



Water Resources Stakeholder Group

May 24, 2021

Scenario Planning

What is Scenario Planning?

- Originally developed for military use; developed further for business use
- Scenario planning is concerned with uncertainty
 - Uncertainty is prevalent in complex artificial and natural systems
- Purpose is to highlight large-scale or driving forces (e.g., population change) that push the future in different directions
 - It's not about estimating or projecting or pinning down an exact future
- Telling tales around a campfire; we imagine and tell stories (scenarios)
 - These stories (scenarios), however, describe possible futures

What is Scenario Planning?

- Scenarios may be normative or exploratory

	Normative	Exploratory
Scenario Type Defined	Preferred and achievable future end states	Unknown, but comprehensible, array of future end states
Tactic Development	Tactics developed to support preferred scenario	Contingent (If-Then) tactics as future unfolds

(Understanding and) Undertaking the Scenario Planning Process

- **What is our main concern or the issue we want to address?**
(established based on current events, projections, forecasts, etc .)
 - **Example: water and soil quality in Anytown , USA**
- **Past events**
 - **Example : “Anytown Lake closed due to erosion”**
- **Alternative interpretations of past events and concerns**
- **What is the timeframe for addressing the issue ?**
 - **Months , years, or decades?**

(Understanding and) Undertaking the Scenario Planning Process

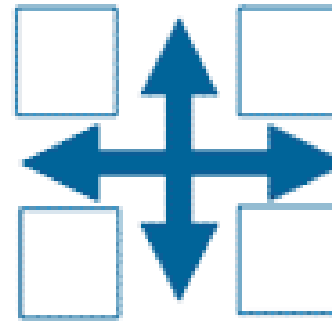
**Identify
Driving
Forces**



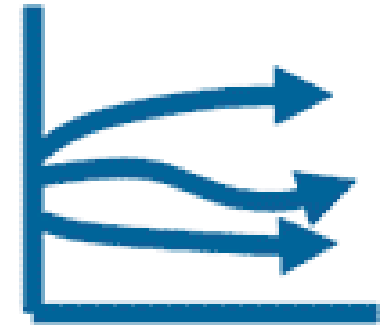
**Identify
Critical
Uncertainties**



**Develop
Plausible
Scenarios**



**Discuss
Implications
& Paths**

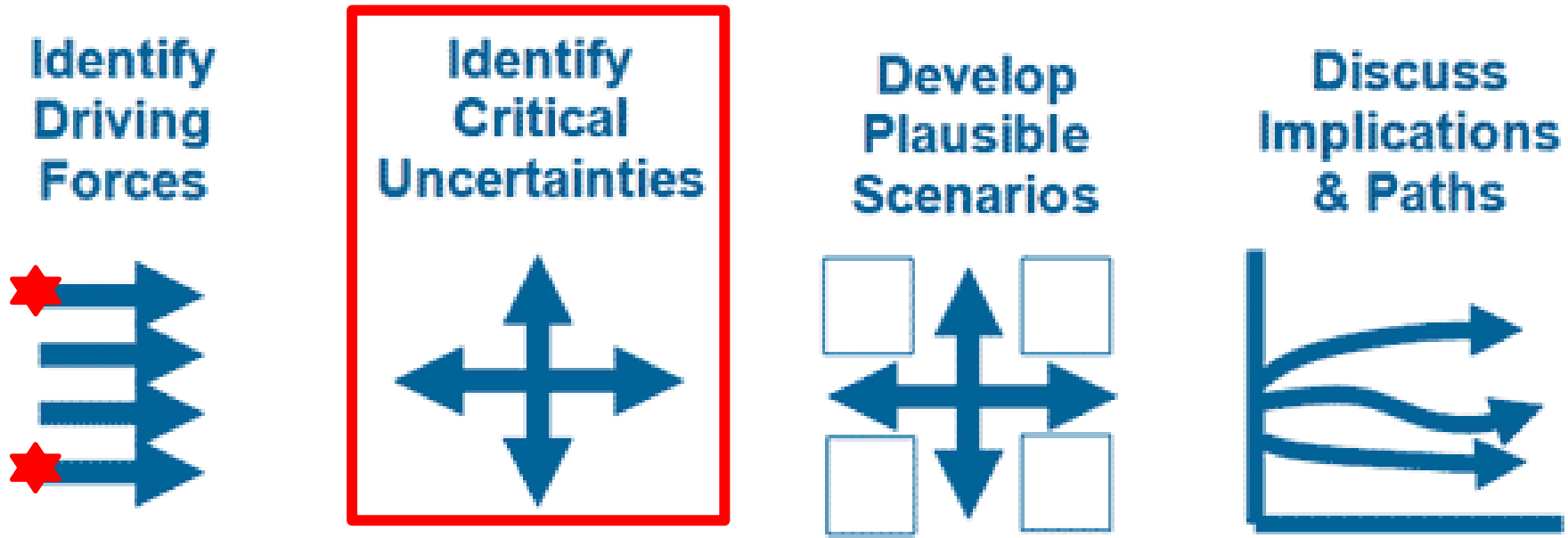


- Examples on next slide
- Assigned to categories using PESTLE
 - P = Political trends or forces, E = Economic, S = Societal, T = Technological, L = Law, E = Environment

Driving Forces - Examples

- New leader is elected
- Mounting 'red tape' in the industry
- Price of raw materials you rely on skyrockets
- Unemployment level in your city rises
- People are becoming more interested and engaged with health and wellness
- Population in your target market is aging
- Automation in your industry is increasing at an alarming rate
- Increased threat of ransomware and cyberattacks
- New employment laws require you to pay your employees more
- Heavy pollution in the air or water
- Global average temperature increases

(Understanding and) Undertaking the Scenario Planning Process



- Which driving forces are the most important *and* most uncertain?
 - It may be necessary to define uncertainties
- Choose two driving forces

(Understanding and) Undertaking the Scenario Planning Process

