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Crisis Foresight Sprint

A scenario-based process for managing acute uncertainty

Berlin, March 2022

Dear Reader,

These are turbulent times. From an industry to individual level, uncertainty about the future looms. History has shown that we will get through this, best if we work together. Despite a global pandemic that has lasted two years, the ongoing violence in Ukraine, and increasing visibility of damage from climate change we strongly believe that there is hope for the longer term.

Foresight is inherently about dealing with uncertainty. Unlike popular belief, Foresight is not necessarly only about the long-term future. Yes, uncertainty increases the further out we try to look into the next decades. But as we have learned (sometimes painfully) over recent years and weeks, uncertainty can sometimes be very high, even in the near future.

Foresight helps to provide clarity in uncertain times and supports taking the right decisions. Based on 15 years of experience with Foresight, we've devleoped a methodology which is designed to specifically deal with immediate uncertainty, often caused by unforseen shocks which all of the sudden seem to change everything.

Our *Crisis Foresight Sprint* helps gain clarity amidst all the turbulence. It aims to guide rational and transparent decision-making by:

- Addressing your key uncertainties and developing scenarios on how the situation could evolve

- Exploring and assessing your response options and prioritising the most important decisions

We hope this document can support you in your decision-making process and discussions. We're here to answer your questions and will gladly support you further should you identify a need.
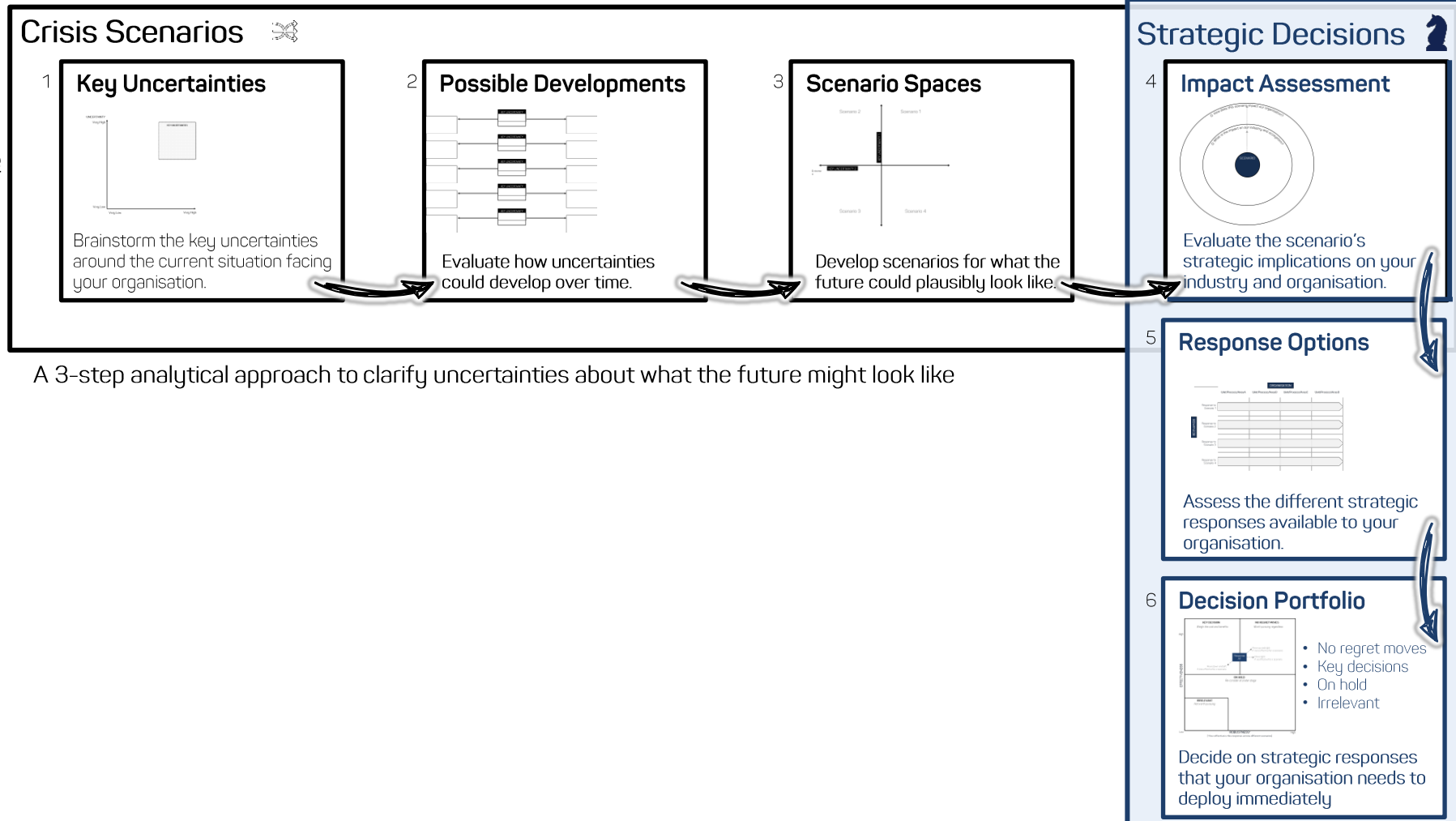

Kind regards,

Dr. Tobias Heger, Managing Director – Berlin, March 2022
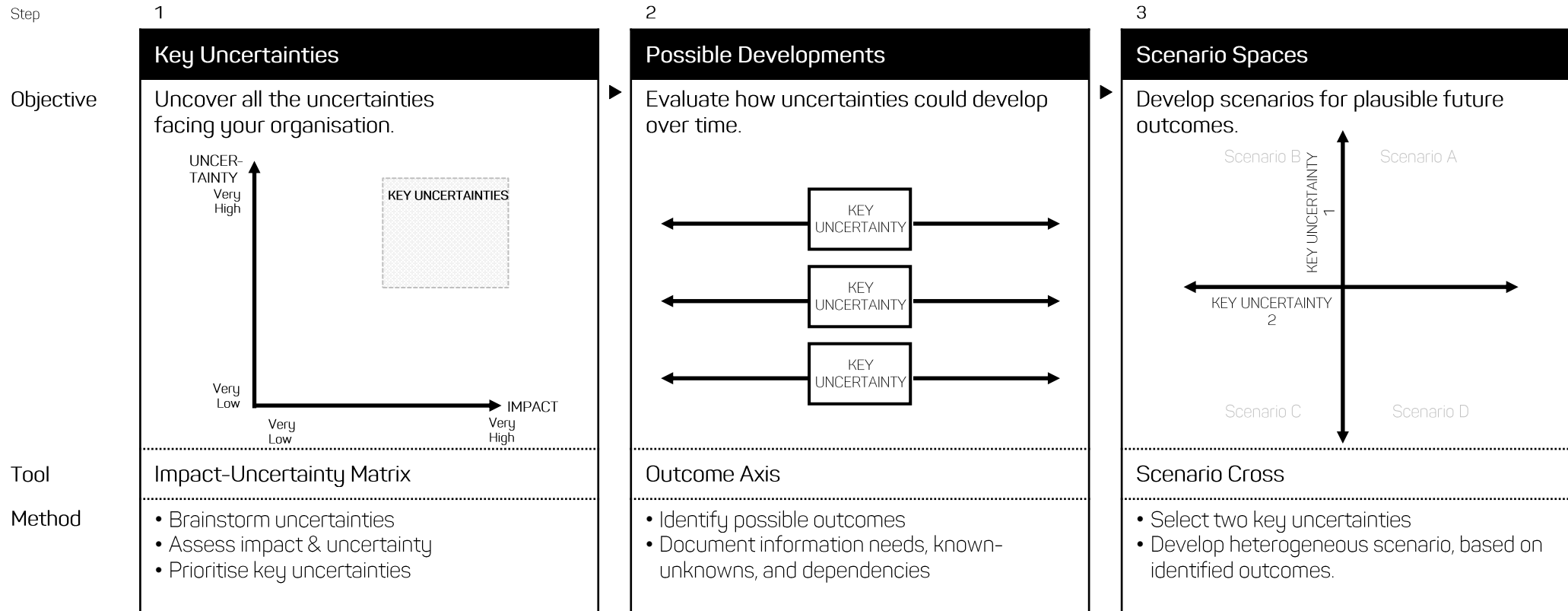
Crisis Foresight Sprint
Overview

Crisis Scenarios

1 Key Uncertainties

Brainstorm the key uncertainties around the current situation facing your organisation.

2 Possible Developments

Evaluate how uncertainties could develop over time.

3 Scenario Spaces

Develop scenarios for what the future could plausibly look like.

A 3-step analytical approach to clarify uncertainties about what the future might look like

Strategic Decisions

4 Impact Assessment

Evaluate the scenario's strategic implications on your industry and organisation.

5 Response Options

Assess the different strategic responses available to your organisation.

6 Decision Portfolio

- No regret moves
- Key decisions
- On hold
- Irrelevant

Decide on strategic responses that your organisation needs to deploy immediately

A 3-step analytical approach to prioritise and decide on effective responses.

Impact Scenario-based Decision Sprint
A Foresight-inspired process for dealing with immediate uncertainty
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Crisis Scenario Sprint

Used to clarify uncertainties about what the future might look like.

	Step 1	Step 2	Step 3
	Key Uncertainties	**Possible Developments**	**Scenario Spaces**
Objective	Uncover all the uncertainties facing your organisation.	Evaluate how uncertainties could develop over time.	Develop scenarios for plausible future outcomes.

Step 1 — Key Uncertainties diagram

UNCER-TAINTY
Very High

KEY UNCERTAINTIES

Very Low

IMPACT

Very Low — Very High

Step 2 — Possible Developments diagram

KEY UNCERTAINTY

KEY UNCERTAINTY

KEY UNCERTAINTY

Step 3 — Scenario Spaces diagram

Scenario B — Scenario A

KEY UNCERTAINTY 1

KEY UNCERTAINTY 2

Scenario C — Scenario D

Tool	Impact-Uncertainty Matrix	Outcome Axis	Scenario Cross
Method	• Brainstorm uncertainties • Assess impact & uncertainty • Prioritise key uncertainties	• Identify possible outcomes • Document information needs, known-unknowns, and dependencies	• Select two key uncertainties • Develop heterogeneous scenario, based on identified outcomes.

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Strategic Decision Sprint ♞

Used to prioritise and decide on effective responses.

Step	4	5	6
	Impact Assessment	**Response Options**	**Decision Portfolio**
Objective	Evaluate the scenario's strategic implications on your industry/organisation.	Assess the different strategic responses available to your organisation.	Decide on strategic responses that your organisation needs to deploy immediately

Impact Assessment diagram (Step 4):
- Q: How does this scenario impact our organisation?
- Q: What is the impact on our industry and ecosystem?
- SCEN-ARIO

Response Options diagram (Step 5):
ORGANISATIONAL ACTION FIELDS
Unit/Process/Area A Unit/Process/Area B Unit/Process/Area C
- Response to Scenario 1
- Response to Scenario 2
- Response to Scenario 3

Decision Portfolio diagram (Step 6):
- EFFECTIVENESS (High / Low) vs ROBUSTNESS (Low / High)
- KEY DECISION | NO REGRET MOVES
- ON HOLD
- IRRELEVANT

Tool	Futures Wheel	Strategy Box	Decision Quadrants
Method	• Assess the impact of a scenario on your industry and ecosystem • Evaluate the impact on your organisation	• Organise the relevant action fields (e.g. business units, markets, etc.) • Evaluate possible responses for each scenario	• Evaluate the effectiveness of each response against a scenario • Based on this, evaluate the response's robustness *across* all scenarios • Use the quadrants to identify the most important responses that your organisation must decide upon.
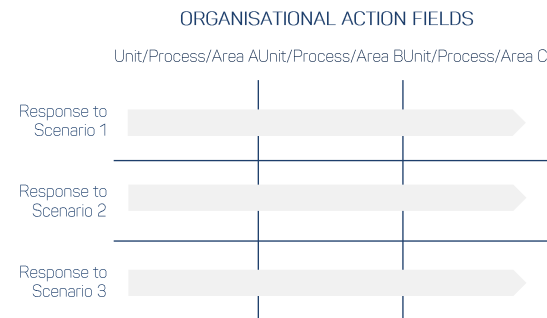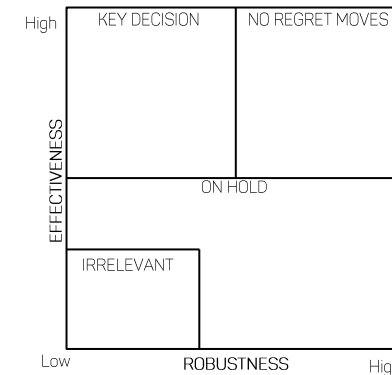
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LOOKING FORWARD TO HEARING FROM YOU

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STEP-BY-STEP GUIDE

Key Uncertainties

Prioritise using the Impact-Uncertainty Matrix

Impact Scenarios

UNCERTAINTY

Very High

KEY UNCERTAINTIES

Very Low

Very Low

Very High

IMPACT

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OBJECTIVE

Identify the most important issues or uncertainties facing your organisation.

INSTRUCTIONS

1. Brainstorm different uncertainties – phrase them as questions if that makes it easier.

2. Use the matrix to assess these uncertainties. For each uncertainty:
   1.1 Assess its *impact*:
   How great an impact will this have on us? Whether positive or negative.
   Place the factor along the horizontal axis based on the group's answer.

   1.2 Assess the *uncertainty*:
   How uncertain/unsure are we about how this develops over time?
   Place the factor along the vertical axis based on the group's answer.

3. Once completed, review the positioning of all uncertainties and adjust if necessary.

4. Review the factors placed in the top right corner – these are your key drivers, the most uncertain factors with the risk of greatest impact. Select 4-6 of these and continue to the next step.
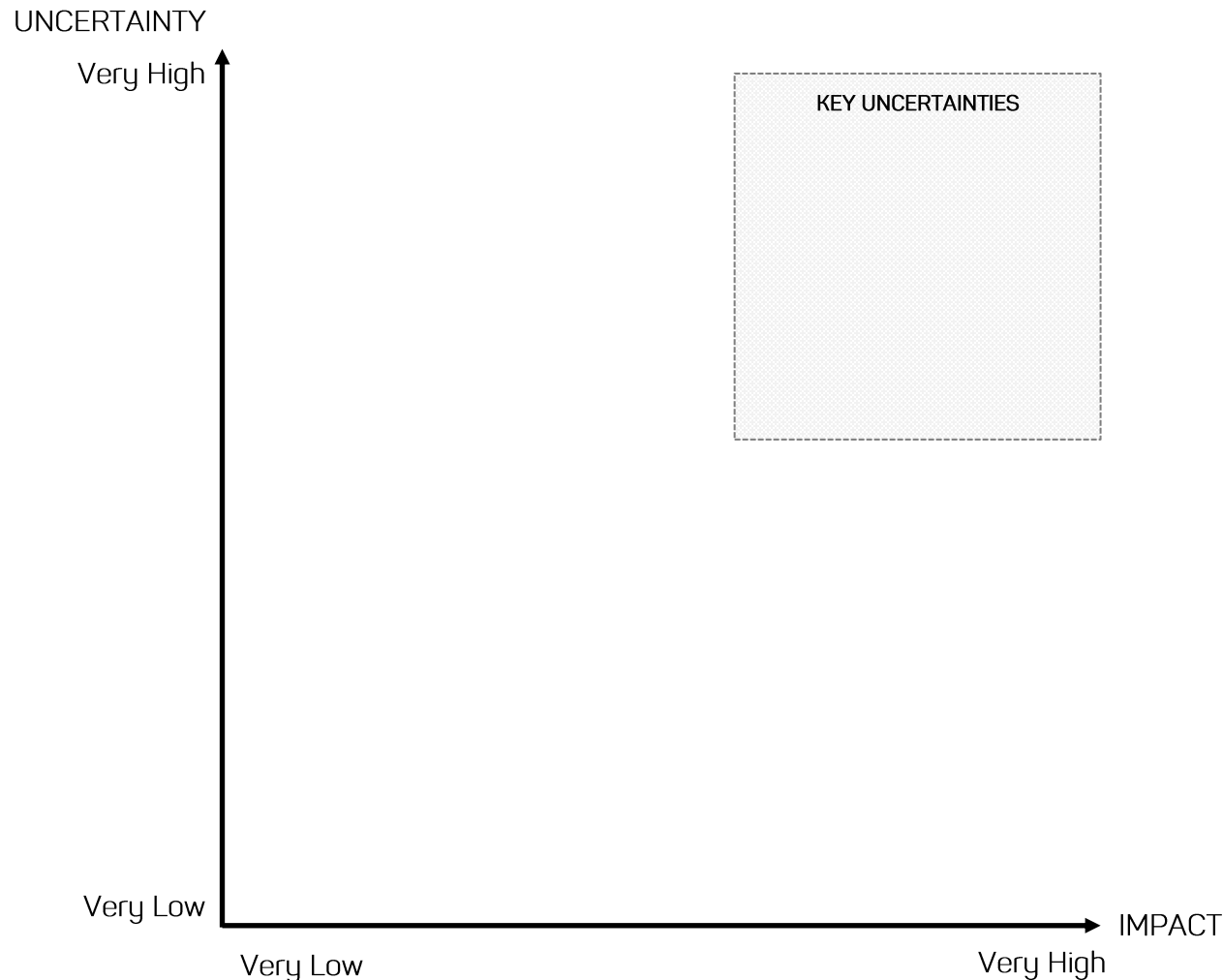
Possible Developments

Clarify scope of possibilities using the Outcome Axis

Impact Scenarios

Development
(one extreme)
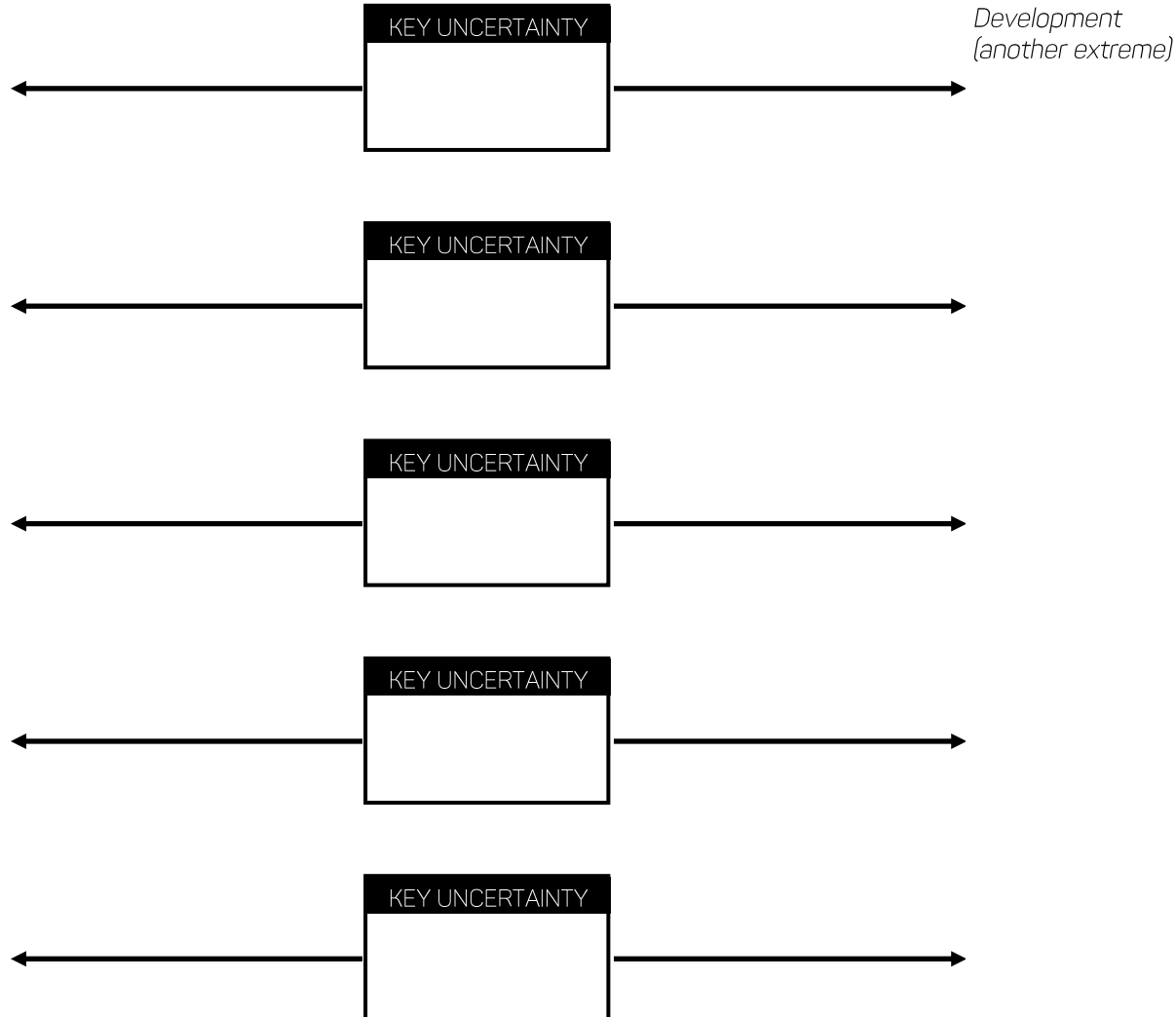
Development
(another extreme)

KEY UNCERTAINTY

KEY UNCERTAINTY

KEY UNCERTAINTY

KEY UNCERTAINTY

KEY UNCERTAINTY

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OBJECTIVE

Create clarity around key uncertainties by considering the different possible extreme outcomes

INSTRUCTIONS

Using your key uncertainties identified in the previous step as a starting point:

1. Identify two extremes (ideally opposite to each other) for how this uncertainty could develop until a point in time

2. To add further depth to your discussion and help you monitor this uncertainty over time, understanding, note down:
    - What information do we need to understand this better? (information needs & known-unknowns)
    - What else must hold for this outcome to become reality? (dependencies)

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<u>S</u>cenario Spaces

Develop plausible scenarios using the Scenario Cross

Impact Scenarios

Scenario B

Scenario A

Outcome
1a

KEY UNCERTAINTY 1

Outcome
2a

KEY UNCERTAINTY 2

Outcome
2b

Scenario C

Scenario D

Outcome
1b

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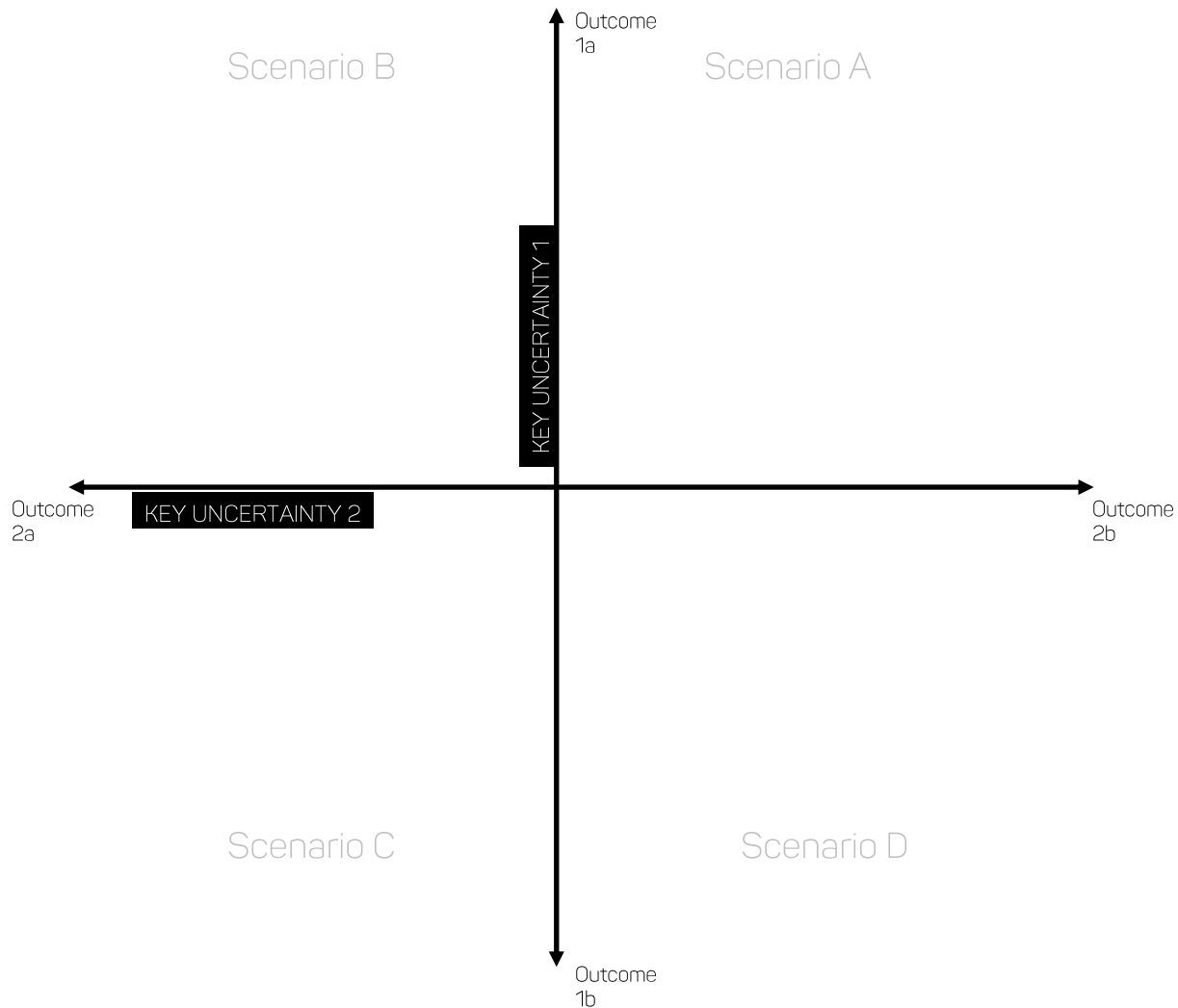
OBJECTIVE

Develop heterogeneous scenarios using key driver projections

INSTRUCTIONS

1. Review your key uncertainties. Select two that are significantly distinct and apart from each other.

2. Place each driver on their respective axis. Place your developments (from step 2) at either end of the axis.

3. Review each quadrant, one-by-one. Each quadrant represents a scenario. It's now up to you and your participants to develop a narrative for this scenario.
   Reflect and address with your participants:
   • How do these two key uncertainties come together?
   • How does this scenario come into being? (Think backwards: what happens for this to become reality?...)
   • What is the essence of this scenario – describe it in 1-2 sentences?
   • What other factors and drivers could be important in this scenario?

4. Take a step back. Consider whether all scenarios are equally relevant, or if any can be ignored. Then give each Scenario a name.

Strategic Scenario Implications
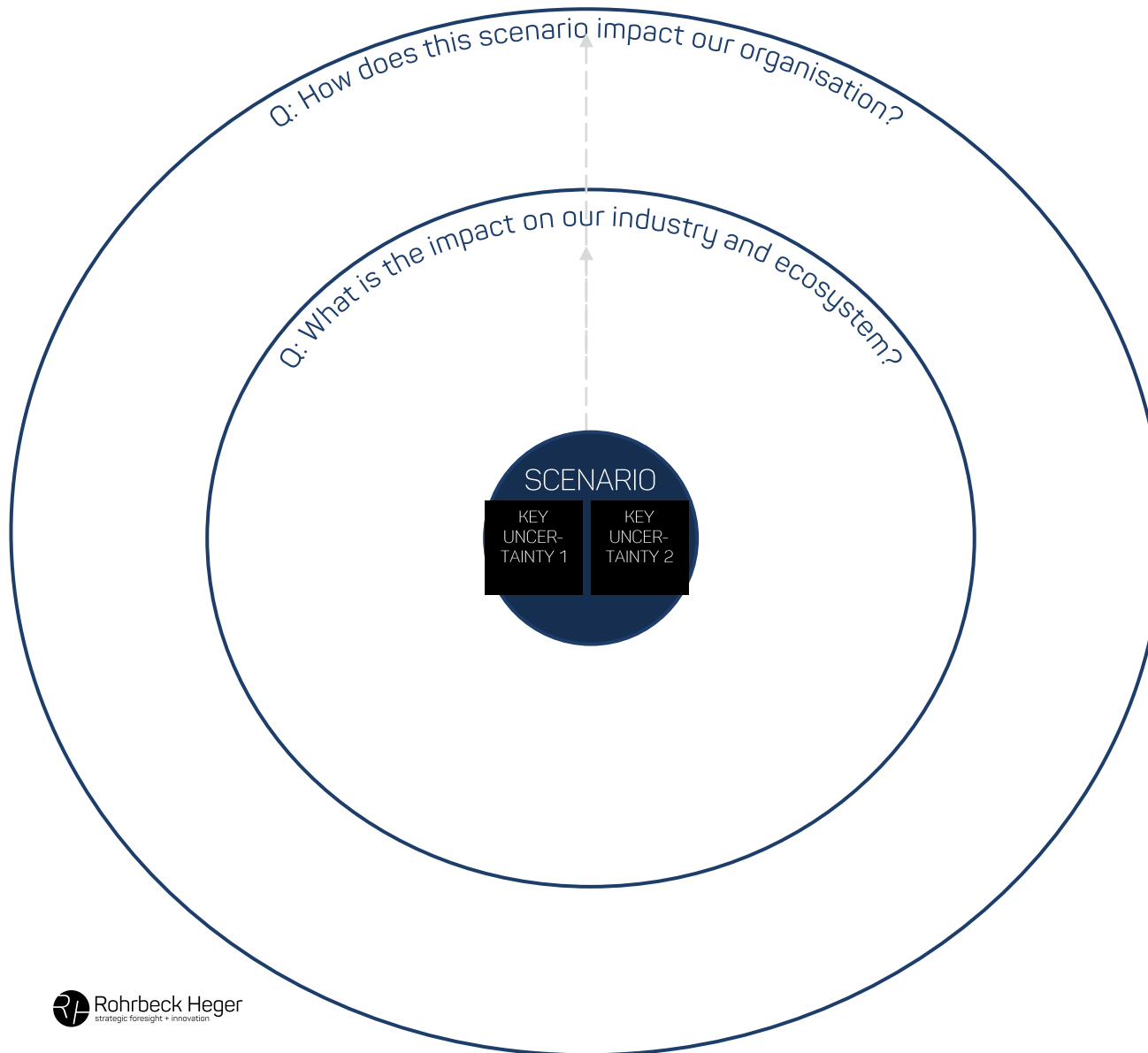
Evaluate impact using the Futures Wheel

Strategic Decisions ♞

Q: How does this scenario impact our organisation?

Q: What is the impact on our industry and ecosystem?

SCENARIO

KEY UNCER-TAINTY 1

KEY UNCER-TAINTY 2

OBJECTIVE

Evaluate the strategic implications of a scenario on your industry and organisation.

INSTRUCTIONS

1. Start in the middle. Place your scenario and its key developments in the centre circle.

2. Move to the second circle - and answer the question:
   • What is this scenario's impact on oour industry and ecosystem?

3. Move to the outer circle – organisation – and answer the question:
   • What is the impact to our organisation?
   [Consider clustering your answers by a common unit of analysis, e.g. organisational units, markets/geographies, products/services, etc.]

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Response Options

Identify actions to take using the Strategy Box

Strategic Decisions ♞

	ORGANISATIONAL ACTION FIELDS		
Unit/Process/Area A	*Unit/Process/Area B*	*Unit/Process/Area C*	*Unit/Process/Area D*

SCENARIOS

- Response to Scenario 1
- Response to Scenario 2
- Response to Scenario 3
- Response to Scenario 4

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OBJECTIVE

Evaluate your options for responding to different scenarios.

INSTRUCTIONS

1. Start at the top – prepare your columns based on how you are organised to take strategic actions, for example by business area or market.

2. Each row represents a scenario. Talk through each scenario one at a time, and for each column answer the question:
   - How do we respond to this scenario to ensure the best outcome?

3. Review responses and cluster identical/very similar responses together under one heading.

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Decision Portfolio

Prioritise responses using the Decision Matrix

KEY DECISION
Weigh the cost and benefits

NO REGRET MOVES
Worth pursuing regardless

High

Move up and right
if *more effective* for a scenario

Response A1

Move right
if *as effective* for a scenario

Move down and left
if *less effective* for a scenario

EFFECTIVENESS

ON HOLD
Re-consider at a later stage

IRRELEVANT
Not worth pursuing

Low

ROBUSTNESS*

High

(*How effective is this response across different scenarios)
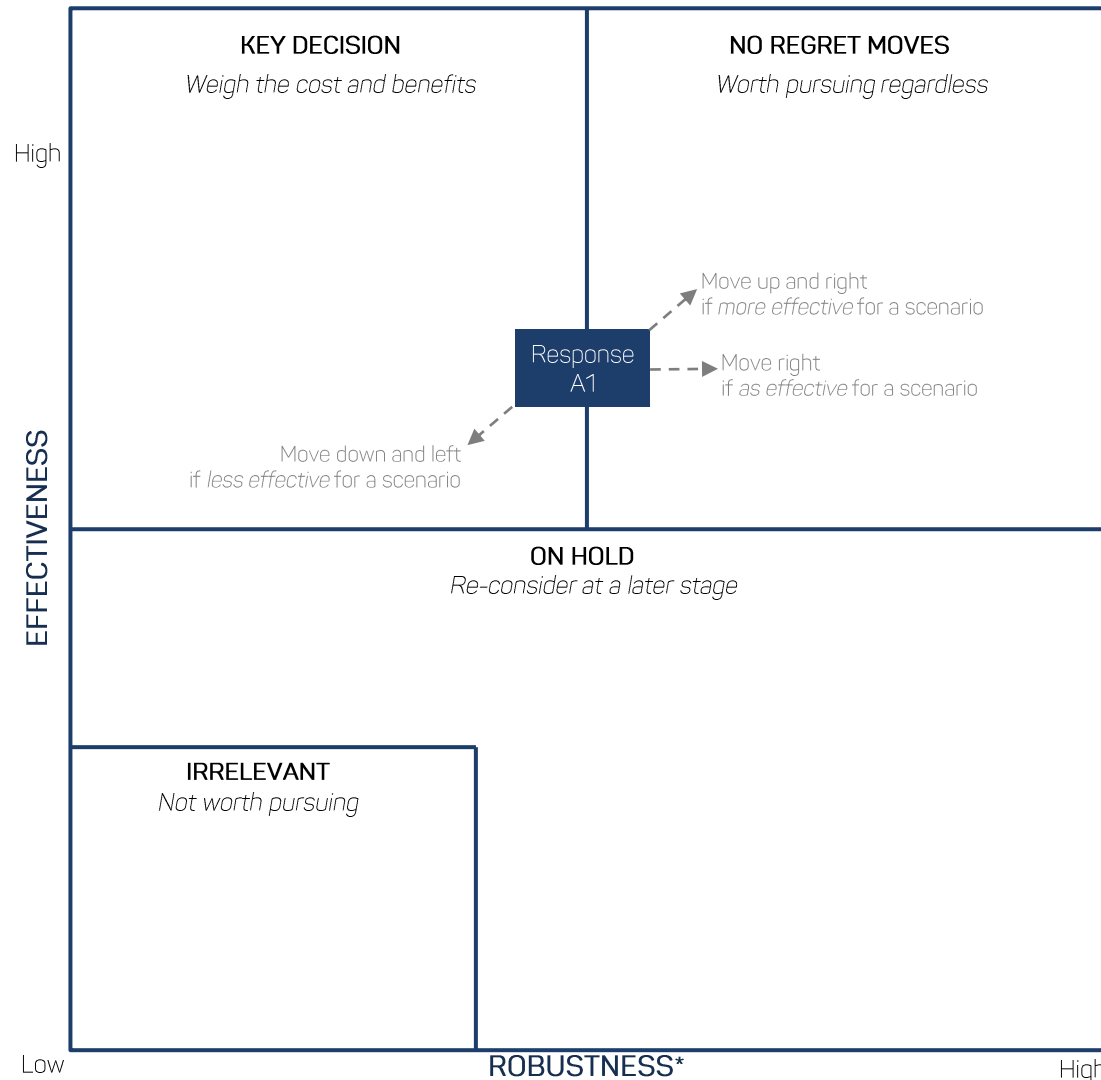

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OBJECTIVE

Decide on the most important responses to take action on immediately.

INSTRUCTIONS

For each response option in the Strategy Box:

1. Assess its effectiveness against Scenario 1, by asking:
   - To what extent is this response effective at producing a positive outcome and/or minimising risk in this scenario?

   Place the response along the y-axis, in the middle of the x-axis.

2. Assess its effectiveness against Scenario 2, by asking the same question.
   - If the response is *more effective*, move it up and to the right. (↗)
   - If the response is *less effective*, move it down and to the left. (↙)
   - If the response is *equally effective*, move it to the right. (→)

3. Repeat Step 2 for Scenarios 3 and 4.

Repeat Steps 1-3 for all subsequent response options.