Scenario Planning and Strategy

Facing Our Future Together

For more resources curated and created by JFNA, please visit JewishTogether.org.

For questions about scenario planning, please email scenarioplanning@jewishtogether.org and visit JewishTogether.org.
Matt Ranen has been a Scenario Planning Strategist for 15 years

Global Business Network (GBN), the premiere futures and scenario consultancy

Monitor Group and Deloitte—GBN’s parent firms

Current solo practice

Wide range of sectors, including nonprofit

RELEVANT OTHER EXPERIENCE
11 years in senior product management roles at Bay Area media and technology companies
2 years management consulting with Michael Porter’s Monitor Group

THOUGHT LEADERSHIP
Instructor in scenario planning methodology
Writer for Quartz, NewCo Shift and other business publications

EDUCATION
M.B.A., Kellogg School of Management
A.B. in Applied Math, Harvard University
Housekeeping – Using Zoom

Best to use speaker view, not gallery view
Poll

How much of your programming has already shifted due to coronavirus?

1. NONE - EVERYTHING WE WERE DOING BEFORE IS THE SAME TODAY

2. SOME - SOME PROGRAMS ARE DIFFERENT, SOME ARE THE SAME AS BEFORE

3. MOST/ALL – MOST OF WHAT WE DID BEFORE IS DIFFERENT NOW
Goals for Our Work Together

1. LEARN ABOUT AND PRACTICE SCENARIO THINKING
2. SHARE KNOWLEDGE ABOUT POTENTIAL SHIFTS IN THE EXTERNAL LANDSCAPE
3. ESTABLISH OUR OWN “INTELLIGENCE NETWORK”
4. ACKNOWLEDGE THE SITUATION AND SUPPORT EACH OTHER THROUGH IT
5. ESTABLISH FUTURE FORUMS AND DIALOGUE

We are **beginning** a process, **not finishing** it today!
<table>
<thead>
<tr>
<th>Agenda</th>
<th>Time</th>
<th>Activity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KEY CONCEPTS</td>
<td>30 min.</td>
<td>Presentation with chat and poll questions</td>
</tr>
<tr>
<td>2</td>
<td>PROCESS AND TIMELINE</td>
<td>10 min.</td>
<td>Presentation with chat and poll questions</td>
</tr>
<tr>
<td>3</td>
<td>SMALL GROUP EXERCISE: “CRITICAL UNCERTAINTIES”</td>
<td>45 min.</td>
<td>Breakout rooms discussion, with 6-7 peers and light facilitation</td>
</tr>
<tr>
<td>4</td>
<td>REPORT OUT</td>
<td>15 min.</td>
<td>Hear from 2-3 groups</td>
</tr>
<tr>
<td>5</td>
<td>NEXT STEPS AND PARTING THOUGHTS</td>
<td>20 min.</td>
<td>Hear from 2-3 groups</td>
</tr>
</tbody>
</table>
About Scenario Planning
This moment in time

Adapted from CDC / The Economist
Other big unknowns, with uncertain timelines

Source: Oliver Wyman, RESPONDING TO COVID-19: Primer, Scenarios, and Implications
However...

The current moment is also accelerating a number of “forces of change” that were already reshaping our world...
Bifurcation of society

A third of Americans say someone in their household lost a job or taken a pay cut as a result of COVID-19

% who say they, or someone in their household, have___ because of the coronavirus outbreak

<table>
<thead>
<tr>
<th></th>
<th>Been laid off or lost job</th>
<th>Had to take a pay cut</th>
<th>NET either/both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>20</td>
<td>27</td>
<td>33</td>
</tr>
<tr>
<td>Ages 18-29</td>
<td>24</td>
<td>39</td>
<td>46</td>
</tr>
<tr>
<td>30-49</td>
<td>20</td>
<td>30</td>
<td>36</td>
</tr>
<tr>
<td>50-64</td>
<td>21</td>
<td>24</td>
<td>32</td>
</tr>
<tr>
<td>65+</td>
<td>13</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>White</td>
<td>17</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Black</td>
<td>22</td>
<td>28</td>
<td>36</td>
</tr>
<tr>
<td>Hispanic</td>
<td>29</td>
<td>40</td>
<td>49</td>
</tr>
</tbody>
</table>

Notes: Whites and blacks include only those who are not Hispanic. Hispanics are of any race. Family incomes are based on 2018 earnings and adjusted for differences in purchasing power by geographic region and for household size. Source: Survey of U.S. adults conducted March 19-24, 2020.

PEW RESEARCH CENTER
Physical ➔ Digital spaces
What else?

What other big changes around you were you noticing that are now accelerating?
The Future
There is no data about the future... just stories
Often, there are more stories you could tell
Scenarios map the plausible range of stories

- External conditions
- Multiple hypotheses
- Imaginative, but plausible
- Holistic
Scenarios acknowledge a wider uncertainty... about what business you will need to be in.

**FORECAST PLANNING**
Extrapolating from the Recent Past

-10%  +10%

**WHAT WE KNOW TODAY**

**SCENARIO PLANNING**
Envisioning Multiple Futures

Uncertainties

**WHAT WE KNOW TODAY**
all hope, the immediate and serious COVID scenarios. Addition, there is a need to assess what will come immediate and the urgent. And for good reason. In 1933 short story, The profound uncertainties he After the Storm. The macroeconomic outlook challenges are well behind us. The title of our Global Economic Outlook borrows the name of Ernest Hemingway's "Low social cohesion". To Have and Have Not, High international cooperation. A Moveable Feast, High international cooperation. High social cohesion. For Whom the Bell Tolls: Low international cooperation. Low social cohesion. The Sun Also Rises: Low international cooperation. "High social cohesion". Average GDP growth 2020–2022 (elastic)
- Baseline: 2.5
- A Moveable Feast: 3.5
- To Have and Have Not: 2.9
- For Whom the Bell Tolls: 0.3
- The Sun Also Rises: 1.7

Sources: Oxford Economics; Kearney analysis.
What are we working together towards?
Who’s in control?
Economic policy

Traditional social contracts

Benevolent State
E.g. Stronger social safety nets

Local Factions
E.g. local fragmentation; civic leaders of all types

 Mostly maintained

 Mostly broken and re-situated

Strongman State
E.g. “State of emergency”—coercion and control

Company Towns
E.g. Privatization and consolidation

Optimized for new social metrics

Optimized for historical growth metrics
We get there by thinking outside-in

**CONTEXTUAL ENVIRONMENT**
- Social change
- Technology advances
- Economic shifts
- Environmental trends
- Political developments

**COMMUNAL DYNAMICS**
- Constituent needs / financial status
- Donor capacity and interests
- Partner developments
- Relevant policies
- Enabling capabilities

**ORGANIZATION**
- Services and programs
- Assets and capabilities
- Leadership
- Relationships
- Reputation
- Operations and infrastructure
Reply in Chat:

What scenarios are you already thinking about? What’s a future you would not have thought was possible just 6 months ago?
Rehearsing the future

Start doing A
Stop doing B
Start doing C
Stop doing D
Start doing G
Stop doing H
Start doing E
Stop doing F
Placing bets against the future

- Start something in a small way
- Break a program into smaller steps, commitments
- Partner to share the load/risk
Placing bets against the future, collectively
Ways to adapt

**ACT IN ANTICIPATION**
Early Indicators

**RESPOND QUICKLY**
Clear Evidence / Event
Part science, part art

Collective intelligence

Ongoing dialogue

Constant re-interpretation

Source/Artist: Ruth Diskin Films, Carl Schleicher
Reply in Chat:

What choices are on your mind?

What kind of issues/questions are you most hoping to address with this approach?
This complements, not replaces the near term contingency planning you are doing already.

<table>
<thead>
<tr>
<th>Program/Department/Function</th>
<th>Funding Source</th>
<th>Total Possible Revenues (Current Year Portion only)</th>
<th>Likelihood of Receipt (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Variable:</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Variable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY Expense Budget for Program 1</td>
<td>$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue Scenarios</th>
<th>Best Case</th>
<th>Moderate Case</th>
<th>Worst Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Subtotal</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Expense Budget</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Surplus/Deficit</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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</table>
Our Process
The scenario planning process

1. ORIENT
   - Internal perspectives, knowledge and beliefs
   - Focal question

2. EXPLORE
   - External perspectives
   - Scanning the “fringe”
   - Driving forces and uncertainties

3. SYNTHESIZE
   - Combine forces into scenario logic and framework
   - Detailed scenario stories and sector-level impacts

4. CHOOSE / ACT
   - “Rehearse the future”
   - Generate options
   - Tentative priorities

5. MONITOR
   - Early indicators and signposts
   - Ongoing dialogue and adjustment

Diverge to generate insight
Converge to drive action
What will organized Jewish life look like in the next 24 months?

The scenario planning process

April 22-May 12
& Today’s focus

May 12-May 22
Diverge to generate insight

May 22-?
Converge to drive action

Ongoing

1. ORIENT
   - Internal perspectives, knowledge and beliefs
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Existing reports
This online webinar
Subject-Matter Experts

3. SYNTHESIZE
   - Combine forces into scenario logic and framework
   - Detailed scenario stories and sector-level impacts

Smaller working sessions
Targeted research

4. CHOOSE / ACT
   - “Rehearse the future”
   - Generate options
   - Tentative priorities

General webinars
Sub-group workshops
Individual organizations

5. MONITOR
   - Early indicators and signposts
   - Ongoing dialogue and adjustment

Communications across Jewish network
Critical Uncertainties
The scenario planning process

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Critical Uncertainties: Overview

Key building blocks for diverse scenarios.

Aspect of a force of change (i.e. STEEP), or a response to a force of change, that
1. Has the potential to move in multiple directions (i.e. uncertain)
2. Has an unusually high, distinct impact on future conditions (i.e. important)
Example: What will be the primary containment strategy?

1. Minimally invasive measures
   - We sacrifice privacy and some freedoms, but suppress the virus
   - Regional borders remain controlled/closed to avoid contagion

2. Moderate social distancing
   - We have few slower-growth outbreaks over the next 18+ months
   - When case counts reach a critical threshold against hospital capacities, stricter lockdowns imposed

3. Blunt lockdowns
   - We will periodically be in ‘today’s world’ over the next 18+ months
   - Fiscal and monetary stimulus measures expand significantly to account for future outbreaks

4. Controlled outbreak
   - The virus spreads quickly through the general population
   - Potential for future outbreaks depends significantly on the immunity of those previously infected

Targets for no future outbreaks occur, and we are able to maintain a reasonable level of economic activity

Economic impacts are significant but lower than that with minimally invasive measures

Impact on most affected sectors of the economy will be deep and long-lasting

Immediate impact on economy is severe, but the pandemic is relatively short-lived
Critical Uncertainties as a Spectrum of Possible Outcomes

What specifically is important but uncertain?

What are the possible outcomes?

<table>
<thead>
<tr>
<th>Type of Containment Strategy</th>
<th>1) Minimally invasive measures</th>
<th>2) Moderate social distancing</th>
<th>3) Blunt lockdowns</th>
<th>4) Controlled outbreak</th>
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<td>• We have fewer, longer outbreaks over the next 18+ months</td>
<td>• The virus spreads quickly through the general population</td>
<td>• Potential for future outbreaks depends significantly on the immunity of those previously infected</td>
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<td>• Regional borders remain controlled/open to social contagion</td>
<td>• Real and monetary stimulus measures expand significantly to account for future outbreaks</td>
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BLUNT AND REACTIVE

NUANCED AND ADAPTIVE

LOW

HIGH

CONSISTENCY OF CONTAINMENT STRATEGY

TYPE OF CONTAINMENT STRATEGY
Building scenarios from uncertainties

New social metrics

Traditional social contracts

Economic policy

Mostly maintained

Mostly broken and re-situated

Historical growth metrics

Scenario A

Uncertainty 1

A

B

Uncertainty 2

C

D

Uncertainty 3

E

F

Scenario B
Small Group Exercise:
Explore critical uncertainties / questions

- You will be put into a breakout group—just hit “join” when prompted. (40 min)
- Grab the instructions and questions to discuss. We sent this via email, but also a link is in the chat box!
- A facilitator will pop in to assign you a theme to discuss. Go to that section of your instruction document.
- Have one person in your group be the official recorder. They will share their screen as you brainstorm.

If you get lost, come back to the main meeting!

scenarioplanning@jewishtogether.org
Small Group Exercise: Explore critical uncertainties / questions

1. Per your group’s assigned theme, clarify and edit the 2 starter uncertainties we provided.

2. Add new questions and possible answers related to your theme.

- Don’t try to predict!
- Generate lots of questions
- Explore many potential outcomes
- Focus on the external world, not your organizations

“What will ‘opening up’ of the economy look like over the next 24 months?”

slow and controlled <-- fast and fragmented

scenarioplanning@jewishtogether.org
scenarioplanning@jewishtogether.org
When your group number is called, one or two representatives can unmute and respond.

Can also use the “raise hand” feature to let us know who you are.

1. Why did you talk about this? How does it connect to our focal question?
2. What have your read or seen that suggests these possible endpoints?
3. Why might we end up on one end versus the other?
Next Steps
The scenario planning process

1. ORIENT
   - Internal perspectives, knowledge and beliefs
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   - Driving forces and uncertainties

May 12-May 22

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Converge to drive action

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Final Reflections

1. “One thing I learned (or unlearned) in the course of today”
   or
2. “One one thing from the session that I would take to my organization’s Board.”
Stay Engaged!

1. EVALUATE YOUR PORTFOLIO
   - Assess mission critical vs. non-critical
   - Assess future-facing vs. legacy
   - Break investments into smaller commitments/options
   - Explore partnerships to share the load

2. READ MORE ABOUT THE SCENARIO PLANNING PROCESS

3. FIND OTHER RESOURCES AT JEWISHTOGETHER.ORG

4. JOIN US FOR THE FOLLOW UP SESSIONS