

CARPE DIEM:
Scenario and Systems Thinking in Business & Society

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Currents of Radical Uncertainty *(Today as in 2006):*

We are already deeply in an era of volatility and transitions…



INTENSIFIED ECONOMIC CYCLES

POLITICAL AND SOCIAL INSTABILITY

FAULTLINES IN INTERNATIONAL ORDER

DEMOGRAPHIC TRANSITIONS - URBANISATION

CHALLENGED ENVIRONMENTAL BOUNDARIES

NEW TECHNOLOGIES: DIGITAL, WIND & SOLAR, GAS & OIL SHALE

Every Strong Current generates Counter-currents…
- and you can't tell up front which will turn out stronger



Ignoring this reality fundamentally weakens decision-making ("lazy strategy")

The "Scenario & Systems Mindset" not only broadens perspectives and deepens understanding but also encourages a wiser approach to making choices

The mindset helps address known biases and flaws in human choice behaviours, including "Ghost

Shell Scenarios (public) – past examples of valuable historical insights

- 1970s – OPEC formation, oil price spikes, stagflation
- 1980s – socio-political developments & questioning longevity of Soviet Union, possibility of oil-price collapse
- 1990s – environmental & climate issues, globalisation & technology, potential terror backlash from the marginalised
- 2000s – Re-emergence of State prominence, energy demand, supply & environmental "hard truths", fundamental uncertainty on pace of socio-political responses to challenges, Recession and Recovery dynamics
- 2010s – Energy Transitions and Net-Zero Emissions, turbulent political power dynamics, Digitalisation of Society
- 2020s –Pandemic impact, energy security agenda, geopolitical & trade tensions - Rethinking the 2020s & beyond



Growth and Disruption are frequently "explosively fast" *once the stars align*

- This is driven by **competitive dynamics** as an industry equilibrium "flips"
- The "flip" comes from "Fear of Missing Out" once a pioneer demonstrates the prospect of an advantage, particularly in an already competitive space
- Pioneers & Forerunners ignite the growth "rocket", and capital flows amplify the dynamic
- Fertile ground for pioneering can be prepared
- **The Strategic Question is often not "Fast or Slow" but "Sooner or Later"…**
  – with different implications
- However, most standard financial evaluations mishandle uncertainty and under-recognize this economic opportunity

Scenario/Systems Thinking in organisational practice:
Two Crafts… Connected with a decision-making approach…



The Mindset is developed through Two Crafts – Analytical and Social

The craft of the crafts involves intertwining these with strategic conversations and organisational decision-making

This is facilitated through bringing scenario thinking into corporate culture

The impact may be "percussive" or, more frequently, "pervasive"

The biggest mistakes I've regularly seen?

- Neglecting the Social Crafts & failing to engage decision-makers effectively
- Allowing the early collapse of plausible alternative outcomes into a supposedly "most likely" outlook
- Misunderstanding the nature of disruptions, with a "faster or slower" mindset dominating the frequent dynamic of "explosive change - sooner or later", and the value of being on the front foot in preparing for this sooner

Recommendation:

- Build the scenario mindset into your organisational culture, better recognise the dynamics of change, and be (smartly) on the front foot more frequently

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