

**OUR EXPERIENCE**

Leveraging 15 years of experience supporting organizations to enhance their future preparedness, we build customized solutions for our clients in strategy and innovation. We have worked with large and small firms, industry networks and associations from a variety of industries, including the digital world, information and communication technologies, mobility in various forms, energy, manufacturing, oil and gas, pulp and paper, financial services, and food and beverage.

In addition to offering a number of MBA and executive education programs we also provide hands-on trainings and coaching on the job.

# SCENARIO-BASED STRATEGIZING

DEVELOP ROBUST STRATEGIES FOR AN UNCERTAIN FUTURE

**CHALLENGE**

Many fields today are prone to high uncertainty and are undergoing radical shifts. As result, products and services, market actors and value chains, and business models in traditional sectors are fundamentally challenged by quickly emerging new concepts. Scenarios have been promoted as key technique for handling such uncertainty for decades. However, results from its application are oftentimes not satisfactory as they lack actionable outcomes. So, how can you prepare to manage in times of uncertainty? How can you create strategies that perform well and are resilient to change? And how do you keep track of change and performance?

and should capture possible systemic shifts, disruptions and new ways of value creation. Scenario-based

**RESPONDING FAST TO CHANGING ENVIRONMENTS**

For this, new ways of building a strategy are required. It is necessary to move beyond issue-based strategy development that assumes incremental change towards a more flexible approach. It needs to take a broader picture into consideration

Figure 1: Strategic decision matrix.

strategizing is an approach that aims at creating a broad and deep strategic understanding. It can be applied in various forms, ranging from top-down turnkey analyses and recommendations to a participatory

approach that can involve a broad range of people from within the organization to increase acceptance of results. ►

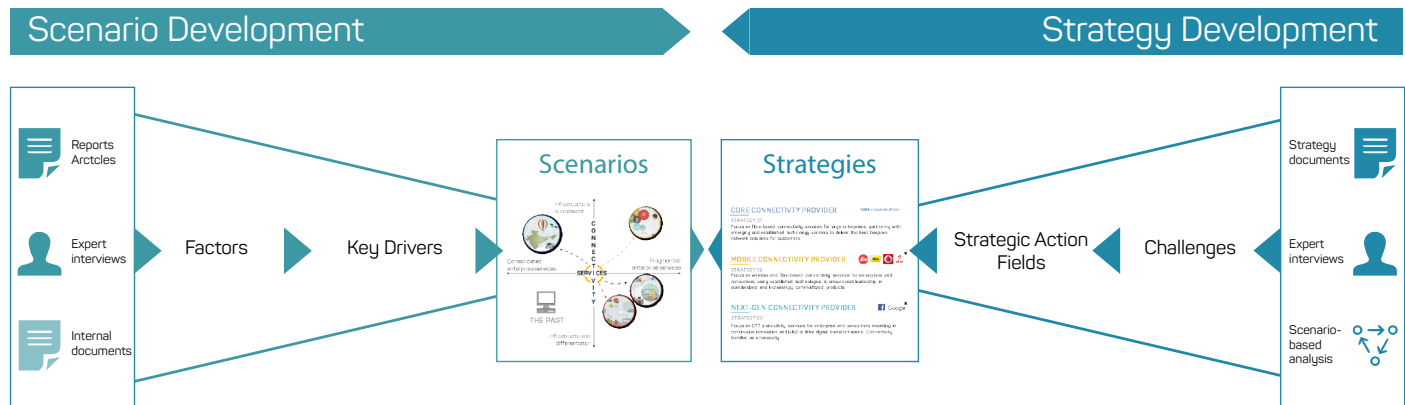
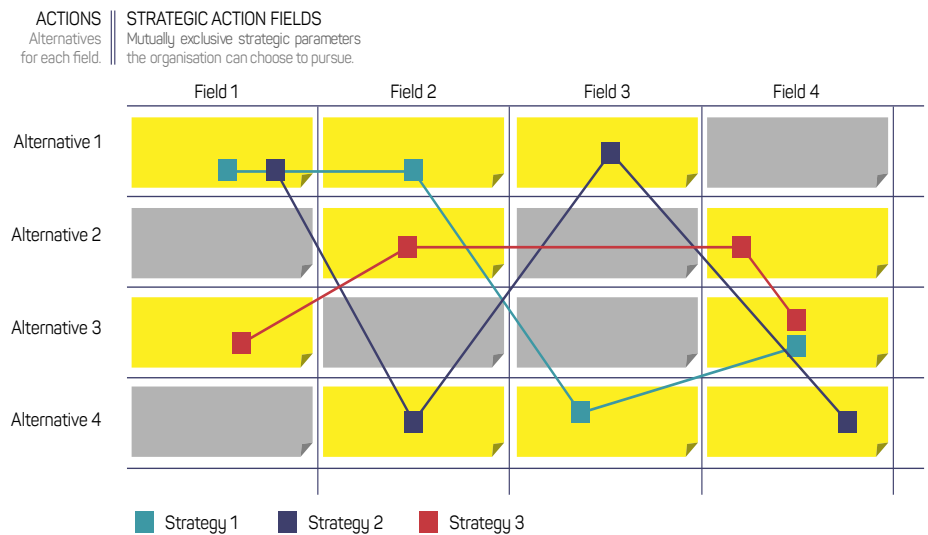


Figure 2: Scenario-based strategizing process overview.



In scenario-based strategizing, a set of consistent future scenarios is developed. Ideally, the entirety of scenarios covers a large part of possible futures. Input is usually gathered in a bottom-up approach that involves many external and internal experts and all levels of the organization to ensure information completeness, accuracy, and validity. By considering many opinions and perspectives, the basis for shared future outlooks with high buy-in is laid.

The Scenario-based strategizing process is a self-optimizing process: by increasing an organization's understanding of the environment and the reusability of prior insights, the process further contributes to organizational learning and capability building. The continuously decreasing efforts make it an effective approach in preparing organizations to stay agile, flexible and pro-active in rapidly changing, uncertain environments.

bundles strategic options into consistent distinct strategies

- Performance and resilience assessments of strategies across scenarios, and impact of different scenarios on strategies (qualitative or quantified)
- Strategic initiatives and a strategy execution plan

Ultimately, scenario-based strategizing prepares your organization for an uncertain future by creating a reusable

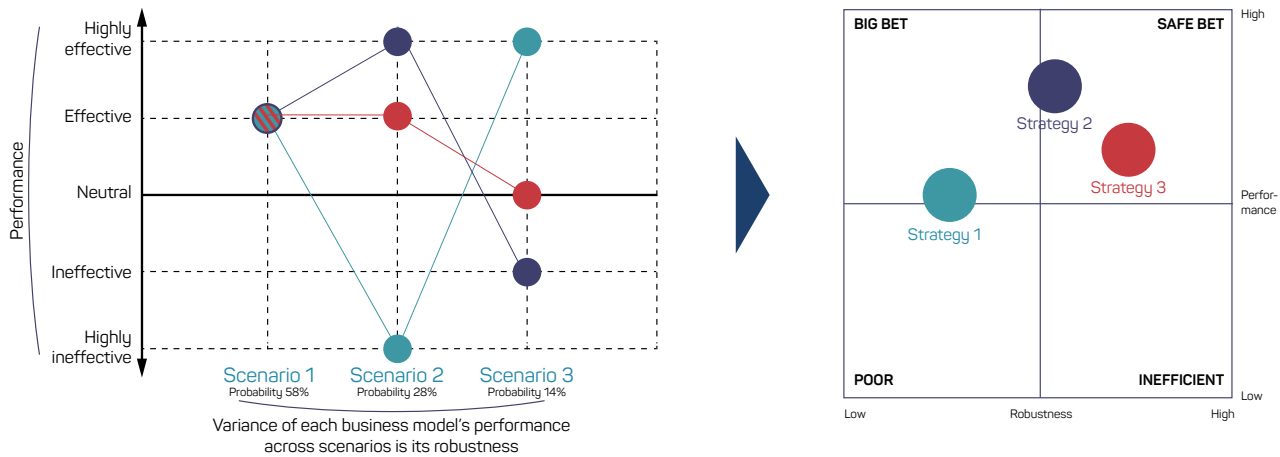


Figure 3: The scenario assessment matrix and resulting decision portfolio.

Scenarios are typically described in vivid narratives that help communicate the range of potential futures.

Similarly, a set of strategic action fields is identified that covers a range of strategic options for your organization in a strategic decision matrix. Combinations of these options form shared and agile strategies.

Ultimately, alternative strategies can be assessed for goal efficacy (performance) and robustness across all identified scenarios (resilience). This way, top management is enabled to weigh best performing strategies in a particular scenario against robust ones that ensure survival across scenarios but are less performant in individual ones. This assessment can be extended to include strategic initiatives.

### WHAT WE DELIVER

Scenario-based strategizing can be conducted in different ways depending on the state of your organization. As leanest variant, we can build on existing scenarios to windtunnel and thus assess the current strategy. On the other side, we can jointly develop the scenarios, strategy variants and assessments with various workshops to optimize acceptance and shared understanding within the organization.

Deliverables in scenario-based strategizing are:

- A set of key drivers, including tipping points and wildcards to monitor
- Typically 3 to 5 scenario narratives that support communication of possible futures
- A strategic decision matrix that

set of artefacts that provides the basis for continuous monitoring of change, early detection of decisive points in time and a fast reaction to change.

### WE LOOK FORWARD TO HEARING FROM YOU.

Contact us for more information.



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