

# Anticipate changes in the environment with scenarios

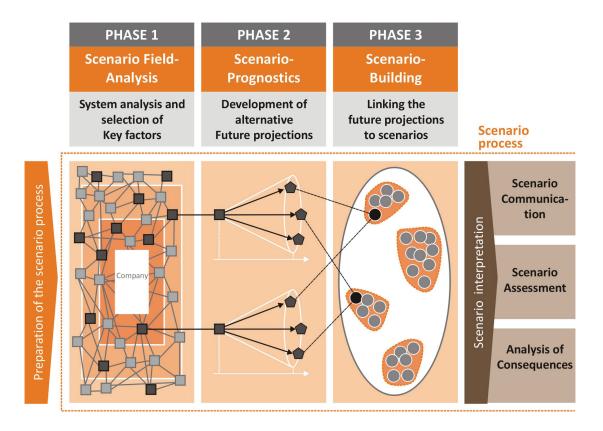
Gains orientation in uncertain environments

Gether lead various future views constructive Create basics for systematic strategy and change processes

Overcome present-thinking in the organization

Detect possible structural breaks at an early stage Recognize and clarify needs for change

> Enable precompetitive dialogues



### Anticipate change in the environment with scenarios Thinking ahead and interpret future systematically

Companies and organizations today face three challenges: (1) They must counter the obvious uncertainty by thinking ahead to several »Futures« n the spirit of open-future thinking. (2) Increasing complexity calls for a holistic and networked view of markets, industries, technologies and environments. (3) With structurally changing competition, it is important to integrate future opportunities and risks into one's decision-making processes at an early stage, i.e., to think strategically.

If several alternative future developments are identified on the basis of networked thinking, we speak of scenarios. They describe how a topic or scenario field could develop in the future. Such scenarios are developed in three phases:

**Selection of key factors** (Phase 1): First, the scenario field under consideration is systematically structured and described by concrete influencing factors. Based on an assessment of the interconnectedness of these factors, about 15-20 key factors are identified that represent the future development of the scenario field.

**Development of future projections** (Phase 2): Now, possible future developments - so-called future projections - are developed and formulated for each key factor. The future projections describe strategically relevant, characteristic and qualitative development alternatives of the individual key factors.

Linking the projections to scenarios (Phase 3): Scenarios are »Thinking Tools« that show possible future developments. Therefore, the individual scenarios must be as free of contradictions as possible. At the same time, the various scenarios should differ from each other as much as possible. As a result of scenario building, alternative futures emerge that largely cover the range of possibilities. They are often visualized in a »Map of the future«.

These three phases of scenario development are followed by scenario interpretation, which consists of different components and subphases:

- Scenario preparation and scenario communication: the scenarios, correctly outlined in terms of content, are now made communicable in a form suitable for the subsequent target groups, preceded by content preparation if required - for example, by combining several scenarios or quantifying them.
- Scenario Assessment: Here, the scenarios are evaluated in terms of their proximity to the present and to the expected and desired future. This also includes a visualization of possible temporal sequences of the scenarios in the form of development paths.
- Analysis of consequences: Here, the transfer from the scenario field (=environment) back to one's own company or organization takes place. The consequence analysis primarily involves the derivation of opportunities, threats and options for action.



### AGRAVIS Raiffeisen AG

### The future of agribusiness in Germany

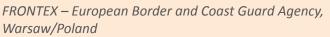
AGRAVIS Raiffeisen AG is a modern agricultural trading and service company with a turnover of over 5.4 billion euros. Since changes were emerging in the overarching market environment of agricultural trade that went beyond the strategy processes of the individual companies, six scenarios for the future of agribusiness in Germany were developed and evaluated in a cross-divisional team. The scenarios were communicated by presentation and discussion in the management circle and by the preparation of a scenario report..



### EHI Retail Institute

### Scenarios for the future of retail communication

Seven years after completion of a first corresponding scenario process, numerous changes have occurred within the subject area of trade marketing. Many of these changes had been anticipated as possible developments. At the same time, other topics have gained in relevance that were not yet adequately considered within the scenarios. Against this background, the future scenarios were further developed. New topics were added and the content focus was placed more strongly on communication between retailers and consumers. The updated scenarios were discussed at the annual Marketing Forum and a status analysis was carried out on the basis of a broad-based GfK survey.



#### The future of border management in Europe

The European Border and Coast Guard Agency (Frontex) is responsible for controlling the EU's external borders in cooperation with the EU member states. In order to identify changes in the environment at an early stage, a scenario process was carried out involving representatives from various Frontex areas, delegates from several EU member states (Finland, Germany, Greece, the Netherlands) and from other organizations such as Europol, EASO, FRA, the EU Commission, EEAS, EU INTCEN, UNHCR and also the Migration Division of the OECD. The seven scenarios were then evaluated and strategically interpreted.



#### Generali Insurance

#### Scenario study »Living together 2030«

Generali Versicherungen is one of the largest primary insurers in the German market, with premium income of over 6 billion euros and investments of around 40 billion euros. As part of an overarching project, topics were to be identified that describe living together in the year 2030 and in this respect have a corresponding long-term effect for Generali. In a scenario study, seven alternative visions of the future were developed, which differ in particular on the basis of variables such as lifespan concepts and values, education, prosperity and social security, as well as spatial cohesion. These scenarios were described together with the strategy consultants Kamm und Kocks GmbH and prepared in a study report for internal employee communication..



### Erzbistum Paderborn

### The future environment of the church in the Erzbistum Paderborn

When society changes, the demands on the church also change. For this reason, the Archdiocese of Paderborn has initiated a broad discussion process to give direction to the necessary change. At the center of this process is the »Future image of Erzbistum Paderborn«. One component of this is the examination of the church's environment, especially society. Its future development is difficult to predict against the background of a highly dynamic and diverse range of relevant issues. Therefore, conceivable scenarios for the future environment of the church in the archdiocese of Paderborn were developed in a heterogeneous working group. The results, prepared for the media, were discussed at the diocesan forum and have since formed an essential component of the »Image of the Future« and a basis for deriving concrete projects.

### KErn – Competence center for Nutrition

# The future of the food industry - How will we eat in 2030?

The Competence Center for Nutrition (KErn) bundles knowledge about nutrition in Bavaria. To this end, it designs specialist events and model projects and supports the Bavarian food industry. In preparation for the »Future Food Days«, a 17-member panel of experts developed scenarios for the future of the food industry. These scenarios were evaluated, interpreted and further processed at the congress. Now they are a valuable tool for risk and success management in the Bavarian food industry.





### LVM Insurance

# Live Safely 2030 - The future market environment of the insurance industry

LVM Versicherung is one of the 20 leading primary insurance groups in Germany, with premium income of over 3.6 billion euros and investments of over 19.5 billion euros. The group has a product range for private and commercial customers and offers additional insurance and financial services products through LVM's own bank, Augsburger Aktienbank AG, and LVM's cooperation partners hkk Krankenkasse, Wüstenrot Bausparkasse AG and Federated Investors Inc. In a pilot phase, a team of experts developed and evaluated initial scenarios on the future market environment of the insurance industry. These scenarios were then reviewed, further developed and interpreted in terms of the strategic consequences for the LVM Group in an extended strategy circle with the participation of the LVM Board of Management..



### RWE Innogy, Swindon/United Kingdom

### Scenarios for the energy market of United Kingdom

RWE Innogy (now npower), based in Swindon, is one of the UK's leading integrated energy companies. One element in the development of a long-term strategy for energy generation was the development of alternative scenarios for the UK energy market in 2025. These scenarios included aspects such as basic energy demand, the value chain within the energy industry, the importance of nuclear power plants, the influence of alternative energy sources (combined heat and power, renewables), general industry developments and the global environment. The seven scenarios developed within three workshops led to strategic consequences and are used as boundary conditions for a quantitative market model..



Die Sparkasse Bremen Finanzdienstleistung



#### **REWE-Group**

### The future interplay of online and offline in food retailing

REWE Group is an internationally active corporate group headquartered in Cologne. Its sales divisions include, for example, Billa, Penny, Rewe and Toom as well as DER Touristik Deutschland and ITS Reisen. In a scenario process, nine scenarios for the future interaction of online and offline in food retailing were developed. In order to make these images of the future clear to a wider circle of decisionmakers and strategists from all business units, the individual scenarios were supported by compact illustrations. Nassauische Sparkasse / Sparkasse Bremen:

## Future developments in the market environment for German Sparkassen (bank)

Nassauische Sparkasse is the fourth-largest Sparkasse in Germany and the largest public-law Sparkasse in Hesse and Rhineland-Palatinate, with around 2,650 employees in more than 160 branches and total assets of approximately 16.7 billion euros. Sparkasse Bremen AG ranks eighth out of a total of 477 German Sparkassen with total assets of just under EURO 10.2 billion and around 1,850 employees. In order to systematically record the many uncertainties in the savings bank environment and to integrate them into their own planning process, a Szenario Konferenz<sup>™</sup> was conducted together with other partners. With the help of the scenarios developed in the process, focused and future-robust options for action were identified..

### <u>Imprint</u>

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**References:** Title: Christopher Boswell 2014

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