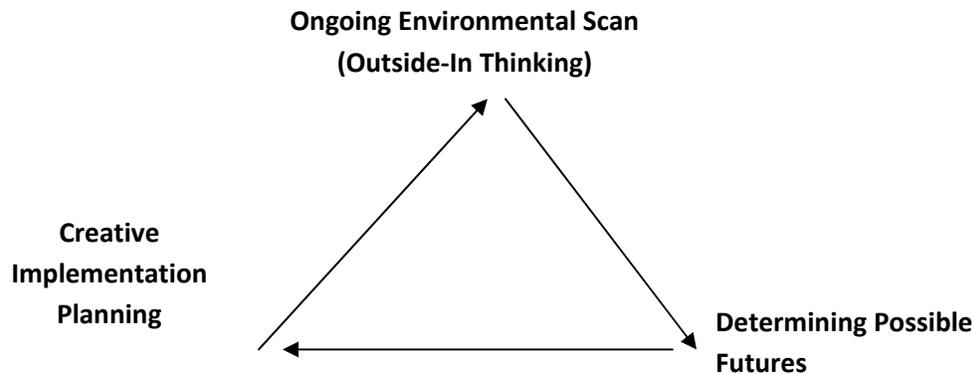
**Possible futures** are determined through an examination of patterns and emerging trends, such as the use of smaller technical devices or an increase in mergers or collaborations. Globalization among for-profits portends greater cooperation among nonprofits or nongovernmental organizations (NGOs) worldwide. Single source funding, such as government or foundations, is replaced with diversification.

The recent political campaign highlighted the power of small, individual donations, and the inclusiveness and marketing communications linked to fundraising. Economic woes have forced companies to dissolve or restructure, and future expenditures will hopefully be free of conspicuous waste.

The world is “greening” having turned its attention to resource management and honoring the earth. The art world is poised to reflect and record the dramatic changes through artistic expression, and human services organizations will become efficient stewards of public funds as the number of consumers of services continually expands.

In the absence of this inclusive implementation planning process, the leader is left with a “choice/regret” dilemma. Whenever there is a choice, there is regret, especially when the choice turns out to be a poor one. How can a person know? The question itself is incorrect. What the leader knows is that there are choices or options. If there is preparation for each of the options, both the agility and the flexibility of the organization to change, as needed, will be assured.

## Scenario Options



### Creative Implementation Planning

It's not enough to know as a leader what the organization may face in the future; a plan must be put into place that will address possible future challenges. Dennis Waitley said, "Expect the best, plan for the worst, and prepare to be surprised." Creative scenario planners embrace four distinct concepts as part of the backdrop for their planning:

- Overturn rocks – Conduct an honest assessment to determine what's missing or not working as expected. Look under the rocks that may have the organization stuck in old, non-productive patterns. Allow surprises to become opportunities.
- Swivel – Take in data and information from many sources and voices, in order to determine appropriate re-directions. Agility in critical economic times allows the organization to be ready for any of the possible futures.
- Capture stories – Encourage the telling of stories to enliven the plan and give depth to the process for people who must implement it. Change begins with stories – full descriptions of possibilities.
- Put legs on ideas – Move from an image to action. Planning is the first of many actions that move an organization forward. Ideas must come alive with concrete steps toward realization.

Creative Implementation Planning follows a clear process that moves the organization toward sustainability. Using the conceptual backdrop described above, planners guide the organization toward a robust plan with scenario options.

## The Process:

1. Identify polarities or dilemmas to be managed. (**Overtake rocks**)
2. Examine how different perspectives are related (**Swivel**)
3. Develop stories that describe related perspectives, honoring aspects of each perspective, and noting what is useful to sustain the organization (**Capture stories**)
4. Establish objectives, identify specific actions, assign responsibility, identify necessary resources, and determine results measures for each story as if it were a current reality ( **Put legs on ideas**)

Scenario options can propel the organization forward, even in an uncertain future that is fraught with fear and anxiety about sustainability or viability. The work of scenario planning is grounded in the interrelationship among the organization's mission (value), process (perspective solutions or services) and impact (improvement from change).

Philip Crosby has said, "If anything is certain, it is that change is certain. The world we are planning for today will not exist in this form tomorrow." Through scenario planning, today's nonprofit organizations can be not only prepared for the future, but shapers of it.