Better decisions with Strategic Agility

Combining Scenarios and Business Models
Strategies remain important in time of uncertainty and complexity – but we need to change our thinking

For the past decades, companies have been defining their strategy with a traditional approach: on the one hand they analyzed trends, selected the most relevant ones, and designed the strategy based on a “clear view of the future”. On the other hand, they created a one-dimensional strategy which – at best – provided a clear direction, but often gave the company’s development little room to breathe. As a consequence, strategy implementation often turned into strategy justification - the necessary questioning of changes in the environment or the exploration and testing of alternative options was not perceived as invigorating but as disturbing. These shortcomings can be overcome by two methodological approaches:

• **Scenario management – Thinking in alternative futures**: In the face of increasing uncertainties – see Covid-19 in particular – it is no longer sufficient to consider only one future. Various possibilities are being thought through within the framework of alternative scenarios, which is also visualized in a “map of the future”.

• **Business models – Thinking in multiple options**: The complexity of corporate development makes it almost impossible to work with a single, homogeneous strategy over a longer period of time. Instead, new business models have to be developed, tested and integrated into the company’s strategic framework again and again. The strategy becomes a portfolio of different, coordinated business models.

“We can not solve our problems with the same thinking we used when we created them.”

Albert Einstein
Strategic agility: combining scenarios and business models

Both approaches have been successfully applied in practice for many years:

- **Scenario Management International (ScMI)** has used scenario management in more than 500 scenario processes in various industries since the 1990s.

- The **BMI Lab**, a spin-off of the **University of St. Gallen**, enables companies to build sustainable new business using innovative business models – combining scientific excellence with practical experience.

ScMI and BMI Lab have now combined this long-standing expertise in a **joint approach**: Existing or new business models are tested for their robustness with the help of existing or new scenarios. And new scenarios are developed in such a way that new business models can be derived.

As a consequence, uncertainty is no longer ignored and new opportunities are consistently sought and included. This is what we call **strategic agility**.

To learn more about Scenario Management, Business models, and the new concept of strategic agility, we offer a compact **introduction workshop**.
The 3 goals of our introduction workshop

The introduction workshop jointly is your opportunity for a first experience to the topic. During the workshop, you will:

**... DEVELOP YOUR MINDSET**
- Understand what scenario management is (and how we could cope with uncertainty)
- Understand business model thinking (and what it means for strategic decisions)

**... TEST A NEW APPROACH TO IMPROVE STRATEGIC DECISIONS**
- Learn how to read and evaluate scenarios
- Learn how to evaluate the robustness of a business model based on selected scenarios

**... SEE HOW RESULTS AND UPCOMING PROCESSES MIGHT LOOK LIKE**
- Work out first exemplary results like an impact analysis of selected scenarios on one of your company’s business models
- See how results generally look like and how they could fit into your decision processes
The introduction workshop in a nutshell

**Preparation**

Together with our team, you will define the setting of the workshop. Above all, this involves jointly selecting a business model suitable for the robustness check. In addition, a set of scenarios is determined against which to stress test. Currently, these are often ScMI’s Post-Corona scenarios – but other scenarios are also available.

**Workshop**

**Strategic orientation (part 1):** After a short round of introductions, there will be an introduction to scenario management and the topic of business models. Afterwards, the selected business model is briefly presented and discussed in more detail.

**Scenario evaluation (part 2):** The team reviews the pre-scenarios to be used during the robustness evaluation. The scenarios are then evaluated according to various criteria so that a decision can be made about which scenarios to check robustness against. These can be, for example, expected, desired, feared or particularly surprising scenarios.

**Robustness evaluation of the business model (part 3):** To analyze the impact of the selected scenarios on the given business model, we have developed the business model robustness score. It highlights how the business model is going to evolve under a specific scenario and assesses its potential future performance under consideration of the influencing factors described in the scenario. In the workshop - depending on the number of participants - one or more previously selected scenarios can be worked with.

**Strategic interpretation (part 4):** The robustness score is an indicator that enables decision-making: based on it, the team discusses the consequences of the scenario(s) on the business model and highlights which action is needed to adapt to the future situation.
About us

ScMI stands for Scenario Management International. Since 1998, ScMI AG has been supporting companies, organizations and public stakeholders in the development, interpretation and use of future scenarios.

Szenario-Management™ is primarily used for orientation in complex environments, for the development of visionary strategies and within strategic innovation- and change processes.

www.scmi.de

The BMI Lab is a spin-off of the University of St. Gallen founded in 2013, enabling companies to build sustainable new business using innovative business models - combining scientific excellence with practical experience.

Based on years of researching innovative companies, our approach is based on the Business Model Navigator - a practical guide for companies wanting to break free from their dominant industry logic.

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Methodical background:

Future scenarios: