

Questioning Scenarios

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I am often wrong, but never in doubt'
Sam Chisholm¹

It's hard to be sure if Graham Molitor had his tongue firmly in his cheek when he offered his piece 'Scenarios – worth the effort?' (Molitor, 2009) After all, a doyen of the futures field must *surely* embrace the wonder of scenarios as an enormously useful tool for considering the future, yet his piece had enough to suggest that he was serious in suggesting that scenarios (by and large) aren't that helpful.

Let me quickly address elements of Molitor's piece: On one hand Scenarios are an 'idle exercise' (Molitor, 2009, p.1) yet are also stated to be (as 'birds of a feather') (Molitor, 2009, p.2) '...ways of targeting and developing useful intellectual conclusions.' (Molitor, 2009, p.2) Scenarios are (merely?) a 'time consuming parlour game' (Molitor, 2009, p.1) reinforcing what participants already knew, yet also being a 'time proven' (Molitor, 2009, p.4) technique drawing on 'the collective wisdom and viewpoints derived from drawing together hordes of gifted experts to cast light on what lays ahead and how to contend with it.' (Molitor, 2009, p.4)

In exploring some of the many ways in which people get scenarios wrong, Molitor warns that the 'intellectual jousting' (Molitor, 2009, p.9) element of Scenarios may result in a state where 'Outputs also may become excessively conjectural, hypothetical, tangential, non germane and unrealistic' (Molitor, 2009, p.9) – in other words disconnected from reality or usefulness to decision making. Much like an organisation audaciously focusing on the next thousand years, perhaps? (Molitor, 2009, p.8)

Molitor is correct when he suggests there are many ways to make scenario efforts less useful, that there are many labels for essentially the same process and that many future possibilities can be traced back decades or even millennia (more so perhaps in hindsight?). It ought not be surprising coming from the President of an organisation that specialises in 'n. estimate or conjecture beforehand², that a potential limiting bias is highlighted in his suggestion that 'there is no one way of addressing matters when the "future of" is under consideration' (Molitor, 2009, p.7) – the limiting bias lies in the choice of the word 'when', a word weighed heavily on the notion of predictability.

Is Molitor blinded by his personal bias towards prediction or is he acting as agent provocateur? I'm happy to be provoked and choose to start by suggesting that the most effective futures tool available to our species cannot be found in technology, does not require tomes to explain, is easily transferable across cultures, languages, values and times: it is 'the Question'.

The universal futures tool is the Question and Scenarios are nothing more than an elaborate questioning technique. They exist to assist us to discover 'doubt' in our own thinking and overcome what De Bono described as 'the Intelligence Trap'³

We know that some people are better at asking questions than others – useful, well timed, connected. It is through questions that we learn, that we move forward and assess whether our assumptions are valid and our expectations realistic. In questioning our assumptions, we question our understanding of the past – this is the realm of trend spotters and macro historians. Trends are nothing more than a pattern of historical behaviour which is why I tell clients that there is no such thing as a future trend – all trends are historically derived and subject to change. Macrohistorical perspectives⁴ are an assessment of longer range patterns and potentially providing medians of various evolutionary changes that by design, give us more comfort in an expected behaviour continuing into the future. In questioning our expectations we challenge our perceptions of the future. Well thought out questions help us refine our expectations for our futures.

Just as there are less and more useful questions, there are less and more useful scenario approaches. To work out what type of scenario approach (questioning technique) to use requires that you first identify the intended purpose – the expected/desired outcome, for once that is understood, approaching the scenario process ought to be more effectively defined.

The mismatch of scenario methods to client needs is one of biggest failings of utilising the scenario approach. Futurists enamoured with one approach have led clients and society to believe that 'our preferred method' is right for the client, despite obvious mismatches such that when another futurist suggests 'scenarios' as a possible tool for exploring the future, an all too common answer is 'we've already tried them'.

Molitor is right to question the value of scenarios as a methodology given our lack of understanding of successes in their application, though perhaps the issue is less over the method itself and more over the poor selection of process (poor choice of question). I offer a short overview of scenario types (ways to question) as well as providing a couple of brief successful scenario case studies.

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I usually receive a call a week from someone thinking about using scenarios, yet guide less than one in ten through a scenario process. Many have unrealistic expectations, hold invalid assumptions and some, despite my suggestion that scenarios will be unlikely to deliver what they hope to achieve, will do them anyway. Just not using my expertise. Table 1⁵ lists 'Scenario Types' explaining process options – ratings (out of five) suggest 'Benefit' or 'resource commitment' levels, and a mismatch of process to client needs means asking the wrong question and a higher probability of a poor outcome. Briefly explained: 'Coffee Cup' is a scenario generated by a couple of people in about 30 mins over a 'cup of coffee' where they consider 'the future of 'x'; 'Incremental' scenarios typically have predetermined preferred cores with 'slightly better' and 'slightly worse' alternatives offered for show - favoured by Government agencies suggesting true depth has been undertaken; 'Inductive' requires a starting point and a

question 'what might emerge if 'X' happened?' Participants need only provide additional 'x' events for the scenario to continue unfolding; 'Off the Shelf' uses pre-designed futures tasking an organisation to assess how it would respond in the circumstances; 'Normative' are 'Big Visions' that demand an explanation of how the world looks (and developed) given achievement of the vision; 'Accelerated Scenario process'(ASp) attempts to combine Coffee Cup speed with Deep Scenarios depth – based on a deductive model it is targeted specifically at Corporate and Government Departments where 'pragmatic outcomes' are mandatory; 'Deep Scenarios' are high cost, time and resource commitment, extensively researched, tested and 'grounded' and best suited to larger (pan-national) assessments.

Table 1.
Scenario types

Type Aspect	Time Demands	Costs	Depth of Inquiry	Contingency Planning	Team Building & Creativity	Strategic Value
Coffee Cup Scenarios	.5	.5	.5	.5	3	.5
Incremental	1.5	2	1	1	1	1
Inductive	1.5	1	1.5	1.5	3	1
Off the Shelf	1.5	1	1	1.5	2.5	2
Normative	2	2	1	0	1.5	2.5
Deductive	2.5	2	2	2	1.5	3
ASp	3	2	3.5	2	3	3.5
Deep Scenarios	5	5	4.5	4	2	5

The key take away from this table is that when we talk 'scenarios' we would benefit greatly from identifying specifically, what 'version' of scenarios we mean and given our desired outcomes, which would be best suited

New Success Stories

Shell's scenario success has arguably created today's challenges for other scenario success stories. The Shell scenarios created enormous competitive advantage and in profit making environments, competitive advantage via intellectual property (generated using methods like scenarios) is something to keep tightly held. Stories of success are few and far between because 'letting people in on the secret' is a challenge and also due to facilitators choosing '*poorly matched to client needs*' scenario methods that by default create poor outcomes. What follows are prece overviews of two additional successes – they are not the only ones.

'Lifting the veil of current success'

The Fosters Group⁶ is widely known around the world as one of the largest makers of beers and assorted other beverages. In recent years it also attempted to become one of the largest makers of wine. In 2003 Steve Tighe (now an independent futurist)⁷ was then the recently appointed Foresight Manager, a new role tasked with helping Fosters consider its future and we worked together on a range of issues using various techniques. One of the biggest projects was a scenario exercise titled *'the Future of*

Beer' bringing Foster's staff together to question in some detail, the ongoing existence of its most successful product.

Using a deductive based method informed by extensive environmental scanning prior to the workshops, participants were asked to consider whether beer in its current form was likely to play a product role in society in the future, the possible events that might disrupt that role and whether there might be alternatives that could be created, or that exist now but are being ignored by the company.

The scanning data was built around my Very STEEP (VSTEEP) – model⁸ which specifically adds the 'Value Systems' framework to the other components, such that the 'human-ness' implications became explicit. We considered health issues, social costs related to health supply, transportation of products, access to key ingredients, legislative changes and more. Much of the data was readily available to the company though they had a track record of using media monitoring and quantitative research (both historical approaches) to informing their future.

The process took about 8 weeks, though the engagement was for a variety of reasons, sporadic and interrupted more often than not as a result of outsiders to the process demanding 'real work' be attended to – the realm of the Operational Manager holding sway over the Strategic process. Despite the interruptions the results were excellent with a key 'a-ha' moment occurring through the discovery that their biggest product offering in its core product area was at serious risk, that neither they nor their main rival in the industry appeared to be aware of that threat, and that a continuation and reliance upon the success it already had, would render the company vulnerable.

Within three months they redirected \$80m to creating a new product, had pushed another product to great success⁹, and had uncovered a new product category expected by Fosters to grow to around \$400m inside a decade. Playing catch-up, Foster's main rival released a competitive offering almost 12 months later but still fails to make significant headway. Andrew Fairlam, senior Innovation specialist with Fosters stated that *'the scenario process provided insights to the innovation team better than any other brief we've worked with'* and Steve Tighe explains: "The success of the Foster's beer scenarios can be measured by the internal re-perceiving that occurred around the potential for growth of the industry's most competitive segment. As a result of this new way of seeing, existing paradigms were challenged, and increased resources and brand development were targeted at this segment."

That Foster's senior managers allowed the scenario process was one thing – to then actively allow the pursuit of the opportunity is where they derived significant competitive advantage – not all organisations would have acted so quickly.

'Confirming & discovery'

Scenario success at Fosters saw them apply the approach in an attempt to win a major customer - the Panthers Entertainment Group (PEG)¹⁰. PEG is the largest seller of alcohol in Australia, has leisure and entertainment sites across the country and a customer profile aged between 18 and 90, male or female.

Introduced to the CEO Glenn Matthews, by Steve Tighe in 2006, I was asked to lead the PEG senior management team on an exploration of society a decade from now, to consider the pressures that sectors of society would likely experience and how PEG could satisfy needs of its members via its venues and service offerings.¹¹

The process from start to finish took around ten weeks, though we used technology and research to minimise the face to face time. The ASp was used and a handful of industry connected outsiders were invited to join the senior team to provide additional insights and to provoke thinking. All scenario stories generated offered interesting insights and some clear leverage points consistent across each scenario along with a few significant 'wildcard' events.

Glenn Matthews stated that though the scenario process didn't uncover any significant event that the PEG management team hadn't already considered, the process provided a clearer understanding that the strategic path they were interested in pursuing, had significant viability. The scenario helped turn their initial thoughts into a full strategic project. Within a few months of the scenario process, PEG had secured a financial partnership for redevelopment of the club's facilities valued at around \$170million¹². A side benefit to Fosters was winning a significant supply contract from PEG for another product category¹³.

'Teenagers and academics have one thing in common – they're both too smart to be told anything'¹⁴

Good questions help us overcome our arrogance or ignorance about the future, avoiding the hubris of all knowing or the 'too smart to be told' mindset that often gets in the way of seeking alternative or clearer paths forward. Scenarios are one way to question the future. The cases cited above are not isolated experiences of effectiveness and success generation. Scenarios MUST be matched appropriately to the needs of the client and their expected outcomes – off the shelf and cookie cutter approaches rarely 'deliver' on the potential. Whether the need is new insights, removing organisational blinkers, better customer relationships, team building or intellectual navel gazing, the need and process must be matched accordingly. If not they'll continue to be seen as 'predicting' methodologies, and not for their greatest potential – a search for understanding.

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Notes

1. Quote attributed to Chisholm by, and taken from, the Herald Sun Newspaper, 29th of November 2008. Sam Chisholm was for a number of years a senior executive connected to billionaire Kerry Packer's PBL Broadcasting, up until recently a dominant force in

many areas of Television and Magazines throughout Australia and elsewhere. Chisholm has been rated by many as one of the most effective senior managers in Australian media interests.

2. Oxford Dictionary, Oxford University Press, 2006.
3. Edward De Bono is arguably best known by the wider public audience for his Six Thinking Hats methodology, a process that structures different modes of thinking as deliberate ways of focusing on the topic. Whilst a Professor at Cambridge University studying thousands of people across societies, cultures ages and incomes, in defining the 'Intelligence Trap' he concluded that 'The more intelligent a person is, the less likely they are to be a good thinker'.
4. I would refer the reader to Jared Diamond's '*Collapse – how societies choose to fail or succeed*', Viking Press 2005 and '*The Rise and fall of the third chimpanzee*', Radius 1991, along with Joseph Tainter's '*The Collapse of Complex Societies*' Cambridge University Press 1991 for Macro-historical perspectives that are particularly insightful.
5. The full version of this table, along with overviews of each of the methods can be freely downloaded from my website at www.lufg.com.au in the free articles and papers section or via http://www.lookingupfeelinggood.com/uploads/Which_Scenario_Process_is_Right_for_you.pdf
6. An overview of the Foster's Group can be found at www.fosters.com.au
7. More can be found out about Steve at www.chasingsunrises.com.au
8. The Very STEEP (VSTEED) model extends the widely adopted STEEP framework (Social, Technological, Economic, Environmental & Political) for Environmental Scanning. Other frameworks include PEST and PESTLE and even the generational typology markers 'Boomers', 'Gen X', 'Gen Y' are category framing process for seeking and assigning data. The VSTEED model requires a 'crash course' in the Spiral Dynamics (Human Value Systems) model developed by Don Beck and Chris Cowan in extending the work of Prof. Clare W Graves (see www.clarewgraves.com) and assists the scanning analyst to consider the way in which particular Value Systems would conceive of and approach an 'issue' or item' sited within one of the other categories. In particular it helps the analyst ensure that the 'Political' or 'Social' frameworks are seen as human constructs (actions) and not noted as being 'things' (nouns) that cannot be changed. I highly recommend all organisations conducting ES to include the V component.
9. Information about the product 'Pure Blonde' can be found on the Foster's website. Retrieved December 4th, 2008, from <http://www.fosters.com.au/enjoy/beer/pureblonde.htm> . Foster's states: '*Pure Blonde - the first beer in Australia to be marketed as low-carbohydrate - is full-strength and great tasting, with 70% less carbohydrates than a regular beer. Now the fastest growing packaged regular beer brand in Australia, Pure Blonde is proving to be a big hit with beer lovers, with 94% of people who try Pure Blonde buying it again!*'. The key outcome of the Foster's Beer Scenarios was the revised forecast for the Midstrength beer category which was increased **significantly** following the exercise.
10. You can assess the operations of the Panther's Entertainment Group at <http://www.panthers.com.au/>
11. The Panthers process used the Accelerated Scenarios process (ASp) combined with testing existing operational strategies against potential for change, along with a thorough

Backcasting process that provided a perceived linkage between the scenarios and the organisation's Strategic Planning process.

12. Panthers Portal (2006, 22nd December) ING Real Estate News Retrieved November 25th, 2008, from <http://www.panthers.com.au/default.aspx?id=90&ArticleID=323> and was widely reported in all mainstream media, including the National Broadcaster (2007, 7th May) Panthers-ING Agreement paves way for clubs' revamp, *ABC News* Retrieved November 26th, 2008, from <http://www.abc.net.au/news/stories/2007/05/07/1915992.htm>
13. Foster's secured the 'Ready to Drink' contract that included supplying its core 'Cougar Bourbon' brand for all PEG venues.
14. This was taken from one of my slides at a presentation made to the UNESCO sponsored 'Committing Universities to Sustainable Development' in Graz, Austria in 2005 (see my presentation 'Sustainability – why bother?' a phrase in itself now gaining traction available at www.kfunigraz.ac.at/sustainability/presentation/A1%20Barber.ppt). I coined the 'quote' based on my experience of dealing with one group of senior leaders at a University (all intelligent people who would not countenance any possibility that they didn't already know everything there is to know about the future of their industry), and likened it to teenagers convinced they know more than their parents who try to offer them a version of guidance – the similarities between the two groups are unnerving. I now use the 'quote' and simply change the 'academics' label with others suited to the group – 'senior managers', 'Doctors', 'Board members' and so on. The phrase has also led me to discuss what I refer to as the 'Arrogance of Ignorance' and 'Bias of Beliefs' hurdles to considering the future.

References

- Molitor, Graham. (2009). Scenarios: Worth the effort? *Journal of Futures Studies*, 13(3), 75-86.

