

# Scenarios & Strategies

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Magnus Jörgel, Reglab & Outi Kuittinen, Demos Helsinki  
@outikookoo @demoshelsinki  
@outi.kuittinen@demoshelsinki.fi

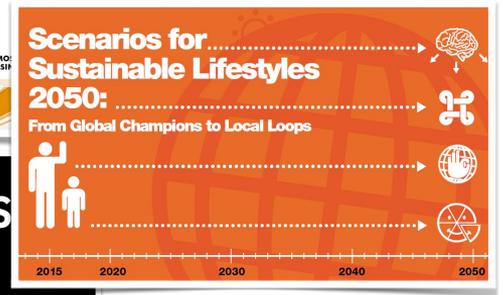


# SCENARIOS MEET STRATEGY

# Demos Helsinki Foresight & Strategy Work



Demos Helsinki – Avanto Helsinki  
**Design for Government**  
-kokeiluilla ihmislähtöistä ohjausta



# Demos Approach to Change, and Strategy

Understanding the  
World and the Future

1

Formulating a Vision  
and a Strategy

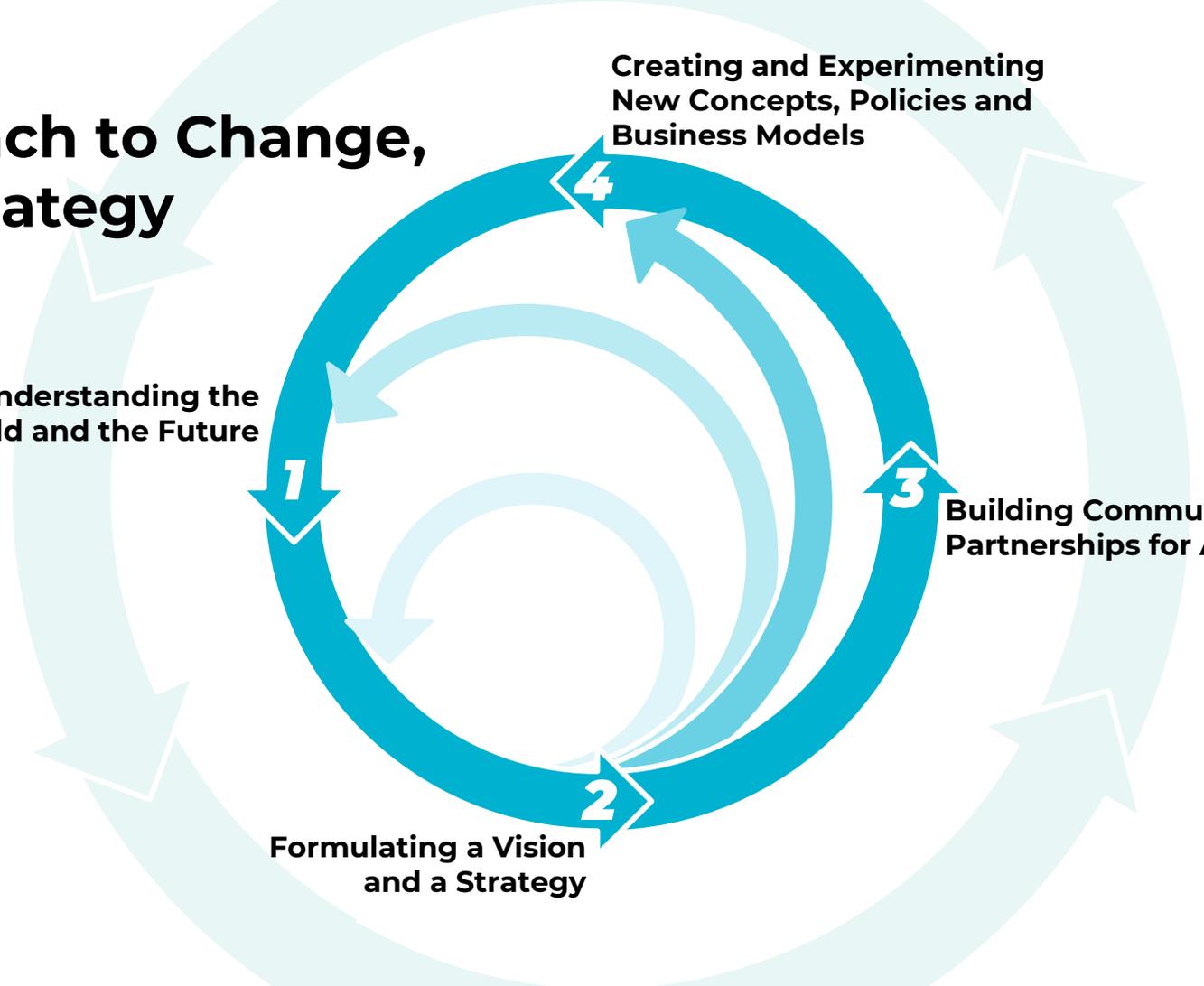
2

Creating and Experimenting  
New Concepts, Policies and  
Business Models

4

Building Communities and  
Partnerships for Action

3



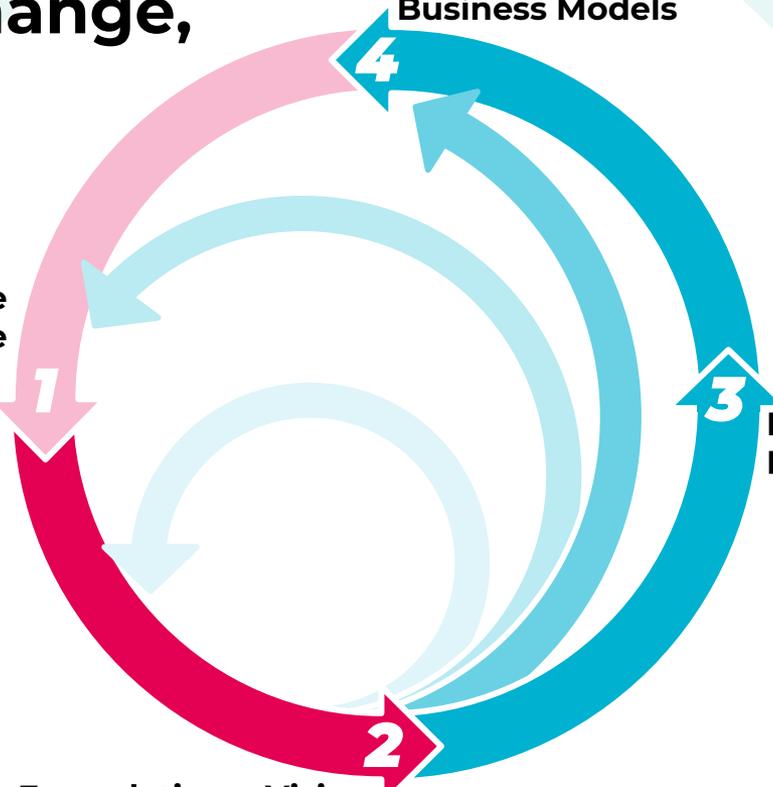
# Demos Approach to Change, and Strategy

Understanding the World and the Future

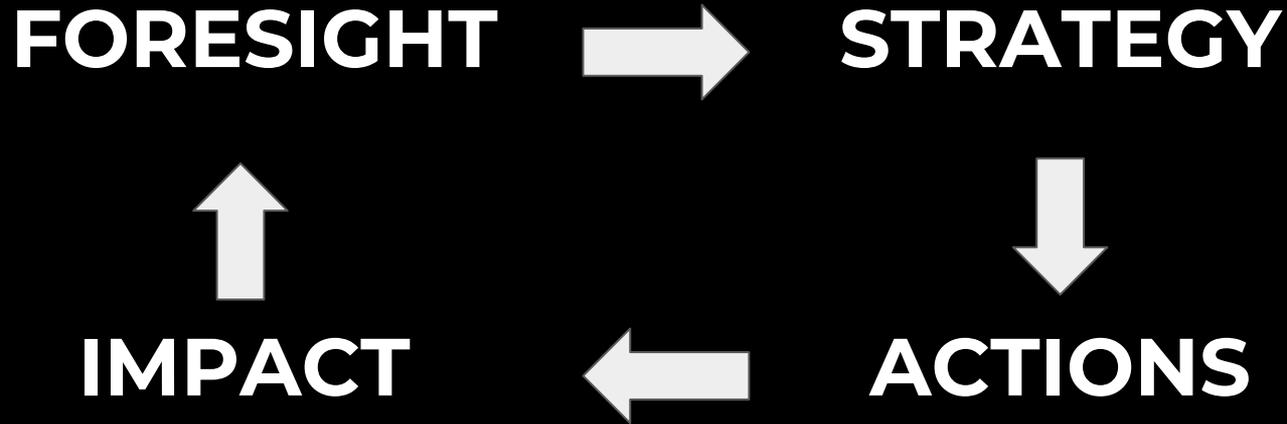
Creating and Experimenting New Concepts, Policies and Business Models

Building Communities and Partnerships for Action

Formulating a Vision and a Strategy



# Scenarios are a part of strategic thinking & strategic planning



# Scenarios meet Strategy

- We always base a strategy on a scenario (= view of the world and how it develops), implicit or explicit
- Try out many different axes before final choice, because you need to find out what inputs matter in your process
- It's a creative process, not an engineering process
- Good scenario is a mental vehicle to the future  
> because it is a good story

# Co-creative Foresight

**Foresight helps us to reveal on alternative futures** instead of just the obvious one and to **build strategies that navigate those futures** successfully.

**Foresight forces us to take a holistic and systemic perspective**, to study interactions within a possible future.

**It makes us to realize that every possible future is created by the decisions we make now.**

Demos Helsinki combines foresight with participatory co-creation **to create shared understanding and ownership on the future, and capabilities for strategic thinking.**

# Analysis and action

Value of scenario analysis typically comes from applying scenarios to specific contexts, which include

1. Complexity
2. Need concrete decisions that impact the future

# Benefits of scenarios

**All organizations base their strategies on scenarios.**

But these scenarios and anticipations are **often implicit, tacit and not mutually shared**, are based only on one “scenario” or on background analysis on different fields the linkages of which are not studied.

**Explicit scenarios makes tacit knowledge explicit and shared, and creates alternative futures to base decision-making on.**

# Benefits of scenarios

**Explicit scenarios makes tacit knowledge explicit and shared, and creates alternative futures to base decision-making on.**

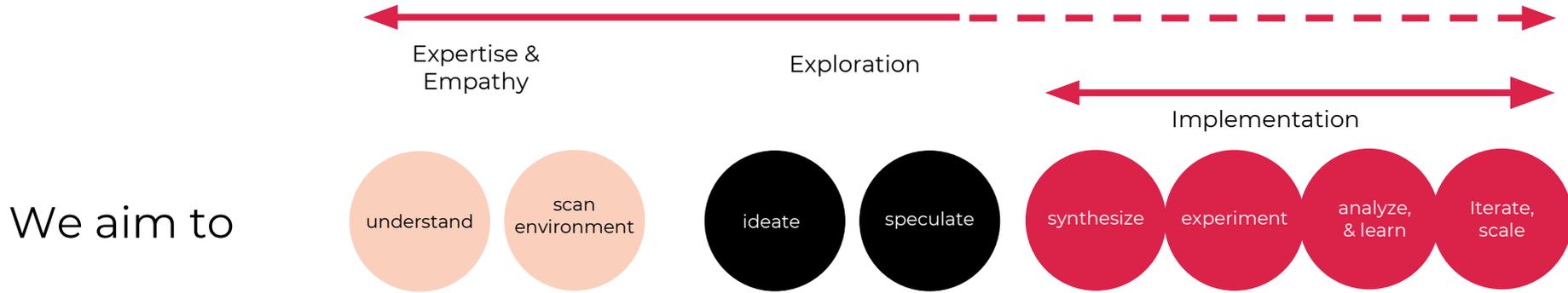
## **Co-creative foresight**

- offers platform for shared sense-making of the world and the future
- supports strategic thinking and decision-making in organisation
- enhances creative thinking in strategy process
- helps avoid single-minded predictions
- prepares organization for the future and surprises

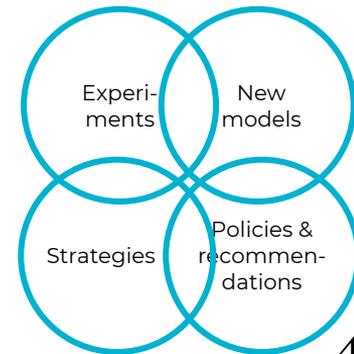
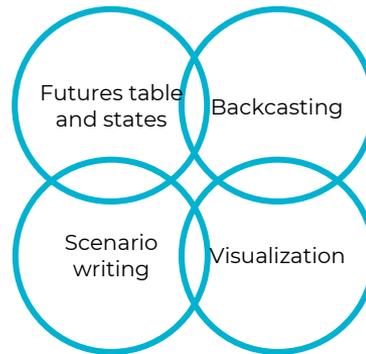
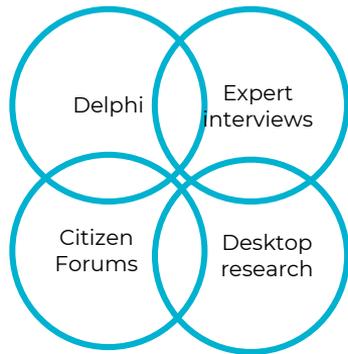
# Concrete outcomes from scenarios for strategy work

- Naming strategic alternatives
- Identifying what strategic decisions need/can be done and when
- Identifying alternative desirable outcomes from strategy
- Identifying strategic actors / partners
- Legitimizing current operations and their importance or value
- Empowering participants

# Co-creative & Experimental Futures Process



Methods for it



# Some strategy methodologies Ecosystems

PESTEL 3 horizons analysis

McKinsey 7S

Scenario planning BCG matrix

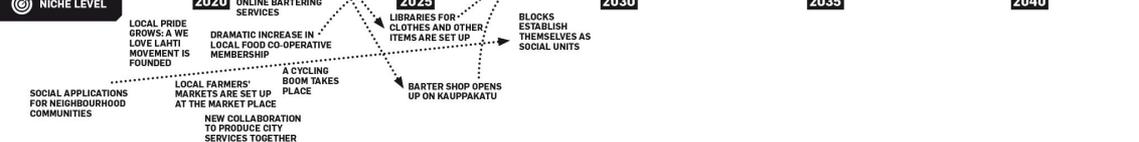
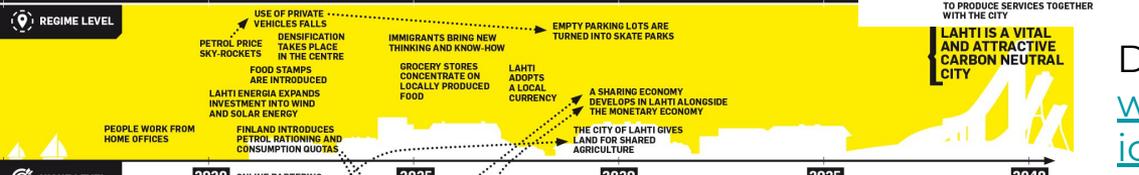
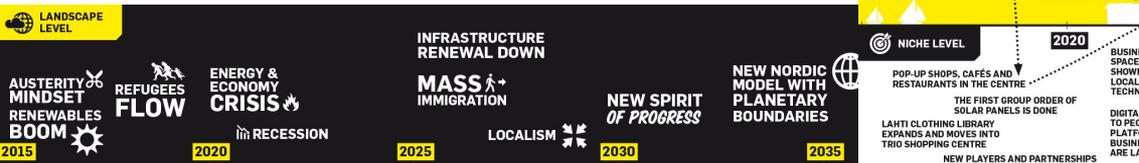
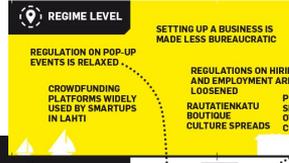
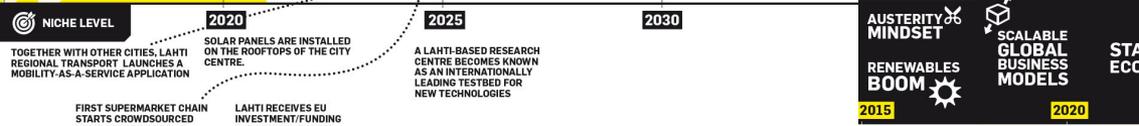
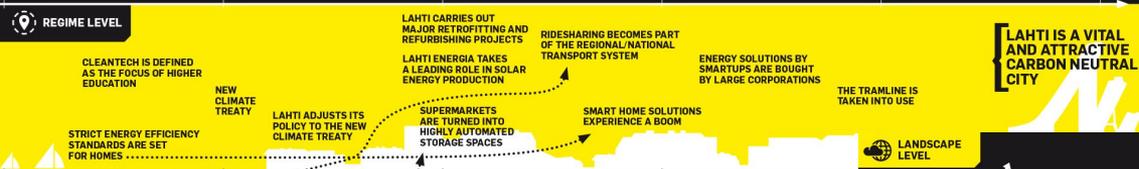
S-curve

Value Net

Path dependencies

# Two typical uses for scenarios

1. BUILD: Using scenarios as a form of information, taking different scenarios and building a strategy that navigates these alternative futures.
2. TEST: Future-proofing the strategy, to evaluate how the strategy we have works in future changes and transformations



Download these scenarios at [www.demoshelsinki.fi/en/iulkaisut/nordic-cities-beyond-digital-disruption/](http://www.demoshelsinki.fi/en/iulkaisut/nordic-cities-beyond-digital-disruption/)



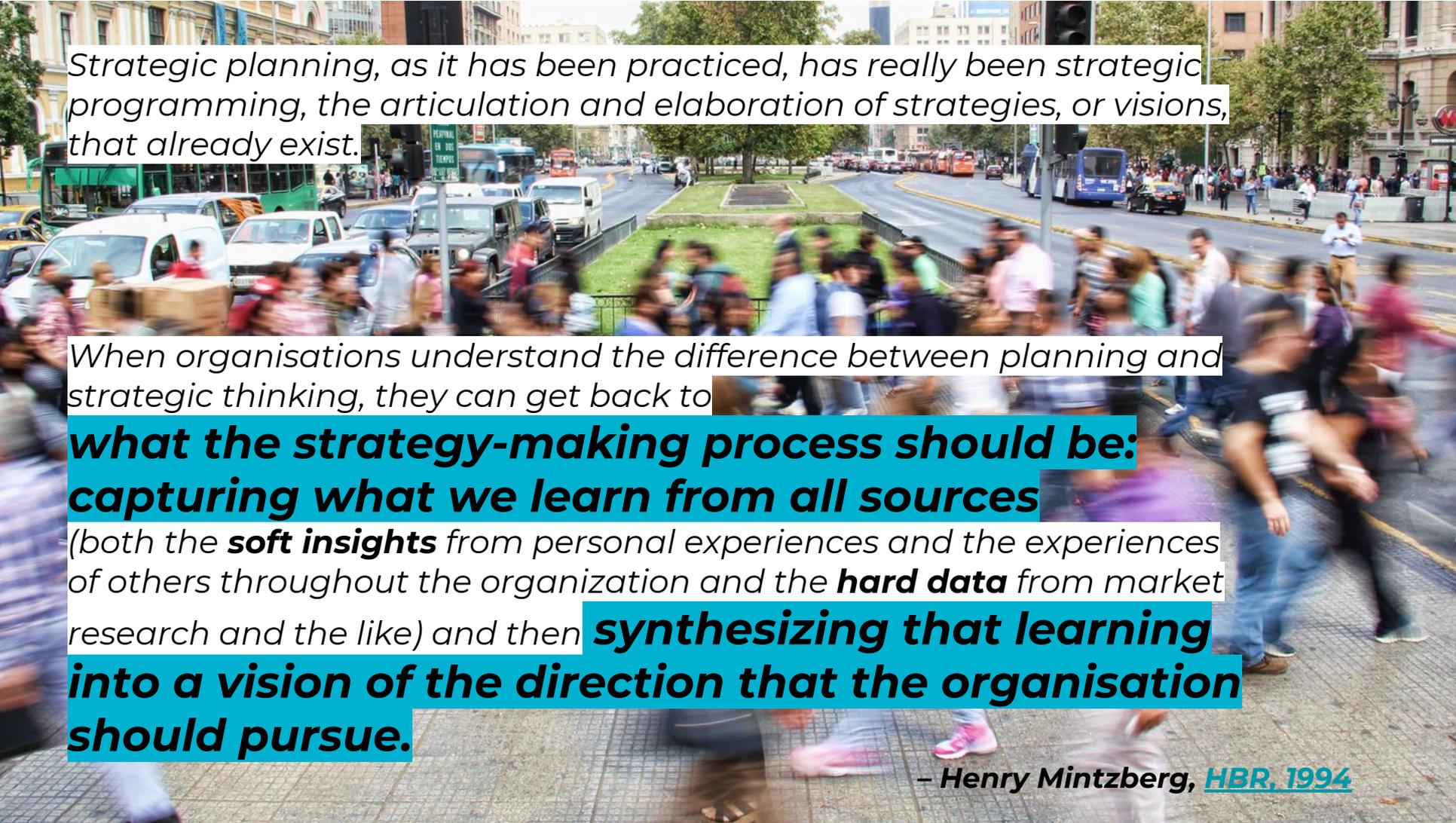
**STRATEGIC PLANNING VS.**  
**STRATEGIC**  
**THINKING**

*Strategic planning isn't  
strategic thinking.  
One is analysis, and the other is  
synthesis.*

– Henry Mintzberg, [HBR, 1994](#)

*Strategic planning, as it has been practiced, has really been strategic programming, the articulation and elaboration of strategies, or visions, that already exist.*



A blurred photograph of a busy city street. In the foreground, a large group of pedestrians is crossing the street, their figures blurred to indicate motion. In the background, there is a multi-lane road with various vehicles including cars, buses, and taxis. Buildings and trees line the street, and a traffic light is visible on the right side.

*Strategic planning, as it has been practiced, has really been strategic programming, the articulation and elaboration of strategies, or visions, that already exist.*

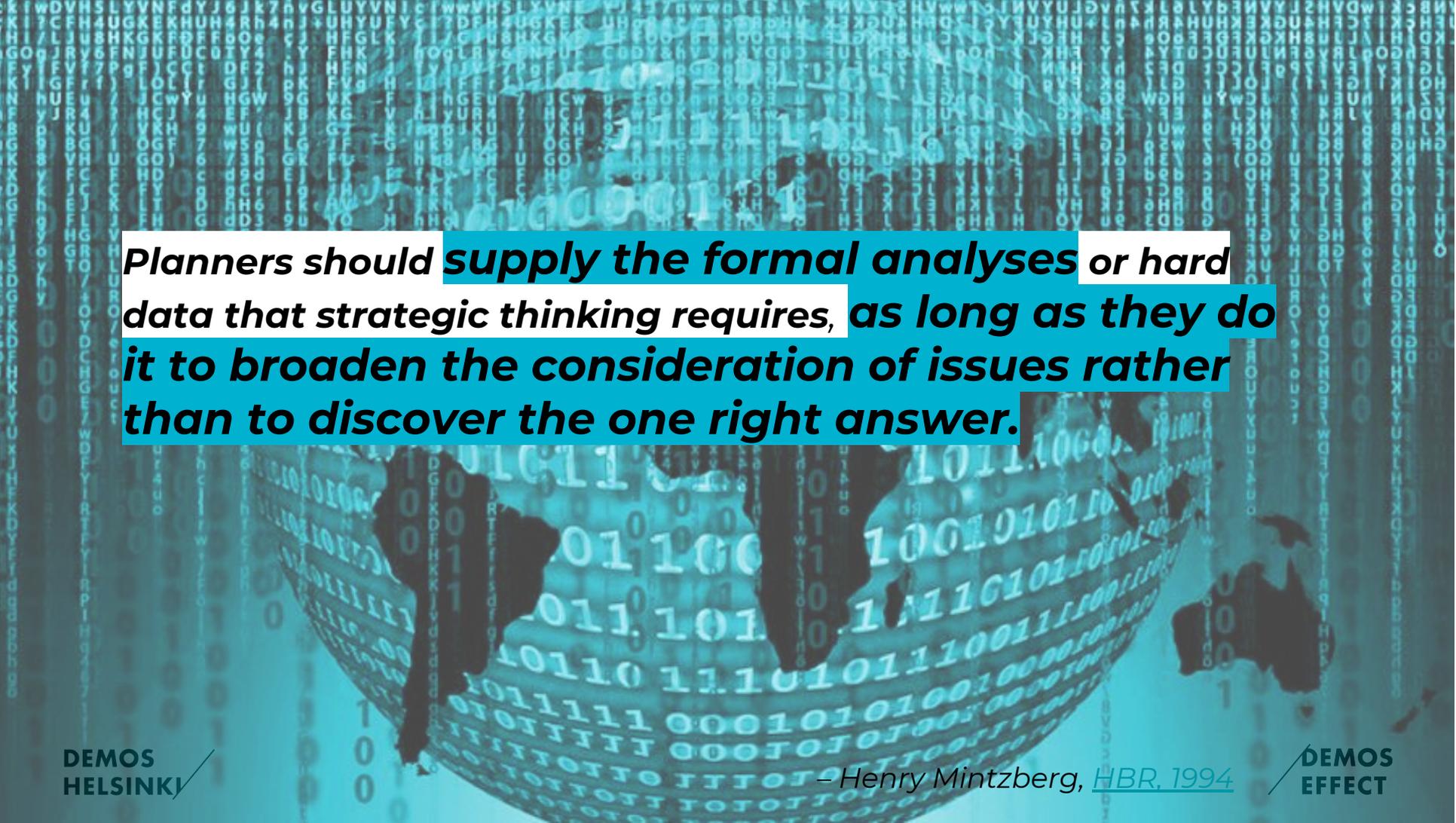
*When organisations understand the difference between planning and strategic thinking, they can get back to*

**what the strategy-making process should be:  
capturing what we learn from all sources**

*(both the **soft insights** from personal experiences and the experiences of others throughout the organization and the **hard data** from market research and the like) and then*

**synthesizing that learning  
into a vision of the direction that the organisation  
should pursue.**

*– Henry Mintzberg, [HBR, 1994](#)*



***Planners should supply the formal analyses or hard data that strategic thinking requires, as long as they do it to broaden the consideration of issues rather than to discover the one right answer.***

**Planning** has always been about **analysis** — about breaking down a goal or set of intentions into steps, formalizing those steps so that they can be implemented, and articulating the anticipated consequences or results of each step.

**Strategic thinking** is about **synthesis**. It involves intuition and creativity. The outcome of strategic thinking is an integrated perspective of the organisation, a not-too-precisely articulated vision of direction.

Such strategies must be free to appear at any time and at any place in the organization, typically through messy processes of informal learning that must necessarily be carried out by people at various levels who are deeply involved with the specific issues at hand.

*Formal planning, by its very analytical nature, has been and always will be dependent on the preservation and rearrangement of established categories.*

*But real strategic change requires not merely rearranging the established categories, but inventing new ones.*

**Strategy making needs to encourage the informal learning that produces new perspectives and new combinations.**

*There is a need to loosen up the process of strategy making rather than trying to seal it off by arbitrary formalization.*

– Henry Mintzberg, HBR, 1994

SO,

WHAT IS (YOUR)  
STRATEGY?

# What is strategy?

Mintzberg:

- Strategy as a **plan** = how we would like it to go?
- Strategy as a **pattern** = how we explain what happened?
- Strategy as a **position** = how are our “products” in relation to others’?
  - Prominent name e.g. Michael Porter with Five Force’s model who later co-introduced Shared Value framework
- Strategy as a **perspective** = what is wanted to achieve?
- Strategy as a **ploy** = how we maneuver against our opponents?

# 10 Schools of Strategy

- Prescriptive:
  - Design – a process of conception
  - Planning – a formal process
  - Positioning – an analytical process
- Description – Emergent:
  - Learning – an emergent process
  - Power – a process of negotiation
  - Cultural – a collective process
- Individual focus:
  - Entrepreneurial – a visionary process
  - Cognitive – a mental process
- External focus:
  - Environmental – a reactive process
- Transformative:
  - Configuration – a process of transformation

# 10 Schools of Strategy

How do you see your strategy process is *now*?

What do you think it *should* be about?

- Prescriptive:
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**Completely  
emergent strategy  
VS.  
fully controlled one?**

# Two approaches to strategy

Michael Porter ([1996](#)):

- Recognize ideal competitive position
- Adopt all best practices
- Outsource and partner
- Focus on core and key success factors
- Adapt to changing conditions

Peter Drucker:

- What is the mission?
- What kind of structure support the mission?
- What resources are needed?
- Measure and iterate.

*“Strategy is about the decisions we make today about a future that is inherently uncertain.”*

# The Theory of the Business

According to Peter Drucker, the theory of the business has three parts:

First, there are assumptions about the environment of the organization.

Second, there are assumptions about the specific mission of the organization.

Third, there are assumptions about the core competencies needed to accomplish the organization's mission.

## **Emerging vs planning:**

**If your region is successful, but you have done something completely different than in your written strategy, do you consider you have succeeded?**

**A piece of advice:**

**We should always first define what we actually want to do through our strategy process and what to address in our strategy.**

**SO...**

**Can we think that the actual impact is in  
broadening strategic thinking from  
prescriptive models?**

# Some strategies

# Goals of a strategy process

1. Recognize alternative future worlds
2. Think what could change the market radically
3. Evaluate the requirements set to our organisation by different alternatives
4. Think how we can expand our operations to new areas
5. Find insight how we have competitive advantage
6. Define what capabilities we need in long-term
7. Be bale to make choices

Vision

We help our customers to live more sustainable lives

DRAFT

Strategic targets

Sustainability and it's customer benefits are drivers for customer preference (B2B and B2C)

Investors prefer [redacted] as a notably sustainable investment.

[redacted] has a significant role in societal discussion through recognized leadership in responsibility

Key success factors

Continuous work and development based on our responsibility programme (environmental, societal and economical responsibility)

Placing customer benefits in the heart of our responsibility actions

Focus on strategically differentiating responsibility themes and actions

Ensuring solid position on chosen sustainability indices

Building sustainable actions on partnerships and networks

Active responsibility communication with all stakeholders

Strategic actions

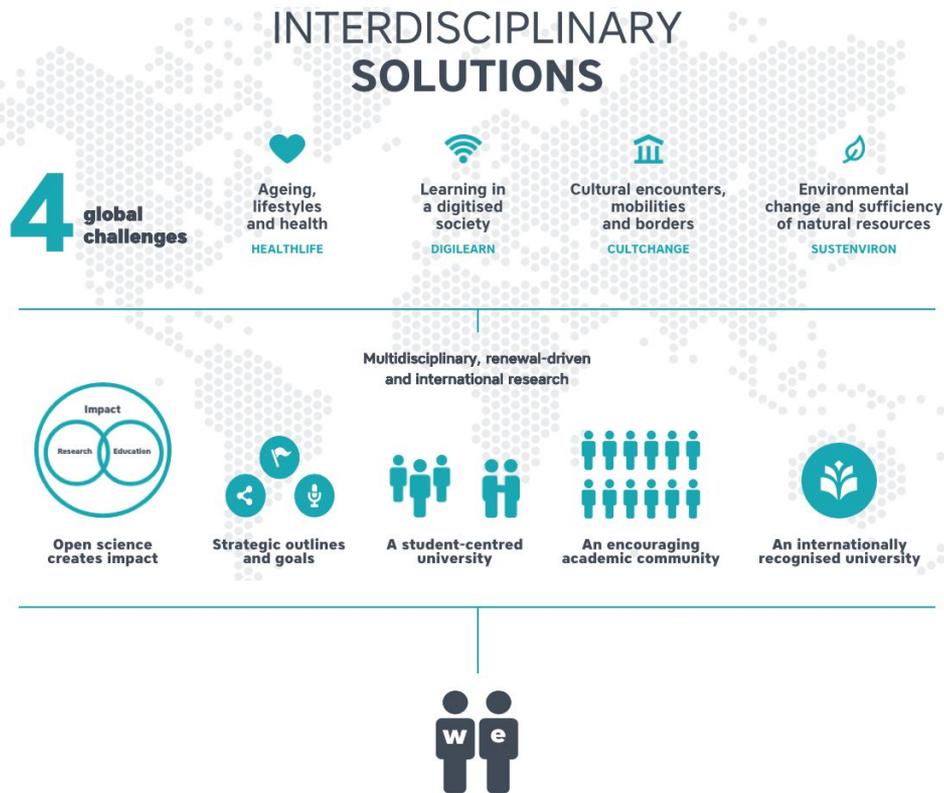
New strategic and differentiating themes and actions (DRAFT):  
1. Leadership in Responsibility Actions, 2. Communal Responsibility 3. Return of Data to Customers and Society, 4. Equal Opportunities - Diversity and Inclusion

Building an operating model that enables customers to become sustainability change agents – helping our customers live more sustainable, responsible, healthier and smarter lives

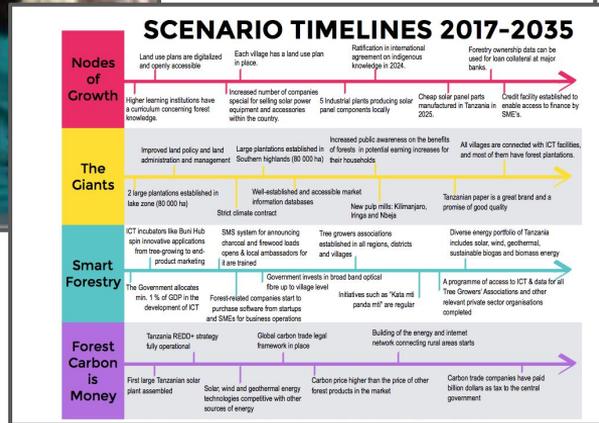
Communication plan and approach update: messages, actions, stakeholders, resources and metrics

# University of Eastern Finland

[strategia.uef.fi/](http://strategia.uef.fi/)



# Example with Tanzanian Government



## POLICY RECOMMENDATIONS BASED ON THE SCENARIOS

Education	Energy portfolio	ICT	Other
<p><b>Human resource development.</b> The Ministry of Natural Resources and Tourism should ensure adequate and competent personnel along the value chain of forestry products.</p> <p><b>Provision of skills.</b> The Ministry of Natural Resources and Tourism should promote forestry knowledge to SME's and rural individuals by increasing the number of institutions and programmes offering forestry knowledge.</p> <p><b>Education in renewable energies.</b> Revise curricula for all educational levels (focus on first level) on renewable energies in order to build awareness and skills.</p>	<p><b>Investment in solar panel manufacturing.</b> Enabling investment in solar panel manufacturing with a special focus on panel parts for repair.</p> <p><b>Incentives for solar equipment.</b> Create incentives and financing mechanisms for communities for use of solar equipment.</p>	<p><b>Centralized database.</b> There is no centralized database where forestry and forestry products information can be accessed. The research and training institutions own a wide range of information that is not being used by entrepreneurs and other stakeholders in improving productivity of the sector. The government should create a forestry information center for this information.</p> <p><b>Last mile connectivity.</b> Currently, there are very few institutions, industries and individuals in the community who are connected to the National ICT broadband. The government should subsidize the last mile connectivity cost and remove any related taxes to ICT equipment and material.</p> <p><b>Ambassadors for data management.</b> Recruit and train ambassadors, who are responsible on the regional level on gathering data and training relevant stakeholders on supplying and using forestry data.</p> <p><b>Forestry incubator.</b> Establish a forestry incubator, which will be integrated with ICT facility in order to ensure building of forestry data systems and its applications.</p>	<p><b>Monitoring mechanisms for demand of pulp and paper.</b> Establish a monitoring mechanism for the demand of pulp and paper, because the global demand for paper might drop significantly because of digitalization.</p> <p><b>Ensuring private ownership of land.</b> Pushing and implementing legislation on privatizing and establishing private ownership of lands.</p> <p><b>Identify indicators on the realization of different scenario alternatives.</b> Build indicators that can be monitored in order to understand, whether some aspects of the scenarios will realize. This will help in reacting to possible futures.</p>

"After the whole exercise I realized that the purpose is not to read from one scenario, but to incorporate learning from all to one."  
- Bagamoyo Counting Backwards workshop participant

[www.demoshelsinki.fi/en/julkaisut/tanzict-foresight-as-a-complementary-approach-to-planning](http://www.demoshelsinki.fi/en/julkaisut/tanzict-foresight-as-a-complementary-approach-to-planning)

# In other words - strategy can bring?

**Sets direction**

**Steers structure**

**Focus actions**

**Creates consistency**

# SCENARIOS MEET STRATEGY

# Foresight is (not)

In our mind, foresight goes easily together with the planning paradigm, as methods through which we find the right answers we then implement.

But foresight is not an engineering process. Strategy is not an engineering process.

**It's creativity, leadership, vision, negotiation, strategic thinking, transformation and action.**

In making strategy, you take *all* the information and insight you have, you think and you make decisions.

You follow up, keep your eyes and ears open, think, change the course, learn, och så vidare.

# Varför vi har strategi:

Att kunna välja

Att kunna resurs sätta

Tydlig prioritet och riktning

Del av målbild: scenario-vision-strategi

Underlag för utvärdera vision

# TACK, KIITOS & GIITUS!

Outi Kuittinen  
Head of Open Innovation & Co-creation  
Demos Helsinki

[outi.kuittinen@demoshelsinki.fi](mailto:outi.kuittinen@demoshelsinki.fi)

@outikookoo

[www.demoshelsinki.fi](http://www.demoshelsinki.fi)