

PROFESSIONAL DREAMERS: THE PAST IN THE FUTURE OF SCENARIO PLANNING

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In Sharpe & van der Heijden. (2007). *Scenarios for Success: Turning Insights into Action*. Pp. 27-52.



Most managerial practices are plagued by fleeting popularity only to be overruled by the new fangled, sexy cure-all introduced by the freshest management guru. Every half year or so, a hyped technique is miraculously drawn from the ever-expanding toolbox and managers and consultants scramble to develop yet another new competence. One of the few management practices that stands apart from this tool-of-the-moment phenomena is scenario planning, a prospective practice that has evolved from the late 60's and survives today with continued, if not increased, relevance.

Scenario planning is part of a toolbox to help organizations examine their business, as well as their expectations and beliefs, in order to adapt to emerging conditions. Scenarios are typically defined as stories describing different but equally plausible futures that are developed using methods that systematically gather perceptions about certainties and uncertainties. Scenario planning is a means to analyze and make sense of reality when “the speed of the business environment is faster than your own ability to react” (Wack, 1995). Such proactive intelligence- or prospective research in action- is more critical than ever in the knowledge era characterized by volatility, rambunctious markets and emerging technologies.

Despite the relentless invention of new management tools, memory and a sense of history can offer lessons for revitalizing existing management practices.

Remembrance is critical because lessons learned in the 70's and 80's are still plaguing practitioners and managers alike. Namely, struggling with uncertainty, making scenarios relevant for decision-makers, how to evoke fresh perspectives and *perceive* novel developments are all ongoing challenges. A case in point, Mankins (2004) conducted a study of 187 companies which revealed that valuable managerial time is squandered due to a lack of focus and discipline around agenda setting, too little attention paid to strategy, and unstructured management meetings. Each of these dilemmas suggests that scenario exercises- time for

mediated, systematic, focused discussions about strategic decisions well integrated into managerial practice- are still an urgent, but overlooked, necessity.

This article remembers management learning by telling the history of scenario planning from the point of view of early corporate planners with the aim of learning anew and deepening understanding of an enduring management practice. Although scenario planning emerged from a number of different arenas and professional practices in the 60's and 70's, this historical gaze focuses on one particular repertoire of practice - that inspired by Pierre Wack and his "Gentle Art of Reperceiving" developed during his tenure at Royal Dutch/Shell.¹ Wack is considered the founding father of corporate scenario planning and his esoteric and intellectual contributions, along with the culture that formed at Shell, serve as historical roots for many of today's scenario practitioners.

In light of recent excavations in the Pierre Wack Memorial Library (PWML) and extensive ethnographic study, Wack is reconsidered here in light of modern dilemmas of decision-making amidst uncertainty. Drawing on new sources² and a noteworthy revitalized interest in Pierre Wack's repertoire of practice³, the question is: how applicable are his methods in dealing with today's organizational challenges? Wack's legacy is rediscovered to understand the source of the methods of scenarios planning, including how he worked, what his intentions were, and how his methods evolved. The reasoning behind the methods and the context of use are as critical as the process itself.

After three decades of work with scenarios, Wack died in 1997. His colleague, Ian Wilson, remembers him as a man who practiced scenario planning in such a way that "reached both backwards to change our way of thinking about the future and our approach to uncertainty, and forwards to expand our range of options and influence our strategic actions" (Wilson, 1998: iii). While Wack remains an admired mentor, innovative thinker and strategist, many contemporary practitioners are forced to skip over the depth of Wack's practice and instead focus

on short-cuts to revelation- abbreviated methods geared towards changing managerial perspective and developing strategic options.

Clearly, new temporal pressures, including an emphasis on immediacy and a chronic shortage of time for reflection, problematize both the deep reflective seeing and the depth of research and knowingness Wack practiced. Wack's seductive means of developing strategic options involved grappling with discontinuity in an untraditional and time consuming way that included vigilant attention to managerial blind spots. How fragile is Wack's method to adaptation to different conditions of practice? This question, coupled with the broader investigation of what is lost and gained with today's methods of scenario planning, is best initiated with a remembrance of Wack's repertoire developed through his experiences at Shell.

As we shall see in *The Practice of Scenarios Planning*, Wack considered the persuasion of managers as a highly nuanced, iterative art developed in a specific institutional setting that was able to evolve with him over the years. The second part of the chapter then traces two lines of thought evident in the repertoire by delving deeper into Wack's repertoire of knowing and seeing. Finally, we question how the business context and conditions for practice have changed and discuss the rationale for Wack's repertoires' continued relevance.

THE PRACTICE OF SCENARIO PLANNING

In his seminal work, *The Gentle Art of Re-Perceiving*, Wack contends, "In our times of rapid change and discontinuity, these crises of perception – the inability to see a novel reality emerging by being locked inside obsolete assumptions – have become the main cause of strategic failures" (1984a, p. 74). Since decisions are born from one's assumed certainties and uncertainties, the key is to unlock those fixed views and *re-perceive*. Wack saw two purposes of scenarios: to avoid regret and "to see new strategic options that you were not previously aware of" (1984a, p. 92).

Recognizing the uncertainties attendant to the decision at hand is a fundamental goal of the practice. More plainly, one of the definitive and lasting elements of scenario planning involves the sorting of certain and uncertain elements.

Wack believed that the future is comprised of some predetermined or inevitable elements and some critical uncertainties. The trick, as Wack understood, is to separate the *pre-determined*, inevitable elements from the critical uncertainties and work to create pictures that shifted the variables to get a sense of change over time. Predetermined are “those events that have already occurred (or that almost certainly will occur) but whose consequences have not yet unfolded” (Wack 1984b, p. 77). Wack’s predetermined were forces:

- 1- in the pipeline and obvious
- 2- interrelated, or “system predetermined”
- 3- slowly changing
- 4- impossible

(Wack 1995)

How each predetermined plays out in the future is understood through systematic reasoning. The obvious predetermined are important to recognize and develop managerial consensus around. However, the system predetermined are the most interesting and are not immediately obvious but rather are uncovered through the careful articulation of exploratory scenarios. Only with deep reflection and study of the possible actions of each key actor can some of the important predetermined emerge. Slowly changing predetermined are often so slow as to not register and thus require careful rendering. Impossible predetermined are critical because on first glance, they may be considered likely and reliable, but upon further inspection cannot endure. Each type of predetermined element is critical in that “by already existing, [they] constrain or determine the future in important ways” (Tibbs 1998, p. 8).

The deciphering and categorizing of certainties and uncertainties is a key element of the practice, but there is also space for unlikely or non-determined events, sometimes delineated as surprises. Such accidental but significant happenings highlight how the certainties and uncertainties are subject to a near

incomprehensible interaction of unpredictable forces, actions and ideas. It is the emergent discontinuities that must be elaborated upon in the process.

The Legacy of the Past

Scenarios were introduced to Shell to cope with problems arising from uncertainty, which made traditional planning unreliable, and to address the growing concerns over oil shortages and maintaining competitive advantage. For the Shell planners, the early seventies marked a period where the impacts of globalization and accelerating advances in technology began to re-structure the business environment and alert them to new temporal and structural dynamics. Wack saw volatility in the environment and said that the tenets of their existing planning strategies were “a dangerous substitute for real thinking in times of uncertainty and potential discontinuity” (Wack 1984a, p. 13). Shell’s professional planners and analysts began to seek out new methods to cope with the newly perceived complexity and viewed scenarios as a promising technique for the job.

When the Shell planning team presented the first round of scenarios to managers, they received little response and saw that the stories did not elicit any change in behavior or strategy. Napier Collyns, who joined the team in 1972, recalls, “I was reminded over and over of the myth of Cassandra. Like her, we were telling the truth about the future – but no one was willing to believe us” (Kleiner 1990, p. 11).

First Generation Scenarios at Shell

The planners created scenarios that illustrated the likely uncertainty and several responses to introduce Shell managers to the scenario process. They presented an A family of scenarios that put forth a main discontinuity but questioned the timing and nature of it. While this A-family represented the best research hypotheses developed by the planners, it was at odds with the ‘worldview’ or mind set of the Shell managers. The group, therefore, made a B-family set of scenarios that assumed *business as usual* and served an educational role to demonstrate that it would take certain acts of miracles or counterintuitive developments to occur in order for the scenario to appear credible. In other words, the worldview common to the Shell managers was being proven unrealistic as “the B-family of scenarios destroyed the ground any of them may have chosen to stand on” (Wack, 1984b: 83).

The managers' response to the scenarios was little more than intellectual intrigue but with no real effects. Wack likened the impact to water rolling off a stone, and referred to a Japanese saying regarding existential effectiveness: "When there is no break, not even in the thickness of a hair, between a man's vision and his action" (Wack 1984b, p. 84). So while the Shell managers were amused, they were not acting or deciding any differently as a result of their exposure to the issues through scenarios. The scenarios lacked persuasion.

Mental Models and Microcosms

This led Wack to seek what could and would affect the decision-maker's mind to such an extent that action would follow. Wack came to make a distinction between the microcosm- an individual's worldview- and the macrocosm- the operating environment. This distinction led Wack and his team to completely reconsider their task at hand: to lead decision-makers to question their inner model of reality. Wack's revelation was that without changing the microcosm of the decision-maker, there was no hope to communicate the messages the scenarios have to offer concerning the macrocosm. Wack remembers, "Our initial aim had been to produce scenarios that we would not be ashamed of when subsequently confronted with the reality" (1984a, p. 37). The emphasis then shifted to create scenarios that would: "lead our decision-makers to question their inner model of reality and change it as necessary in order to take action that they would not be ashamed of later" (ibid). The scenarios themselves needed to be designed to create a change of behavior through instigating a change in mind frame or mental model.

Mental model is a key concept for scenario planning and refers to the way a person sees the world. Mental models serve as the perceptual and conceptual structures that dictate how one interprets, reacts, and acts in the world. An individual's worldview is the composite of experiences, values, knowledge and dispositions that formulate the content and co-construct the reality map. This understanding maintains that an individual's view of the world is formulated within their unique

perceptual system which serves to filter experience and information into awareness, conceptualization, or an image of reality.

Re-perception

From new understanding, Wack began to see many management problems a “crisis of perception,” and he championed a perceptual approach to planning. In stable environments, Wack maintained that one’s mental model might serve well and inform the decision-making process successfully, yet he believed new frontiers require new ways of thinking:

...in times of rapid change and increased complexity... the manager’s mental model becomes a dangerously mixed bag: enormously rich detail and deep understanding that can coexist with dubious assumptions, selective inattention to alternative ways of interpreting evidence, and illusionary projections. In these times, the scenario approach has leverage to make a difference (Wack, 1984c, p. 150).

The Shell managers’ thinking - their mental models - did not change because the scenarios were too easily dismissed or embraced depending on the prejudices of the managers. Such prejudices had to do with the corporate culture at Shell which was accustomed to predicting with a sense of certainty the future of oil prices and energy demands thereby assuming the inevitability of their continuing prosperity. Wack’s scenarios presented unstable oil prices and as such, the future the scenarios presented was too foreign for the managers to accept. Since mental models can be such a “dangerously mixed bag” with blind spots and simplified references to larger, more complex forces, Wack’s goal was not to convince the Shell managers of something, but rather to open their minds to enable them to approach a problem or a strategy from a fresh perspective without the narrow, myopic gaze informed by their worldview.

Wack thus came to characterize scenario planning as a discipline to *re-perceive strategic openings*, orchestrated through a shift in mental model. Scenario planning became a means to break down existing mental models and rebuild another view of reality. In the case of the 1972 scenarios, the B-family scenarios

served a destructive function where the existing worldview was dismantled. However, as scenarios are meant to have a productive function, there must be something built back in the place of the archaic worldview. Wack found that “the easy part would be to destroy their existing view of the world” but “reconstructing the new inner model of reality would be the task of decision-makers themselves” (1984a, p. 26). While the burden of building new architectures of reality lies with the individuals, scenario exercises are meant to structure the process and provide some conceptual frameworks for possible futures.

New Realities: Scenarios and Decision-Making

Reconstructing realities is aided through the use of different kinds of scenarios. For Wack, each scenario had a special purpose in this process. The way that he helped decision-makers to question their own mental model was to use *learning scenarios* which began with a “surprise-free” scenario built on the “implicit views of the future shared by most managers” that serves as their entry, or “bridge” into the future, and builds acceptance around the process (Wack 1984b, p. 77). The construction of a “surprise-free” scenario, or a “consensus forecast” gathers expectations, articulates them and puts them on the table for critique. “Without the surprise-free scenario, all possibilities may appear alien to the managers and they may reject the process out-of-hand” (Wack 1984a, p. 41). Creating such a fit with expectations is a necessary step towards acceptance of more startling scenarios that may have more heuristic value.

The surprise free scenario is coupled with other learning scenarios that aim to map out future contexts and present raw uncertainties. Wack also called these learning scenarios “first generation scenarios” or “global scenarios.” He explained, their “purpose is not action, but to gain understanding and insight...The aim is to perceive more clearly the connections between various forces and events driving the system, and this understanding of the interrelatedness of the system shows that some apparent ‘uncertainties’ are really ‘predetermined’” (Wack 1984a, p. 18). However, if only raw uncertainties are presented, the manager has no way to use

the scenarios. In order to interact and engage with the scenarios, the manager must be offered hooks- known frames of reference- from which to pass judgment.

The next phase is to make decision scenarios, which are “focused scenarios”, tailor-made around a focal or strategic issue. Perhaps one of Wack’s most valuable contributions is making scenarios that matter. By linking the scenarios with the microcosm of the manager, he provided an opportunity for re-perceiving. If successful, the consequential revelations will have a direct impact on strategy and decision-making. Scenarios are thus part of a larger dialogue that aims to respond to changing terrains and help decision-makers become smartly assertive.

It is important to note that helping managers become wiser was possible for Wack, in part, due to his integration within Shell. Especially in light of many of today’s external practitioners, Wack’s professional position afforded him extra legitimacy and knowledge of context that enabled him to successfully orchestrate organizational change. Without the institutional support and legitimization from executive management, the value of scenarios would have been harder to establish. Wack was- and modern practitioners are -careful to note that scenario planning is a method to be incorporated into a larger process of strategy making, negotiation and action.

As we have seen, a whole host of intellectual processes must occur to enable enlightened decision-making. Wack orchestrated scenarios to measure regret, highlight discontinuity, show consensus, and also created recovery scenarios to help managers think through recuperation after the impact of a major discontinuity. Each round of scenarios helped managers to gently, gradually, re-perceive their problematic situation.

KNOWING AND SEEING

Digging deeper into Wack's repertoire of practice, his focus on perception and mental models brings to light an interesting dynamic in scenario planning. One of the goals of scenario planning, as Wack explains, is to make a "sound analysis of reality" (1984a, p. 4) and "to see things as they really are" (1993). Reality is contemplated in terms of driving forces or structural patterns *out there* for one to observe, reveal or discover. If one can only approach the world with the right state of mind and the right analytic tools, the driving forces can be accurately accounted for. In this sense, the world is an object composed of driving forces, certainties, and uncertainties that exists despite one's ability to perceive it. This view is indebted to realism.

At the same time, Wack' repertoire gives primacy to mental models, the inner landscapes that formulate perception. Here we see that knowledge is dynamic, changing and contingent upon boundaries of space, time, and perspective. There is no objective world outside of perception, or outside interpretation. Worlds are then constructed by sensing specific things through a selection process that is informed by history, beliefs, specific contexts, and mental models. It is through interaction with the world that causes knowing, albeit in subjective ways. This frame is more akin to a constructivist approach as it is one that acknowledges that knowing will always be partial and thwarted by limited sight and perspective. Under the guidance of mental models, whether that guidance is righteous or erroneous, knowing is an *interpretation* of the world and a consequence of unique constructions, orderings, and weightings.

The practice of scenario planning is characterized here as populated by *professional dreamers*, capturing both the rational and esoteric elements of the practice. Wack's focus on perceiving *and* knowing reality is an interesting conflation of epistemologies, or in other words, a way of knowing that has two distinct meanings where the boundaries between the two are not clear- Wack's practice balances ambiguously two seemingly contradicting understandings of the world.

The world is something to be understood both subjectively vis-à-vis maps and objectively vis-à-vis forces. Both elements were crucial given Wack's focus on managerial perception and the problem with persuading managers to face new realities. This balance of knowing and seeing is positioned as the hallmark of Wack's repertoire and the frame from which modern relevance is questioned.

Dreaming

As we learned from the early experience of Shell, the focus on perception was born from the absence of "existential effectiveness" of the first generation scenarios. However, Wack's attention towards perception extended beyond the psychology of decision-making. He had a well-known interest in esoteric subjects and seriously studied the "gentle art of re-perceiving." Wack traveled extensively for personal and professional enrichment and drew on many sources of inspiration that shaped his unique approach to planning and opened up the concept of perception in his work and life. Here he speaks of a lesson he learned from a man in Bengal:

It is not common to see, to see things as they really are. Usually we see with our mind. With inferences, with comparisons, with expectations, with all our past experience. To see, and I mean not to see in the narrow sense to see with one's eyes, to perceive totally, to see through, is a function of pure consciousness. It is a wonder of what is, because it is so. It describes it; it is a shock when you really perceive it. The word "wise man" in Sanskrit is "rishi" and "rishi" means a seer. This, by the way, is the best definition of a scenario builder I know (1993).

Whether a rigorous researcher, or wise man, or a seer, Wack was committed to the task of right vision, where perceptive prowess and intuition are primary assets.

The intensity of inquiry was also a matter of style for Wack. He is remembered to have rendered everyone intelligent by his questioning and refusal to give ready-made answers. He did not advise, but rather helped the inquirer to question. His modus was to ask, reflect, research and then reiterate the process again and again until an original insight occurred. He saw learning as a process of discovery where

new knowledge was worthwhile when it gave a sense of delight and bestowed the gift of intellectual travel.

This right vision came to be a spiritual practice for Wack such that he viewed constructing and communicating scenarios as his personal yoga. In particular, his view of pre-determined elements sets him apart from his colleagues. It is commonly held that one cannot predict events and happenings, but an understanding of the drivers and the structures of change will shed some light on particular certainties, or predetermined elements. However, Wack departed from this party-line of strategy and futurism and instead thought that the future was not unknowable, but rather had to be approached with the right gaze.

While Wack was very discreet about his esoteric knowledge, his devotion to Sufi mysticism and later to a sort of Zen Buddhism lead him to believe that sensing pre-determined elements was an art of meditation. The discipline of meditation allowed him to intuit through the noise in order to reveal the essence of a dilemma. Such deep reflection, lead to unique insight and the creation of new distinctions that enabled novel strategy development. Given his attention towards coaching managerial perceptual shifts, Wack was the managers' guru.

Professionals

Alongside Wack's mysticism, penchant for eclectic religions and focus on intuition laid a hard-core, professional economist. This professionalism was not only an attitude, but also an approach apparent in the rigorous research and serious analysis put into the scenarios themselves.⁴ Beginning with inclusive, in-depth interviews, research coupled with reflection is a hallmark feature running through the entire process. Wack attempted to get others to question their preconceptions armed with heavily researched evidence of coming discontinuities.

Scenarios made by Wack and his colleagues were renowned as the result of hard labor including the intensive collection and interpretation of hordes of

complicated data and information. The Shell scenarios were created from quantified predetermined generated through long hours, expensive resources and expert knowledge. Shell scenarios of 1972 were fully quantified in terms of volumes, prices, and their impacts on individual oil producing and consuming countries as well as on inter-fuel competition in different markets. The scenario work that Wack did in South Africa (on diamonds and gold) for Anglo American and on Japan were also based on a notable depth of research.⁵

In addition to the sources used to create the predetermined, scenarios were regularly packaged in a larger report containing historical and geopolitical data as well as large amounts of hard facts that served as background information or context for the stories. Graphs, statistics, economic indicators, demographics, models and other calculations fortified the narratives.

The depth of the analysis and background research had not only to do with the precision of the content of the scenarios and hence the quality of the work, but it was also linked to a methodological dimension, a process that Wack called “rooting.” Rooting occurs when the predetermined have entered the minds of the decision-makers thus creating a joint point of departure. Wack maintained, “you must go back in time far enough to provide for a common interpretation to events and data” (1984a, p. 51). Telling far-out future stories may be entertaining or amusing, but if the purpose of doing the exercise is to enable decision-makers to think scenaricly, then the futuristic stories must be grounded in a reality that the decision-maker can relate to. Illustrating facts and analyzing the predetermined tethers the scenarios. Here, a mix of numbers and narratives, fact and fiction, serve to enhance credibility and legitimacy.

Wack seemed to be comfortable amidst such contradiction and with both/and standpoints. His wife, Eve, remembers Pierre as “tolerant and rigid, curious and discreet, introvert and open to all experiences. What fascinated me with Pierre is that he was everything and the opposite” (Wack 1998). Hardin Tibbs, scenario

practitioner, remembers Wack as combining “sensitivity to expanded perception with his own highly rational and logical style of thinking” (Tibbs 1998, p. 7). Wack’s spiritual life, his dreaming, is important because it influenced the epistemological perspectives that became ingrained in the practice. Sensing, intuiting, and reflection are foundational points of the practice that incorporate the more fleeting, emotive, tacit forms of knowledge with hard, positivist analyses.

Knowing and Seeing Today

The uniqueness of Wack’s contribution- that of knowing and seeing- is fortunately continued by many inspired practitioners that are developing their own repertoire of practice. While some of Wack’s lessons were transient, important traces of Wack’s legacy exist in the practice today while others, unfortunately, are forgotten. Wack’s repertoire of mental models, discontinuities, predetermined, rooting, intuitive logics and re-perceiving still have currency, though sometimes cloaked in other terms.

However, much current practice hardly resembles Wack’s. As we will see in the next section, his methodology is but a skeleton and inspiration. Was it the mix of deep research and reflection that allowed discontinuities to be realized? Do the specifics of Wack’s method- the embracing of knowing and seeing- enable radical re-perception and successful organizational change? If knowing and seeing is by-passed in favor of more abbreviated methods, what is truly lost?

REFLECTING FORWARD: THE FUTURE OF SCENARIO PLANNING

The times since Wack have changed for scenario practitioners and managers alike. Not only can we speak of increased global volatility, but also of entangled human, material and institutional actors that are difficult to resolve. Further, the extreme specialization (and consequent compartmentalizing of knowledge) within firms makes grasping complexity an even more daunting task. Making strategic sense is

made none the easier with the deluge of information available. Instead, coupled with the urgency of contemporary competition, searching and filtering signals has become overwhelmingly time-consuming. Researching creatively, intelligently and finding the right balance of sources is arguably made more complicated by the growing number of options and increased accessibility of data.

The paradox is that with higher uncertainty and increased volatility, there is a greater need for complex, often time-intensive, tools to look at complex problems. Many managers insist they don't have the time or intellectual resources to think in such a holistic manner. Organizations are too busy and projects are moving too fast in order to stop and think. The irony is that constant change creates more demand for deep thought so that a company can continually rework competencies and strategies.

It is clear that modern practitioners are pressed for time and resources in a way that Wack did not experience. Wack and his team of smart researchers and diverse colleagues were able to devote months to projects and delve deeply into content. And Wack's methods require this time and investment. Today, practitioners are working on shorter time horizons that simply don't allow the systematic study of context and rigorous understanding of clients that Wack enjoyed. Quite the reverse, the time intensiveness of scenario planning disables many smaller firms from engaging in practice and, in troubled economic times, many larger firms regret not being able to luxuriate in reflection.

Atomized Methods

This resource crunch has lead many practitioners today to do quick "stunt scenarios," and write about creating a "Scenario in a Day" and develop other means to abbreviate the process. One solution to meet the resource challenges of managers is to atomize the tools to deal with emerging complexities. We see the methods for scenario planning become abbreviated, fractioned and simplified

while nonetheless still promising similar results as Wack and the planners at Shell achieved.

Under the pressure to deliver quick approaches- and solutions- consultants often reduce scenarios to simple steps and must go into companies without the time, resources or experience to get to know the decision-makers or the industry. As one practitioner reports, “consultants should not be expected to tell clients about their industry. The division of research labor should generally be that the consultant looks at the external environment while the client is responsible for researching issues in their own industry” (Ertel 1998, p. 2). The jury is still out about the best division of labour, but it is important to note that the acclaimed successes at Shell were linked to the devotion and immersion of Wack in the energy industry.

Nonetheless, one thing is clear: the implications of the resource crunch and such a delegation of responsibility is that today’s practice often skims over a deep analysis necessary for articulating predetermined. There are ample examples of scenario projects where uncertainties and certainties are short-handed as driving forces that are quickly sorted into critical uncertainties. Any presumption that it is possible to know the certainties can easily be lost to a mood of wallowing in uncertainty and explaining how chaotic and volatile the scene is. The focus is on the tumultuous, uncertain, unknowable world of today, and few are confident to say what is evidently certain.

This diverges from Wack’s careful study of discontinuities and predetermined where elucidation of “future implications of something that has already happened” is often not obvious. Wack would contend that predetermined reside in our periphery and are not given ample attention. The point is then not just to be imaginative and reflective, but also to use scenario planning to become well educated about new competitors, future customers, likely conflicts and opportunities. Wack’s practice showed that with careful study, some emerging

trends- or predetermined- become apparent. Only upon sustained inspection can such dynamics be sensed and then incorporated into the strategic outlook.

Another deviation from Wack's practice is that many modern practices of scenario planning develop scenarios in isolation with scant input from the decision-makers or the people who should respond to the scenarios. Time spent researching and understanding individual managerial mental models has diminished, and instead, scenario planning has shifted focus to collaborative group discussions or in more extreme deviations, consultant-created scenarios that lack grounding in organizational particularities. Group brainstorming often falls prey to "group think" and could thus provide a partial explanation for the superficial reflections often evident in scenarios. Other schools of scenario planning opt for quick, abbreviated methods that completely erase stakeholder involvement in favor of scenarios created from extensive desk research. These modes of scenario planning are costly in terms of loss of diversity and legitimacy.

Reperceiving is a deep art that must be grounded in an organizational context that renders the expectations of managers in a new light. Wack's practice differed from modern scenario planning consultancy, which is instead characterized by methods that quickly address key uncertainties and have limited engagement with managerial thinking and local knowledge. With superficial coverage of the company and industry, one cannot expect the traditional value of scenarios to be reaped. In order to properly anticipate, respond, and develop contingency plans that effect stakeholders, scenarios must not only be recognizable to managers and properly researched, but also be well integrated into the corporate culture. Without attention on the managers and their environment, how should reperceiving take place?

Wack's work was well integrated in Shell, fortified with in-depth research and supported by Shell management. Multi-generational scenarios tailored to redressing the particular problematic situation informed decision-making.

Strategy was an iterative cycle of scenarios, research and reflection. These cycles are contrary to the kind of incremental, compartmentalized procedure of scenario planning that is viewed in isolation of or in addition to, other management procedures.

Such integrated reflection should lead to a cogent grasp of the dynamics shaping the industrial terrain, knowledge of the key players, and an enlightened understanding of how elements interact over time. Such an integrated style of inquiry takes commitment and involves not only accessing new and unlikely information, but also time for reflection and making sense of the findings. Breaking down archaic thoughts and replacing them with a new architecture of reality takes time, understanding and even empathy and patience. Or as Leonard and Swap (2004) suggest, accessing and transferring an individual's deepest knowledge can only happen "slowly, patiently and systematically" (p. 88).

Short and fast or deep and long?

Whether the absorptive reflection and intense research that Wack championed can occur within rushed contexts is nonetheless up for debate. While the abbreviated methods are obviously a corrosion of Wack's work, what is left in place is nonetheless an enduring practice. We must ask how scenarios, and particularly Wack's ways of knowing, are relevant under these conditions. With superficial research, a lack of contextual grounding, and without a deep understanding of managerial perspective, what is left of value in the process? How fragile is the method to slicing up, adaptation to other contexts (without research) and conditions of practice (time and resource constraints)? Since scenario planning is a tool of management, it is important to consider if the methods have, in effect, forgotten the managers and their understandings of their business and environments.

However, there are some advantages to short, cursory methods. Aside from recognizing that they might be necessary, a less expensive and quicker process can

sometimes yield noteworthy results. Small, abbreviated methods can offer inspirational thinking that can unleash creative potential in a company making scenarios a novel addition to existing problem solving and decision-making techniques. Experimenting successfully with scenarios can lead to a simple and clearly outlined vision of the business that corresponds to tactics that can be adjusted as new dynamics emerge.

Employing futures oriented methods highlights that the future is malleable and provides a good starting place for assertive business practices. Also, the atomized methods can serve to articulate existing institutionalized anticipatory knowledge and expectations. Scenarios can thus be developed quickly and superficially as a means to experiment with and elucidate existing organizational expectations. This articulation of expectations- however superficial- is a good start to clarifying strategic missions. Instead of becoming an insincere ritual that has no heart, cursory scenario planning can be an apt communication tool that begins a dialogue with a forward stance.

The strength of the atomized method relies on the idea that the main leverage in decision-making amidst uncertainty lies with an organization's ability to learn. Scenarios ask managers to go on an adventure of discovery in hopes of gaining fresh perspectives relevant to everyday decision-making. While this leaves behind the hallmark of Wack's repertoire, abbreviated methods are nonetheless a way for organizations to loosely experiment with managerial thinking and begin to integrate new learning.

Overcoming blind spots is a matter of attention where a *glance*- rather than a deep stare- may be fruitful in its own right in some cases, but dangerous in others. Short scenario exercises may inspire managers to take a look around- to notice the periphery, which may, in certain cases, be an improvement to a sharply focused orientation. Developing peripheral vision through the use of scenarios enables

managers to look at the edges and the outliers in order to catch a glimpse of the non-obvious.

This suggests that instead of the large-scale bi-annual scenario projects of Wack's day, an alternative for today's organizations involves frequent processes of reflection, iteration and sketching of more compact stories. Such a tactic approximates Wack's repertoire of knowing and seeing, where a continuous articulation of the business vision is juxtaposed with the business environment - and managerial perception of it. Many small stories, or vignettes, can be created in shorthand and distributed widely. The medium of story is an apt vehicle for condensing a complicated picture into an easily memorable, portable reference for emerging conditions.

Since, unlike the centralized planning apparatus of Wack's time, most of today's organizations are decentralized or networked in a way that precludes top-down transmission of new information, such probing stories must be distributed widely in order to be well integrated into organizational cultures. Legitimacy may, in this way, be garnered in a more grassroots style. The organization can have many discreet parts sensing environmental changes, relating them to the stories and reporting on an ongoing basis from the bottom-up.

With an appreciative system like this built into organizations as small, fast glances solidified into stories that can become part of the organizational learning, some of the benefits of scenario planning are maintained, even amidst dramatically changed circumstances.

CONCLUSIONS: THE ENDURANCE OF WACK

Scenario planning is more than a tool- it is also a practice laden with community norms, rules, and rituals. In this chapter we have re-examined the source of its durability by a return to its intellectual foundations. The repertoire of

predetermined driving forces, uncertainties, deep reflection, overcoming blind spots, are early contributions to strategic thinking whose relevance continues today. However, this founding repertoire, characterized as embracing ambiguously both *knowing* and *seeing*, has been, for better and worse, subjugated to selective memory.

The practice of scenario planning, this gentle art of re-perceiving, is not a lost art, just mildly forgotten in these tumultuous, volatile times. This chapter helps us to remember one influential character in the practice to reflect upon how memory can aid future work. As the practice ages, it is transformed and adapted from its origins by innovations of contemporary scenario planners, yet origins still provide a frame of reference and an identity, which set the stage with success stories and accomplishments.

Wack helped formulate a repertoire of practice by importing ideas that remain the conceptual building blocks of the practice and inform the foundation of the scenario planning method. Wack is the “reflective practitioner”- one who mixes both highly rational processes of discovery with thoughtful synthesis of the interconnectivity of research. Wack’s repertoire is, on the one hand, a constructivist’s view of maps, perception, and interpretation- *dreaming*, and on the other, forces, certainties, patterns and a reality that can be known- *professing*. Knowing and seeing present dichotomies as evidenced in the following chart:

Seeing	Knowing
Maps	Forces
Process	Content
Subjective	Objective
Constructivist	Positivist
Perceptions	Facts
In there- “inner space”	Out there- “outer space”
Art	Science
Fictions	Facts
Open	Closed

Seeing involves both an immediate knowledge, situated in perspective, but also a deeper gaze. Knowing refers to a factual intelligence, or justified believing based on a reasoned context. The dualities that he introduced have been structured into the method. Understanding uncertainty and managerial mental models as well as re-perceiving the strategic outlook are guiding features, still crucial elements of any scenario practice- whether Wack's style or the modern incarnations.

If the future of scenario planning involves a continual foray into quick storied representations of incremental change, the abbreviated version of scenario planning may very well be good enough to engage both *knowing* and *seeing*. However, despite the advantages and possible necessity of an abbreviated method, vision is still not only about breadth and periphery, but also depth and reflection. Novel developments are not always obvious, but can be partially revealed through careful study and questioning. Though inquiring glances around may often suffice, we might just have to gaze intensely into the forces affecting business to really grasp fleeting change that creates the ripples and signifies a larger swell of a predetermined.

While the Shell beginnings deserve accolades, the complexity and depth of prospective research has not been carried through into modern abbreviated methods. This may or may not be a problem. It is all about *purpose*. If an organization needs to sort through a complex environment and make tough decisions with significant consequences, the heavy method may be most relevant. If the aim is to disrupt group think and team build through creative exercises, the simplified methods will do just fine. A quick method may suffice for shaking things up, having a look at current or near term conditions, and grasping incremental change. Yet the further the time horizon extends, there is a greater need to seek out sustainable options amidst radical change. Authentic reflection takes time. Simple solutions work for simple problems; more complex dilemmas,

often require more rigorous, thoughtful and time intensive methods. Put another way, in order to achieve radical re-perceiving, diligence is required.

We should strive to develop this decades-old practice and take it to the next level, keeping in mind the old lessons that need to be re-learned. The main tenets of the Gentle Art remind us to take the time to reflect and to look around- not only at the periphery, but also into the depths of change. When and how to use a deep, broad penetrating stare or a cursory glance will continue to be a challenge for the practice of scenario planning if the benefits are to be realized. The future of scenario planning relies upon the development of evolving, experimental and heuristic processes that enable a strong knowledge of context that is then embedded within the organizational mind. The art and science of scenario planning, trying on different systematic ways of knowing to gain novel insight, continues to be a practice that enables organizational flexibility and endurance.

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¹ SRI and Shell both began using scenarios in the 70's, both inspired by Herman Kahn's scenaric thinking.

² In order to dig deeper to Wack's work and life, I was provided special access to the Pierre Wack memorial library in The Hague where I set about cataloging hundreds of files documenting his different scenario projects, writing, and sources of inspiration. Among other books, journals, magazines and private diaries, were multiple drafts of his famous Harvard Business Review

article. Also of import were notes from interviews conducted with Wack as well as transcripts and a video of a scenario methodology seminar given in 1995. In addition to this excavation of Wack's personal and professional remains, I also have conducted ethnographic fieldwork at Global Business Network (arguably the private consultancy offshoot of Shell's scenario planning), attending multiple conferences from 2000-2004 on scenario planning and have worked teaching the scenario planning methodology for a number of years. Lastly, this research is informed by interviews with key actors within the scenario planning community who worked with or were influenced by Wack. Interviews were conducted in order to move beyond the representations portrayed in the literature and to gain insight to tacit assumptions that reveal the cultural and intellectual scripts that inform the practice of scenario making. The interview data and field-work is complemented by a thorough, interdisciplinary literature review of scenario planning.

³ Aside from his main contributions to thinking through uncertainty in decision-making that link up with contemporary concerns of management, some of Wack's tangential points are still coming up at foresight methodology conferences and workshops and amongst practitioners. For instance, "process as important as content," appropriateness of method depends on organization and operating environment and disseminating results (or "breathing out" as Wack called it) are all still frustrating practitioners and hotly debated. Further, recent meetings of scenario practitioners in The Hague (June 2004) and Strathclyde (August 2004) were heavily focused on Wack's legacy.

⁴ The appearance of 'being professional' should not be underrated, see Covaleski, et al (1998) for a look at professionalism in Big Six accounting firms.

⁵ For instance, in perusing his Japan files in the PWML, I found reports from industry, government, academics, think tanks and periodicals. From industry, he turned to Industrial World Bank of Japan for an article entitled "Japanese Finance and Industry" and from government, he had reports from the Japanese Economic Planning Agency and the National Institute for Research Advancement Department of Treasury. The academic or "think tank" sources where an international mix from the Hudson Institute, American Productivity Center ("Comparative Productivity Dynamics"), Namura Research Institute, SPRU ("How the Japanese Can Dominate the Machine Tool Business"), Sweden's Foundation for Research and Development ("Why Protectionism Won't Stop the Japanese"), JFK Institute and Harvard's Institute of East Asian Studies. In addition to briefs, reports, and speech transcripts he also selected some articles from periodicals such as Fortune, Wall Street Journal and The Economist as well as region-specific publications such as Tokyo Business Today and Far Eastern Economic Review. He also collected Japan-related articles from journals, such as, Foreign Affairs, Long Range Planning and the International Journal of Industrial Organization ("Interpretation of Organization and Market: Japan's firm and Market in Comparison with the US").

When studying Gold, he drew from "softer" editorials in Science magazine, but also worked with more quantitative data as evidenced from Goldman, Sachs & Co.'s "Commodity Market Perspectives" and other market, or investment, research such as from the Bank of Switzerland. Also within his Gold files lays a report on gold prices from 1344- 1978 and articles from the Journal of the South African Institute of Mining and Metallurgy.