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## Scenario planning: Pierre Wack's hidden messages



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### ABSTRACT

*Purpose:* The purpose of this paper is to distill and interpret Pierre Wack's original views on scenario planning based on his personal papers and documents now accessible at the Pierre Wack Memorial Library at the University of Oxford.

*Design/methodology/approach:* This article is based on a practical and historical review of several key documents at the Pierre Wack Memorial Library. The theoretical scope of the paper is to view current scenario planning practices in light of the foundational ideas of its originator.

*Findings:* Pierre's personal materials contain several important practical implications for using scenarios. These are summarized after analyzing, synthesizing and reviewing his ideas.

*Research limitations/implications:* Because the article is based on Wack's personal views about scenario planning, it is necessarily limited. However, the goal is to revisit the original intent of scenario planning by reviewing the personal documents of one of its originators.

*Practical implications:* The main goal of the paper is to distill practical advice from Wack's documents. These are: (a) scenarios must be part of a larger strategy system and the elements are clarified, (b) scenarios should not be positioned or sold as the product/outcome of scenario planning, (c) the two-day workshop approach to scenario planning is not adequate, and (d) scenario planning should not primarily be practiced as group process. These issues are discussed and further explanations and solutions are examined.

*Social implications:* This article is intended to provoke challenging questions about the nature of current scenario planning practices. We hope this work might change the common approach to scenario planning and offer guidance for avoiding disappointment in scenario planning because it is increasingly practiced inadequately.

*Originality/value:* This article features some of Wack's original views about what is required for successful scenario planning. Further, this article uses his own words and is based on his personal documents, videos, presentation transcriptions and personal writings that have not before been in the public domain. This article will be of value to any executive, manager or consultant considering scenario planning, who wants to learn how it was originally intended to be practiced, how to get the most out of it, and what to avoid.

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## 1. Introduction

In May of 2014, the Pierre Wack Memorial Library was officially opened at the University of Oxford under a new partnership between the recently formed Green Templeton College and Said Business School. Said Business School has housed the Pierre Wack Memorial Library which is managed by the Oxford Bodleian Libraries. The opening was timed with

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the third gathering of the Oxford Futures Forum, which had as its theme, the intersection of scenario planning and design thinking. The materials at the Pierre Wack Memorial Library make it clear that he was a master designer himself, with perhaps his greatest contribution being the design of an “organizational nervous system” (Wack, 1982 p.13; Wack, 1985a, 1985b), which is the focus of this article.

Wack is thought of as a founder of what many know as scenario planning. His ideas were based on the work of futurist Herman Kahn, adapted for the corporate world. Wack’s work with Ted Newland, Napier Collyns, Henk Alkema and Michael Jefferson at Royal Dutch Shell in the 1970s are still the most often referenced cases of scenario planning success. It is well known that Wack spent his final year, 1982, with Shell traveling the world gathering information about planning practices. At the request of Arie de Geus, he was working to summarize what he had learned over his 20 years at Shell. “Pierre returned with a single cryptic diagram labeled the gentle art of re-perceiving” (Kleiner, 2003; p. 4). The diagram was later re-titled “Generating Management Options” (Wack, 1993, 1995) and made an appearance in his classic Harvard Business Review article “Shooting the Rapids” (1985a).

On further consideration, the diagram may be the key to understanding what was so unique about the early scenario methods and what has been lost in today’s varied approaches to it. Closer examination of Wack’s documents reveals hidden messages that may explain why few organizations other than Shell are able to boast about their scenario work.

When Wack returned from his investigative travels, he made a series of presentations throughout Shell’s operating divisions based on his accumulated knowledge and expertise. Transcriptions of Wack’s final presentations, along with other unpublished documents from his work, have been preserved in the Pierre Wack Memorial Library at the University of Oxford.<sup>1</sup> These resources make it possible to gain insights into Wack’s thinking and his reflections on organizational planning. Other than the synthesized conceptualization in the diagram and recordings of his presentations, Wack did not write a lot and so the primary materials at the heart of this article are transcriptions of presentations he made, (Wack, 1993) videos of his scenario talks, his personal documents and hand written materials as well as drafts of the original article “The Gentle Art of Re-Perceiving”. For the careful observer, the materials he left behind hold many clues that can be stitched together to provide a new perspective on why he and the teams he worked with were so successful seeing the future. Such a review results in significant learning for how we work with scenarios in organizations.

## 2. Objectives of the article

The purpose of this article is to summarize Wack’s approach to scenario planning based on his original ideas and documentation that are preserved in the Pierre Wack Memorial Library. In particular, there are documents in which he describes his self-titled “organizational nervous system” (Wack, 1982; p. 13) of which scenarios are only a part. The overall structure of this article will present some foundational concepts that were important to Wack and describe them using his own words. Once these foundational concepts are presented, the article focuses on a diagram that synthesizes Wack’s thinking about corporate scenarios and strategy. This is the central focus of the article, with sections that describe and explain each element of the diagram. We conclude by attempting to distill some practical implications in light of revisiting Wack’s personal papers and ideas that have not yet made their way into the scenario literature.

Investigators who visit the Library are met with thousands of documents revealing the roots of scenario planning. These documents are unpublished and unavailable for wider consumption. They raise questions about the state of scenario planning practice today and how it has changed. They also make it possible to see how far modern scenario planning practices have evolved or strayed. Returning to the roots of the practice allows the student of scenario planning to cultivate a “gentle art of re-perceiving.” Thus, an additional goal of this article is to make what we judged to be the most compelling documents in the Library available to readers, although our own interpretation will have to suffice.

Before turning to Wack’s diagram and using materials at the Memorial Library to interpret and explain it, two consistent themes throughout Wack’s work need to be summarized. Based on his repeated emphasis, understanding the predetermined elements and a clear definition of scenarios are required.

## 3. The predetermined elements

The concept of “predetermined elements” is a primary theme that runs through everything Wack wrote. Predetermined elements are the results of events that have already occurred and can be reasonably predicted. His famous story of the Ganges (how heavy rainfall at the upper Ganges river basin would inevitably result in flooding at Rishikesh) demonstrates the point. Additional materials at the Library emphasize this point again and again, sometimes using the Nile river as the example. Wack was clear: identifying the predetermined elements was the activity that uncovered the true uncertainties, and this is where the scenarios become useful and engaging. “The more uncertain the world is the more attention the planners must bring to identifying the predetermined elements. And it is a painstaking exercise that no planner likes. It is far less interesting than dealing with the more imaginative parts, but unless it is well-done, the whole set of scenarios is weak”

<sup>1</sup> Napier Collyns worked diligently in cooperation with Eve Wack to preserve Pierre’s materials. The documents were originally catalogued and held at the Global Business Network offices in the Hague. Early examinations of the materials heavily informed Cynthia Selin’s chapter titled “Professional Dreamers” (2007). Later, Napier presented the documents to Templeton College on the recommendation of Kees van der Heijden at the University of Oxford, where they have become part of the Oxford Futures Library.

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