

Strategy 2 Market Offers Scenario Planning Facilitation and Training

There is a resurgence in the popularity of scenario planning as indicated in the MIT Sloan Management Review.

Chicago, IL ([PRWEB](#)) July 19, 2017 -- A recent article in MIT Sloan Management Review, “Using Scenario Planning to Reshape Strategy,”[i] indicated a resurgence of scenario planning that initially gained recognition in the 1960s and 70s. Royal Dutch/Shell has been the ‘poster child’ of success using scenario planning to address the instability and uncertainty during the 1973 oil crisis. Mary Drotar, Partner at Strategy 2 Market was fortunate to be part of the Scenario Planning group at AT&T Bell Laboratories in the late 90s, and during that time, she was trained by Peter Schwartz, a world-renowned futurist that popularized scenario planning.[ii]

Why the Resurgence?

With globalization and new technologies, the external environment in many industries is changing. Scenario planning is a tool to help organizations envision potential scenarios they can encounter, and create response strategies so that they can adapt quickly.

For example, globalization has been a double-edged sword for most firms. At the highest level, consider two results of globalization: 1. growth opportunities in new territories, while at the same time 2. competition is entering existing markets.

Firms can sell products to new markets, creating opportunities for huge revenue growth. Some new markets have an established structure that the firm must learn and adapt to. For example, U.S. medical device firms are familiar with and comply with the U.S. FDA regulations. To sell products into the European markets requires the firm to learn and comply with the Medical Device Directive (MDD) regulations and ISO 13485 standards.

Emerging markets may not have an established structure. A firm planning to sell products into those markets must deal with uncertainties, including:

- Minimal or evolving regulations
- Understanding different customer needs
- Meeting the physical limitations of the use environment

A medical device company that wants to sell into developing countries may have to completely redesign their products and business model to adapt to erratic supply of electricity, undefined distribution channels for consumables and different medical practices that make a firm’s existing product impractical.

Another result of globalization, is new competitors from around the globe entering a firm’s existing markets. Experience in the U.S has shown that these competitors can offer their products at a lower price due to differences in cost of labor, favorable international exchange rates and the structure of trade agreements.

Globalization continues to change the external environment for many firms by creating new opportunities and threats they cannot ignore, and the traditional approach to strategy does not address these issues well. This is where the [s2m strategic framework](#) comes into play, and scenario planning is an excellent tool/process we use to help companies adapt to multiple future scenarios in uncertain environments as described above.

There are different flavors of scenario planning as described in the MIT article, probabilistic, normative or plausible. Strategy 2 Market recommends researching the best approach. Scenario planning has been growing as a method to help companies better prepare for the changing environment and to adapt quickly to external forces. Mary Drotar indicates that this is not a simple process, and it can be very time-consuming to develop future scenarios correctly.

Strategy 2 Market offers a corporate course on the scenario planning process so employees can learn how to conduct scenario planning sessions, or Strategy 2 Market consultants can facilitate these sessions. [Learn more.](#)

[Strategy 2 Market](#) is an operational product development consulting firm that specializes in increasing revenue and decreasing complexity.

[i] Rafael Ramirez, Steve Churchhouse, Alejandra Palermo, Jonas Hoffmann, MIT Sloan Management Review, “Using Scenario Planning to Reshape Strategy.” Summer 2017.

[ii] Global Business Network (GBN) [https://en.wikipedia.org/wiki/Peter_Schwartz_\(futurist\)](https://en.wikipedia.org/wiki/Peter_Schwartz_(futurist))

[iii] Adam Kahane, Kees van der Heijden, Louis van der Merwe, Napier Collyns, Outline of Scenario Planning, for use in the GBN Training program



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