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Key insights into scenario planning:

First Principles

- The future is unknown
no one can predict its turbulent and chaotic course
- The shape of the future is inherently uncertain and complex
no amount of historical modeling can be used to predict it accurately
- In the future most things will be different than today
the only certainty about the future is change

The Human Condition

- The only way to survive this change is to adapt to it
- The human mind does not like change and we are all blind to incremental change
- Humans will go into denial rather than accept the signs of change
- Without adaptation, we will not survive the inevitable surprises in store for us

The best way to prepare for the future ¹

1. **Be sensitive to change.** Build and maintain your sensory and intelligence systems. Make time to be on the alert to observe and interpret the interaction of forces that might affect you, your enterprise and your communities.
2. **Be on the lookout for change.** Identify in advance the kinds of “early-warning indicators” that would signal that a change is rapidly upon you. Once you have identified these signals, keep an eye out for them and be prepared to act when you observe them.

¹inspired by Peter Schwartz, “Inevitable Strategies” in *Inevitable Surprises: Thinking Ahead in a Time of Turbulence*. New York: Penguin Group (USA) Inc., 2003, pp. 229-235

3. **Understand the timing of the pending change.** Cultivate a sense of timing. When you see an event approaching, make a point of asking: How rapidly is it approaching? When could it occur? How far in the future?
4. **Be ready to respond to change.** Put in place the mechanisms to engender creative destruction. The institutions, companies, agencies, political parties, and values of the past may turn out to be moribund and counterproductive in the future. Are you prepared to discard them? More importantly, have you practiced discarding them?
5. **Try to avoid denial.** When an “inevitable surprise” comes along that makes life difficult for you and your organization, do not pretend that it is not happening. Just because it was not suppose to happen does not mean that it is not happening. Embrace the surprise and deal with it honestly, effectively and quickly.
6. **Be aware of the limitations of your judgment.** Monitor past decisions for biases, hidden assumptions, and mistakes. Move deliberately and humbly into new situations that stretch your judgment. When times are turbulent, the temptation to take advantage of new opportunities is great; however, to move often is outside your knowledge base. Those are the risks that often get you into trouble.
7. **Place a high premium on learning.** Most failures to adapt are, in effect, failures to learn enough in time about the changing circumstances.
8. **Place a high premium on environmental and ecological sustainability.** This is not just a global political and environmental issue, it is a vehicle for high-quality integration and development. Without a healthy surrounding environment, no organization or entity can survive.
9. **Place a high premium on financial infrastructure and support.** Future risks are greater than we think and individuals need safety nets and insurance against crises. Organizations need to build in safeguards and help individuals build the financial infrastructure they need. Ask yourself: Does your organization have the profits to fund the transition into the next stage of its evolution, whatever that turns out to be? Do you as an individual have the kind of portfolio of income and assets that will help you weather the storms to come?
10. **Cultivate connections.** In the future, people will be inevitably in contact far more regularly and comprehensively that they are today. These connections will be vital to create a support network to deal with the challenges the future will bring. Are you prepared for this? Do you have the kinds of deep, candid connections that will help you ride through the next transition without having to ride it alone?

Power of Scenarios

One of the most powerful tools to prepare for the future is scenario planning.

For individuals:

Moves away from prediction

Creates plausible futures rather than probable outcomes

Open one's minds to possible futures

Allows preparation

Reduces perceived uncertainty

Allows one to live simultaneously in multiple futures, which

requires a less rigid life

offers a more flexible attitude

and, reduces the impact of uncertainty

Teases out the most robust strategy, which is not always obvious

Highlights second order effects, which are not always obvious

Identifies issues, assumptions, bias, and fears

Creates a positive feedback loop which reinforces good behavior

Creates structure to respond to change

Allows for rapid prototyping, which is very effective in responding to change

For organizations:

Allows for a strategic conversation within the group/organization.

Allows/forces buy-in by all members

Forces a focus to the mission

Sets group derived priorities and goals

Aligns team goals

Provides an exercise in communications

Results in analysis of robust strategies

Uncovers different ways of thinking and underlying assumptions

Transfers knowledge effectively

Provides for collaborative process

Creates a constructive learning process

Articulation of a better future

Can contribute to the future

Can influence the future

Can create a plan for it and then create the future