

Contents

<i>List of Figures</i>	xii
<i>List of Tables</i>	xiv
<i>Foreword</i>	
Robert M. Grant	xv
<i>Preface and Acknowledgements</i>	xvii
<i>List of Abbreviations</i>	xxi
1 Why Scenario Planning?	1
1.1 Events, change and trends	1
1.2 Uncertainty ...	3
1.3 ... And complexity	6
2 The Missions of Scenarios	13
2.1 Single-point and multiple perspectives	13
2.1.1 A tale of two cities	13
2.1.2 Looking beyond the words	15
2.2 A brief history of the scenario approach	20
2.3 The multiple perspective	24
2.4 Scenarios and their missions	26
2.4.1 The first mission of scenarios: replacing linear, single-point predictions	26
2.4.2 The second mission of scenarios: to reduce uncertainty and to anticipate complexity	29
2.5 Scenarios: the state of the art	32
2.6 How and when are scenarios useful?	35
2.7 The Shell scenarios	37
2.8 Recapitulation: in search of a theoretical foundation for SBP	38
2.9 Terminology	39
3 The Fundamentals of Environmental Analysis	40
3.1 Research as the foundation of scenario building	40
3.2 The environment as a conceptual framework	42
3.3 Analysing the environment: the internal environment	44
3.4 Analysing the environment: the external environment	50

3.4.1	The microdimension	50
3.4.2	The macrodimension	62
4	Information, Intelligence and Competitive Intelligence	71
4.1	What is intelligence?	71
4.2	Economic, business and competitive intelligence	73
4.2.1	"Competitors" learning in a war context: Harry Hinsley and British Intelligence in the Second World War	75
4.3	Intelligence and signals	76
4.3.1	Strong signals	76
4.3.2	Weak signals	78
4.3.3	Weak signals and intelligence	79
4.4	The case for competitive intelligence	82
4.4.1	Competitive intelligence and the levels of uncertainty	82
4.4.2	Competitive intelligence and the spheres of influence	84
4.4.3	A framework for the analysis of competitive intelligence	85
4.4.4	Early warning	87
4.5	The competitive intelligence cycle	91
4.6	The competitive fog	93
4.7	A final note: information orientation	95
5	The Principles of Scenario Building	97
5.1	After the research is done	97
5.2	Formalised or nonformalised approaches?	100
5.3	The procedure	100
5.3.1	The first step: singling out the fundamental system drivers, or the search for causes	100
5.3.2	The second step: the search for effects	105
5.3.3	The third step: defining the time horizon	107
5.3.4	The fourth step: assembling the expected trends and events	113
5.3.5	The fifth step: configuring the scenarios	115
5.3.6	The sixth step: drawing the conclusions	117
5.4	Building a scenario: the energy 2005–30 case	117
5.4.1	The assumptions	117
5.4.2	The methodology	117
5.5	Conclusion: a comparison between the two scenarios	123

6 From Scenario Building to Scenario Planning:	
Intuitive Logic and Trend Impact Analysis	124
6.1 Models in scenario building	124
6.2 The approach based on intuitive logic	125
6.3 The case of the European steel industry (2007)	125
6.3.1 The environmental analysis	125
6.3.2 Aims and method used in the scenario analysis	128
6.3.3 The baseline projection	129
6.3.4 The FSD	130
6.3.5 The scenarios for 2012	135
6.3.6 Some final considerations	139
6.3.7 Looking backwards from 2013	140
6.4 The approach based on trend impact analysis (TIA)	141
6.4.1 A first "naïf" model	141
6.4.2 The canonical TIA model	143
6.5 The man-made fibres case	147
6.5.1 The environmental analysis and the baseline projection	147
6.5.2 The building of man-made fibres scenarios by TIA	149
6.5.3 The configuration of the scenarios	151
6.5.4 The scenarios	152
6.5.5 Policy recommendations	154
7 From Scenario Building to Scenario Planning:	
Cross-Impact Analysis and Morphological Analysis	157
7.1 The approach based on cross-impact analysis	157
7.1.1 Origins of the method	157
7.1.2 Who will win the championship?	158
7.2 Further developments in CIA	160
7.3 The Galba case	161
7.3.1 The environmental analysis (2001)	161
7.3.2 The building of scenarios for Galba by means of (verbal) CIA	163
7.3.3 The impact matrices	164
7.4 The morphological approach	168
7.5 The European Space Agency case	171
7.5.1 Environmental analysis and methodology	171
7.5.2 The scenarios	172
7.5.3 Implications of the scenarios for the European space sector	173
7.6 How to use a method	176

7.7	How to choose a method	179
8	Scenario Planning, Strategies and Mental Models	181
8.1	Scenarios and strategies: a complex relationship	181
8.2	The link	184
8.3	Beyond the mental models: the role of creativity	190
8.4	Mental models and distributive coalitions	193
8.5	From scenario planning to strategies ... and backwards	196
8.5.1	When is a scenario successful?	197
8.5.2	Past successes and failures of strategies	198
8.6	The learning organisation	199
9	Scenarios in Decision-Making	202
9.1	The problem	202
9.2	Decision-making: a glimpse into the state of the art	202
9.3	Intuition and rationality in decision-making theory	204
9.4	Uncertainty and risk in decision-making	207
9.4.1	The theoretical perspective	207
9.4.2	The framing effect	208
9.4.3	Neuroeconomics	211
9.5	Connecting decision-making with scenarios	211
9.6	The strategic decision-making process in the scenario-approach framework	212
9.6.1	The problem	212
9.6.2	An interdisciplinary frame of mind	213
9.6.3	An orientation to integration	213
9.6.4	Information	214
9.6.5	Uncertainty	215
9.6.6	Interconnection with actions	215
9.7	Scenarios and risk assessment	216
9.8	Time and common knowledge	218
9.9	Three final focal points	219
9.9.1	Making decision-making more flexible	219
9.9.2	A reflection on the use of history	219
9.9.3	Visions	220
10	Scenarios and the Organisation	224
10.1	The "who" question	224
10.1.1	Which scenarios?	224
10.1.2	Structure and functioning of the scenario teams	225
10.2	On the role of external experts	226
10.2.1	Cosmopolitans and locals	226
10.2.2	What to expect from them	227

10.3 The strategic conversation	230
10.4 Scenarios and the learning organisation	231
10.5 Why scenario building and planning is here to stay	233
Appendix A The Most Important Present Trends in the Globalised World	236
Appendix B A Reminder of Probability Theory for Scenario Applications	254
Notes	274
References	276
Index	285