

# Oliver Wight's Quick Guide to Integrated Scenario Planning

This guide provides a quick reference on Integrated Scenario Planning (ISP), what it is, and how it works. We hope you find this guide useful in introducing ISP to your company executives and managers.

## What is Integrated Scenario Planning?

It is a structured way for organizations to think about the future and manage change. ISP answers the question “*What-If?*” and enables leadership to consider what future events are probable and important, what the impact would be, and how to respond to or benefit from the given situation. The successful deployment of ISP enables you to manage your company’s risks and maximize opportunities.

Integrated Scenario Planning Framework					
Planning			Implementation		
Identify	Analyze	Respond	Mitigate	Monitor	Control
<ol style="list-style-type: none"><li>1. Identify base case assumptions</li><li>2. Define alternate scenarios</li><li>3. Define drivers and assumptions</li></ol>	<ol style="list-style-type: none"><li>1. Analyze probability</li><li>2. Analyze consequences</li><li>3. Determine business impact and expected monetary value</li></ol>	<ol style="list-style-type: none"><li>1. Develop scenario responses, roles, and responsibilities</li><li>2. Define trigger points</li><li>3. Reach consensus</li></ol>	<ol style="list-style-type: none"><li>1. Implement response plan after trigger point reached</li><li>2. Mitigate other risks and make corrections</li><li>3. Communicate actions</li></ol>	<ol style="list-style-type: none"><li>1. Monitor trigger points</li><li>2. Monitor external and internal environment</li><li>3. Monitor other impacts</li></ol>	<ol style="list-style-type: none"><li>1. Review scenarios and update as needed</li><li>2. Perform root cause corrective actions</li><li>3. Audit scenario planning process</li></ol>

Reference: Project Management Institute

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## How does Integrated Scenario Planning Support Integrated Business Planning?

Scenario Planning fits into a mature Sales & Operations or Integrated Business Planning process. The framework enables Planning and Implementation. As part of your monthly IBP process, ISP creates scenarios in the mid-to-long term planning horizon that are aligned with business strategy.

## How Can ISP Help My Company During A Crisis?

In a crisis, Integrated Scenario Planning deals with situations on a daily and weekly basis and fits into Integrated Tactical Planning. Organizations develop agile response and rapid recovery plans in the short-term planning and execution horizons. It allows you to plan and re-plan to drive better decision making, to adjust in real-time, and to prepare for your recovery post the crisis.

**“The value of scenario planning is endless. Those companies that perform scenario planning well are agile and responsive without creating internal chaos. They will be best positioned to recover from a crisis.”**

- Pamelyn Lindsey, Oliver Wight Principal

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# Top 10 Do's and Don'ts for Successful Scenario Planning in a Crisis

## ✓ DO's

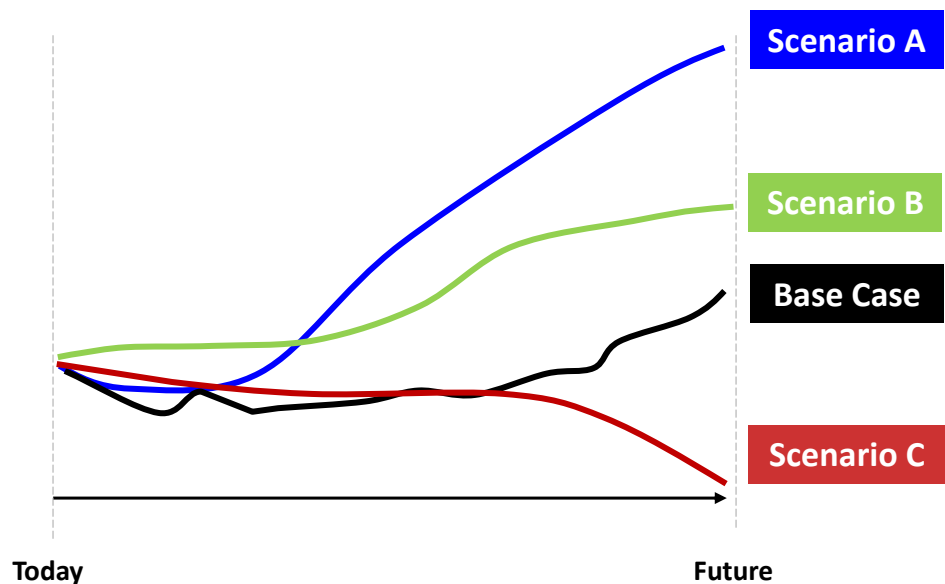
- ✓ DO Communicate Early and Often
- ✓ DO Assemble and Support a Strong Team
- ✓ DO Run Simulations
- ✓ DO Challenge Scenarios Cross-Functionally
- ✓ DO Adjust your Planning Horizon

## ✗ DON'Ts

- ✗ DON'T Wait on *Clarity*
- ✗ DON'T Shortcut the Process Fundamentals
- ✗ DON'T Set your Plan in Stone
- ✗ DON'T Underestimate the Consequences
- ✗ DON'T Forget about the People

“Scenario planning should be a routine part of a company’s planning process. This is best accomplished when a scenario planning framework is in place.”

- Chris Groven, Oliver Wight Principal



“A scenario is an internally consistent view of what the future might turn out to be - not a forecast, but one possible future.”

- Michael Porter

Are scenarios part of your integrated planning processes? If not, why not? Integrated Scenario Planning enables organizations to anticipate risk and opportunities and to manage the business in times of crisis.