

# Playbook: Introduction to Scenarios

5 years

Scenario Space

Best Case  
Scenario

# About scenarios

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Worst Case  
Scenario

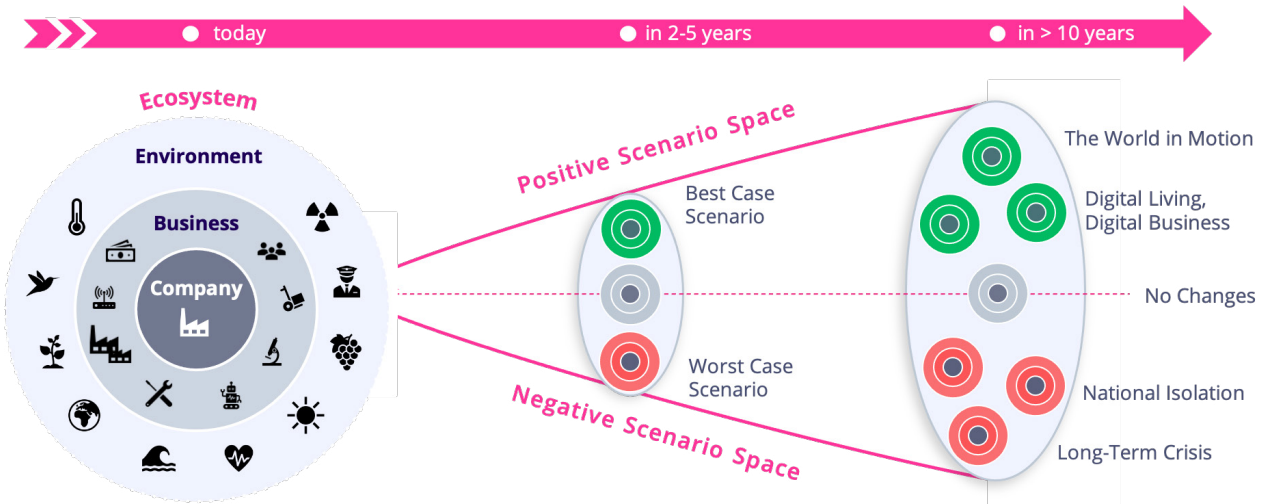
Scenario Space



## What is a scenario?

### The Scenario Approach

A SCENARIO IS A POSSIBLE STATE OF THE FUTURE DRIVEN BY KEY IMPACT FACTORS' TRAJECTORY



By definition, a scenario—in the context of business planning and strategy—is a postulated sequence or combination of events projected to take place that could hold relevance to the organization’s future state.

In today’s world of high uncertainty and more and more “black swan”-events, organizations need collaborative, adaptive tools for preparing themselves and developing strategic responses continuously. Scenario planning and scenario impact analysis are among such tools. As reflections of the world around us, scenarios help define the positive and negative developments which may happen.

Classical scenario analysis enables a company to develop scenarios and respective plans of action in six steps. Classical scenario analysis can be a time-consuming and resource-intensive process. This is why we developed a solution in the ITONICS software that enables organizations to perform scenario planning with more efficiency and fewer efforts.

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When talking about scenarios, we are talking about the future. A scenario is a projection, a possible state of the future, driven by a combination of key influencing factors.

*Dr. Tassilo Henike, Director of Customer Innovation Success, ITONICS*

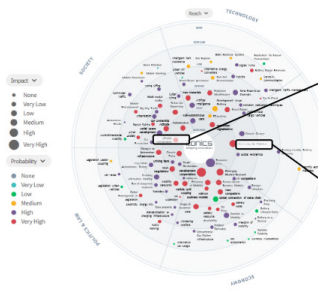
# 4 key steps in the scenario development process

## The Scenario Development Process

DEFINE FOCAL ISSUE, QUESTION, OR DECISION AND RELEVANT TIMEFRAME REVIEW  
PAST EVENTS & ALTERNATIVE INTERPRETATIONS

**01** Identify Drivers and Impact

**Situation Analysis**



**02** Project and Assess Key Drivers' Trajectories

**Projections**



**Climate Movements**

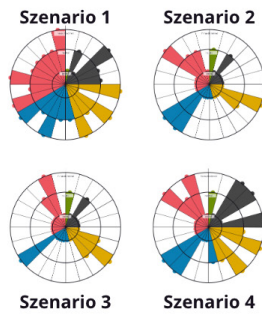
- significant impact
- moderate impact
- no impact

**Air Pollution**

- Increasing dramatically
- No change
- Decreasing dramatically

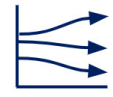
**03** Calculate consistent, distant combinations

**Scenarios**



**04** Plan your purpose and strategy

**Implications**



	Generelle Implikationen	Strategische Implikationen	Operative Implikationen
Interne	<ul style="list-style-type: none"> <li>Alte Strukturen werden überholt</li> <li>Neue Strukturen werden geschaffen</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> </ul>	<ul style="list-style-type: none"> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> </ul>	<ul style="list-style-type: none"> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> </ul>
Externe	<ul style="list-style-type: none"> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> </ul>	<ul style="list-style-type: none"> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> </ul>	<ul style="list-style-type: none"> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> </ul>
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Politik	<ul style="list-style-type: none"> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> </ul>	<ul style="list-style-type: none"> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> <li>Strategische Ziele werden neu definiert</li> </ul>	<ul style="list-style-type: none"> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> <li>Operative Ziele werden neu definiert</li> </ul>

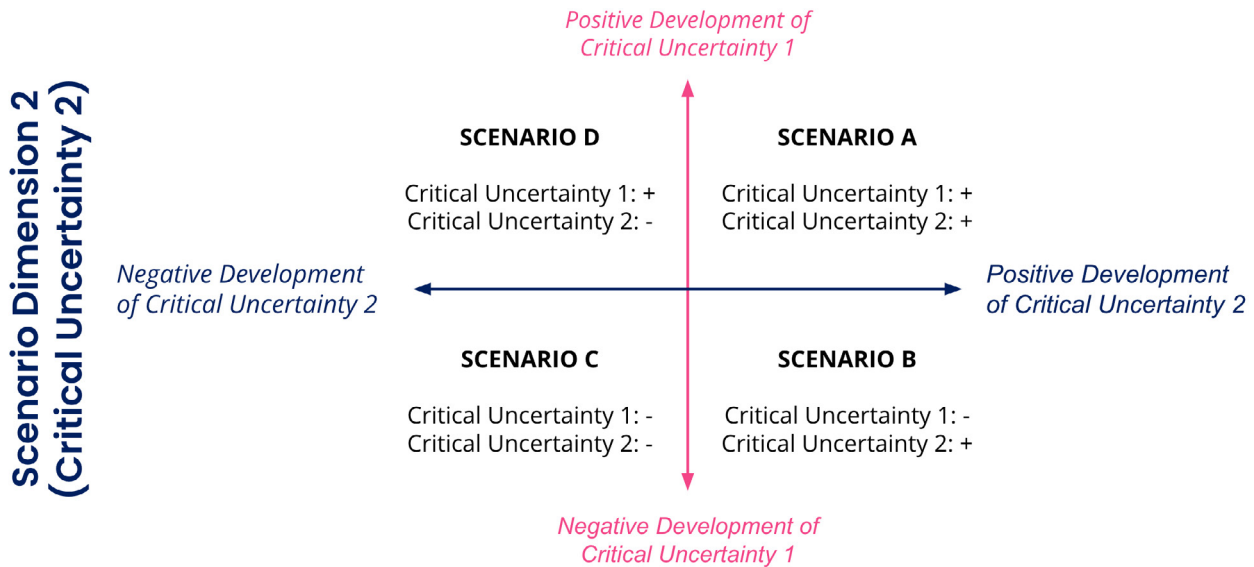
### 1. Situation Analysis:

A multitude of drivers exist and have an impact across all STEEP categories—Society, Technology, Economic, Environment & Ecology, and Politics & Law. Organizations must first narrow their scope, performing situation analysis to select the drivers that are of the highest importance to their business environment. Teams can assess and rate drivers based on level of impact, probability, and/or reach. The ability to visualize all drivers in a single view enables the quick comparison and identification of those that hold relevance for an organization’s scenario planning.

### 2. Projections:

Once an organization has explored and selected the key drivers influencing its environment, it must identify critical uncertainties and extrapolate the different plausible possibilities that could unfold for each driver. The time horizon that should be considered is between five to ten years (compared with the two- to five-year outlook that trends and emerging technologies offer). Scenario planners must project the trajectory that each driver could take—typically ranging from one extreme to the other, e.g., no impact to significant impact, decreasing dramatically to increasing dramatically, system collapse to system transformation, etc.

## Scenario Dimension 1 (Critical Uncertainty 1)



### 3. Scenarios:

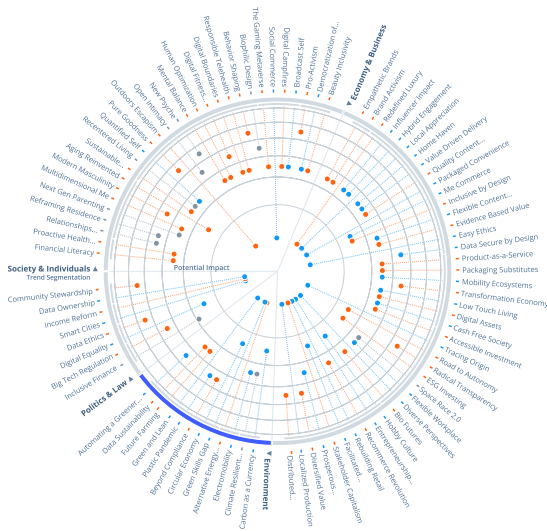
To develop future scenarios, two selected drivers (e.g., a demand driver and a solution driver) must be plotted against each other, with the respective trajectories along each axis. For instance, an organization could plot industry-relevant technological development along the X-axis and a driver such as regulation, globalization, or environmental degradation along the Y-axis. Intersections between trajectories reveal different scenarios. When this process is replicated for various combinations of drivers, several scenario narratives should arise. While all represent a possible future for which an organization may need to prepare, internal consistency points to scenarios that are most likely to happen and should be prioritized in the next steps.

### 4. Implications:

An organization must select the most plausible scenarios to use in opportunity discovery and strategy planning. In addition to looking for internal consistency, an organization's internal stakeholders can also assess and rate scenarios, e.g., based on desirability, strategic alignment, and impact. As with trend and driver selection, this helps increase transparency, consensus, and ultimately informs opportunity space creation.

# The ITONICS Innovation Operating System

The scenario solution offered in the ITONICS Innovation OS consists of three key features: ITONICS Radar, Scenario Space Matrix, and Roadmap.

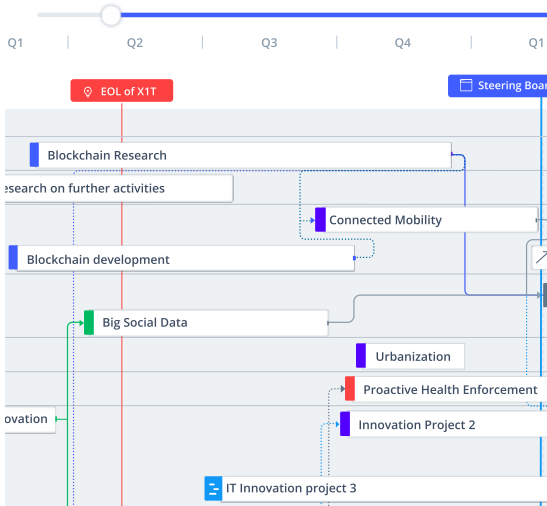


The **Radar** enables you to first identify and visualize all relevant trends, technologies, and risks which are then later used to develop scenarios and collect them in the Scenario Space Matrix.

**Comprehensive overview** of factors affecting your business  
**Classification** of different trends (e.g., PESTEL)  
**Estimation** of the impact of trends according to different rating criteria

The **Matrix** allows you to estimate the potential impact of the scenarios and their occurrence likelihood.

**Estimation** of the potential impact and likelihood of occurrence of scenarios  
**Facilitated decision-making** due to handy visualizations  
**Identify favorable** and **risky** scenarios



Finally, the **Roadmap** feature offers a visualization of different scenarios and the real impact of these on your business.

**Analyze the impact** of each scenario on your business activities  
 Develop a **strategic playbook**  
**Develop a robust strategy** for different scenarios  
**Estimate when** the alternatives need to come in place



SCENARIO

Probable: A

Watch

PUBL

# Step-by-step guide to scenario impact roadmapping

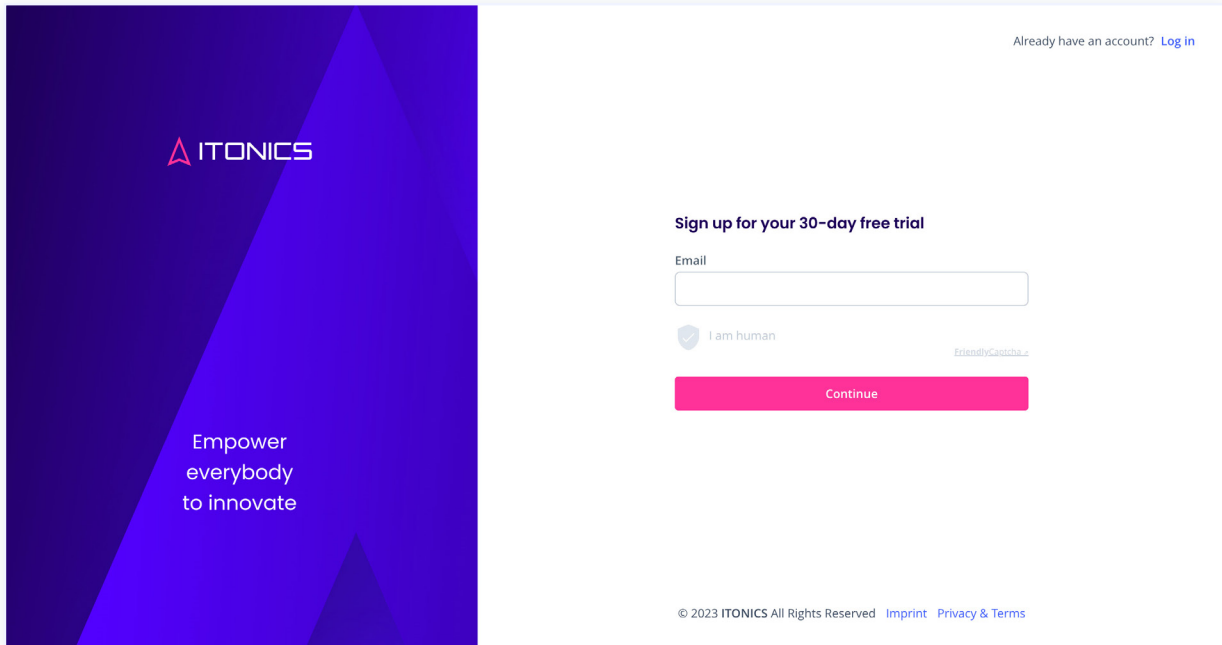
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Relations (1)

Precision Agriculture

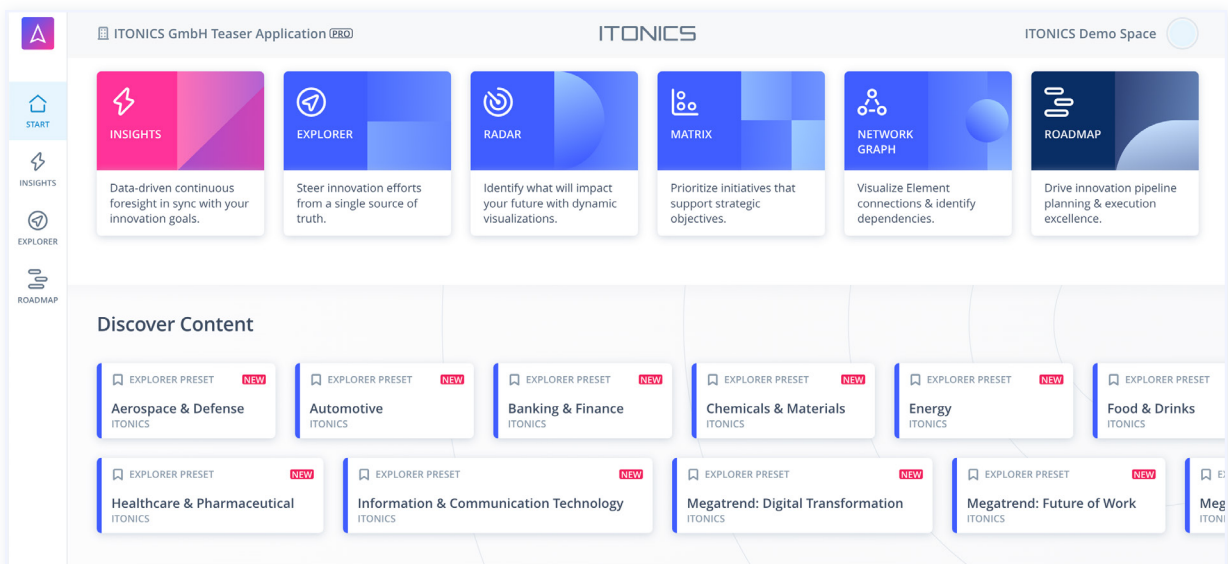
# Set up your ITONICS account

1. Jump to the [Registration page](#).
2. Create an account and use your 30-day free trial.



ITONICS registration page

3. On the landing page you can see the following information:
  - Quick navigation to the most popular features in the system, such as Explorer, Insights, Radar, Roadmap.
  - New analyst-curated trends and emerging technologies that have recently been added to the ITONICS system.
  - Quick access to the ITONICS Knowledge Base where you can find FAQs and best practices to help you get started.

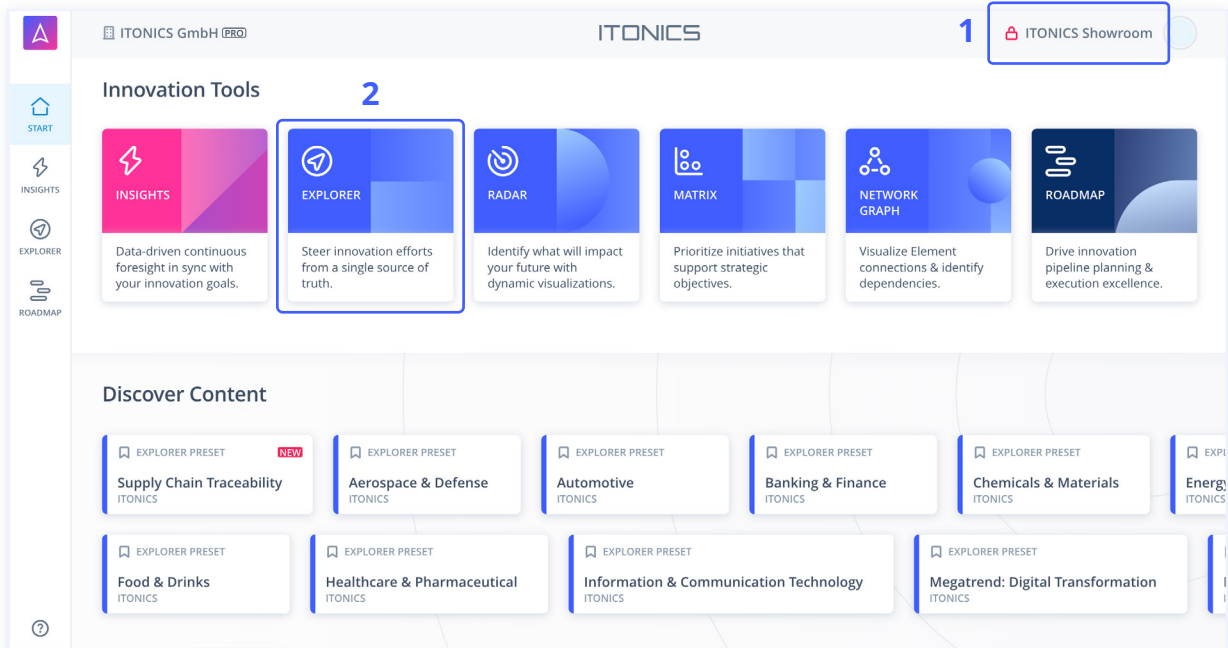


ITONICS starting page

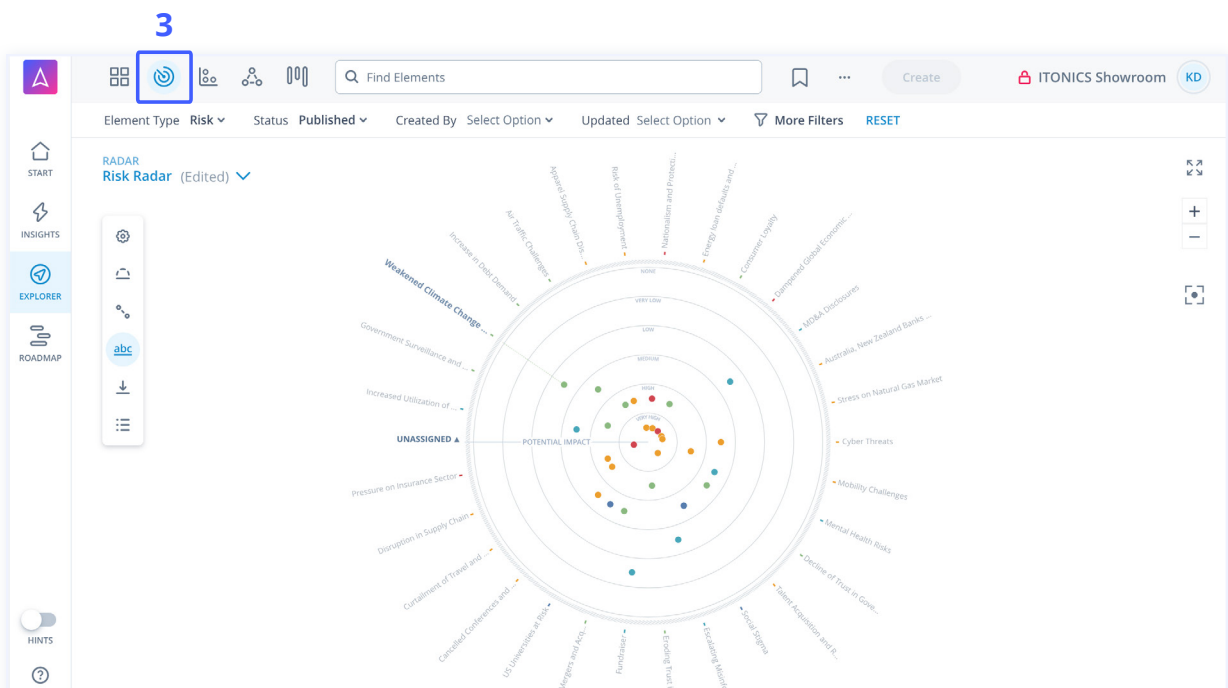


# How to use the Radar for scenario analysis

1. In the ITONICS Showroom (1) workspace, navigate to the Explorer (2) and go to Radar (3).



ITONICS Starting page



ITONICS Radar Overview Page

2. You can click on individual trends, technologies, or risks in the respective radars (1). This will open information in an **element detail card** (2) where you can see: detailed information, the evaluation of the trend, technology, or risk in the rating section, and related signals.

The screenshot displays the ITONICS Radar Overview Page. On the left, there is a sidebar with navigation options: START, INSIGHTS, EXPLORER, and ROADMAP. The main area features a circular 'Risk Radar' with various risk categories around its perimeter, such as 'Weakened Climate Change', 'Government Surveillance and...', 'Increased Utilization of...', 'Pressure on Insurance Sector', 'Disruption in Supply Chain', 'Curtailed Travel and...', 'Cancelled Conferences and...', 'Increased Energy and Tech...', 'Renewable...', 'Economic Impact of...', 'Global Digital', 'Economic Uncertainty and...', 'Mental Health Risks', 'Stress on Natural Gas Market', 'Cyber Threats', 'Mobility Challenges', 'Decline of Trust in Gov...', 'Energy Transition and...', 'Consumer Liquidity', 'Housing and Financial...', 'Energy from Renewables and...', 'Global Economic...', 'Australia, New Zealand Banks...', and 'Digital Disruption...'. A blue box labeled '1' highlights a specific risk element on the radar. To the right, an 'element detail card' for 'MD&A Disclosures' is shown, labeled '2'. The card includes a 'PUBLISHED' status, a description: 'Shareholders and potential investors rely heavily on earnings releases and guidance when making investment decisions. The recent market volatility demonstrates substantial investor uncertainty regarding the severity and duration of the coronavirus. In light of the fast-evolving situation, companies may find it difficult to determine if it is appropriate to provide any updates of companies' strategies and performance to the market.', and a source: 'Source: The Globe and Mail, CFO'.

ITONICS Radar Overview Page

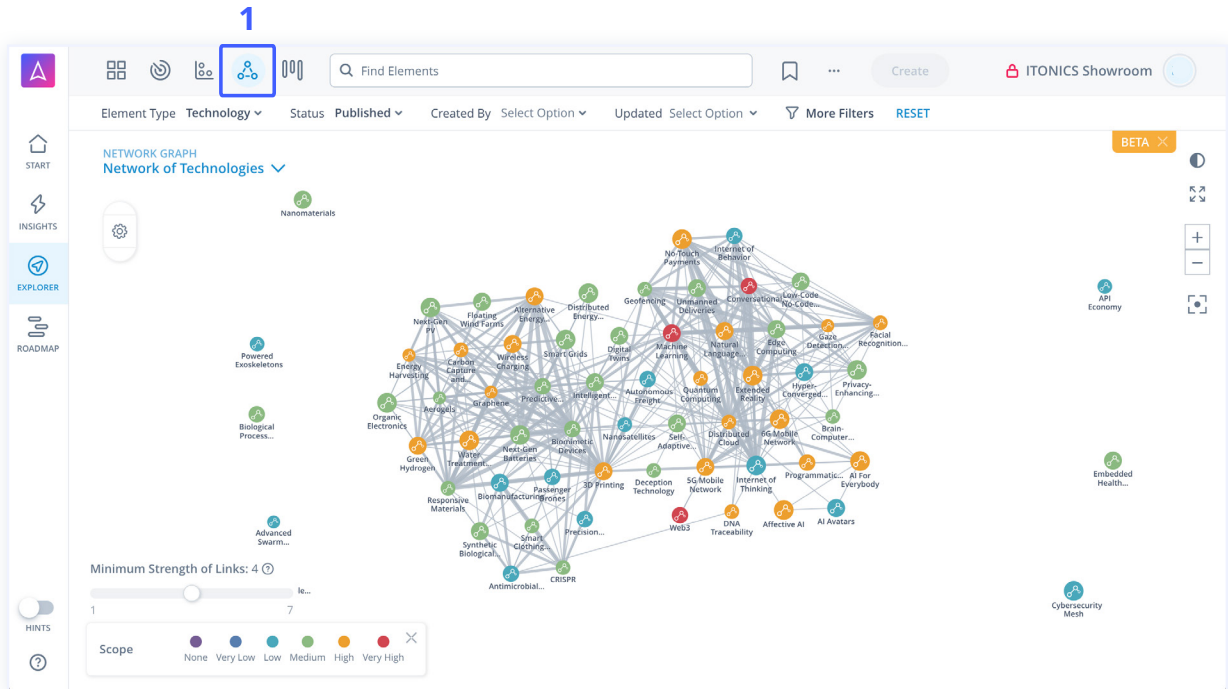
3. To start building your scenarios, **export** the most relevant drivers of change to your own workspace. In your own **workspace**, you can get your internal experts to rate the imported trends, technologies and risks.

Also see: [How to Create Your Trend and Technology Radar in 5 Minutes](#)

The screenshot displays the ITONICS Radar Overview Page in a workspace view. The top navigation bar includes 'Find Elements', 'Create', and 'ITONICS Showroom'. Below the navigation, there are filters for 'Element Type Risk', 'Status Published', 'Created By Select Option', 'Updated Select Option', and 'More Filters RESET'. The main area shows a grid of 29 elements. Four elements are visible in the top row, each with a 'RISK' icon and a title: 'Increased Utilization of Force Majeure Clause', 'Government Surveillance and Reduced Privacy', 'Weakened Climate Change Action and Investment', and 'Increase in Debt Demand'. Each element card includes a brief description, related tags (e.g., 'force majeure', 'read smith', 'privacy', 'surveillance', 'clean energy', 'climate change action', 'business revenue', 'debt bubble'), and the source '3 Years Ago by ITONICS Content'. The bottom row shows four more elements with images, but they are partially obscured.

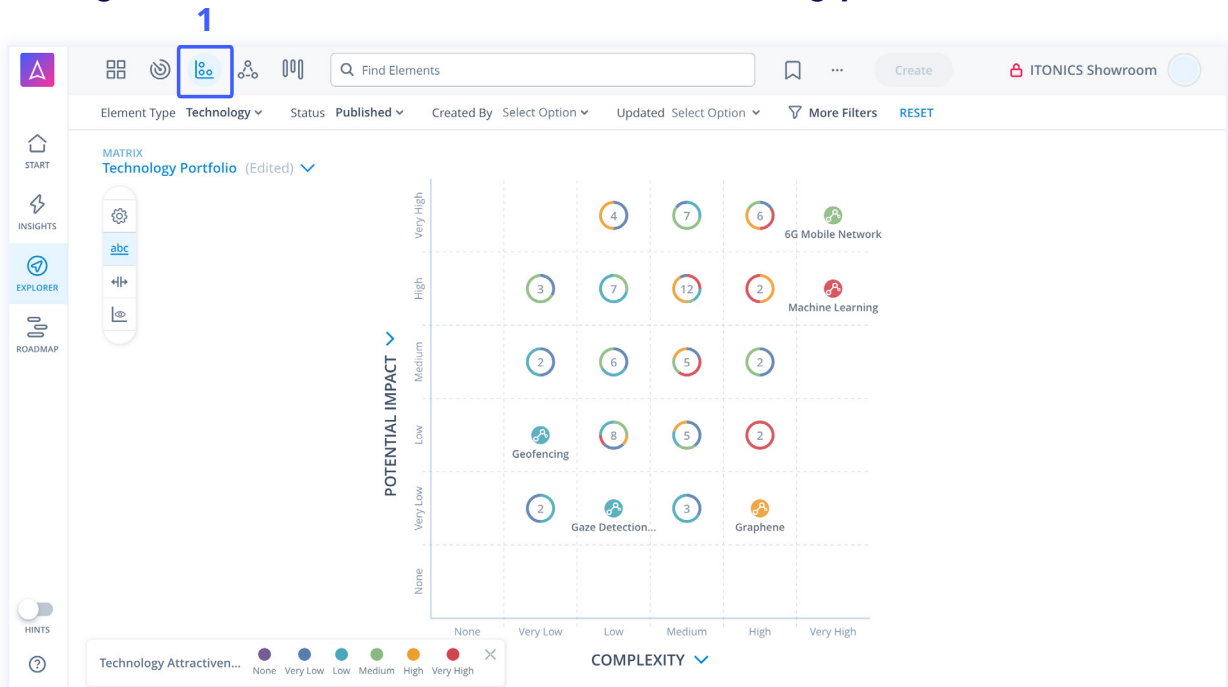
ITONICS Radar Overview Page

4. Navigate to the network graph (1) to see the relationships between drivers of change to help you build scenarios. Remember that a scenario is a combination of key factors that will happen at the same time in the future.



ITONICS Network Graph

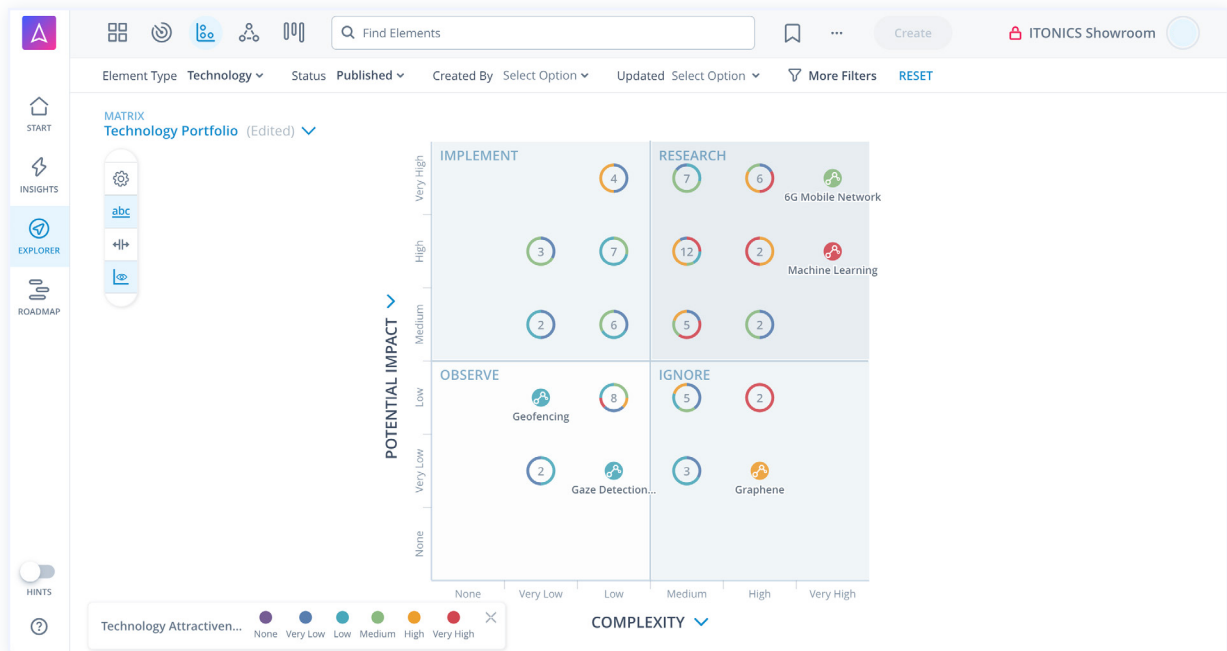
5. Navigate to the Matrix (1) to now start building your scenarios.



ITONICS Matrix

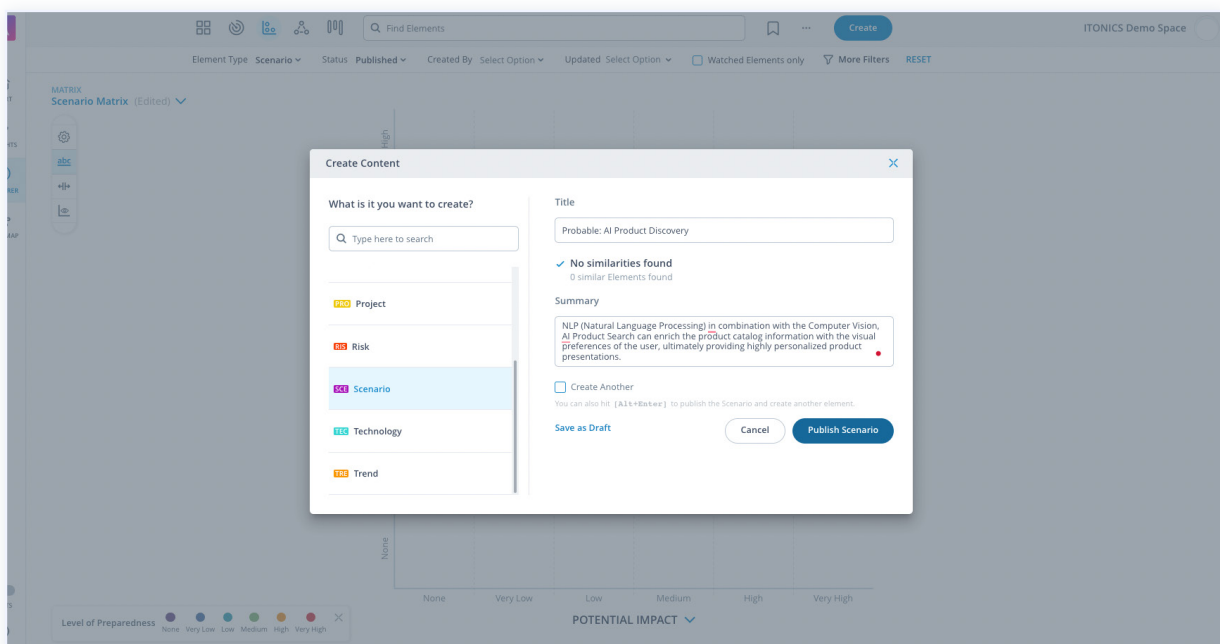
# Build scenarios

1. In the Matrix, you can plot the different drivers of change to quickly understand how different drivers of change is likely to influence your organization.



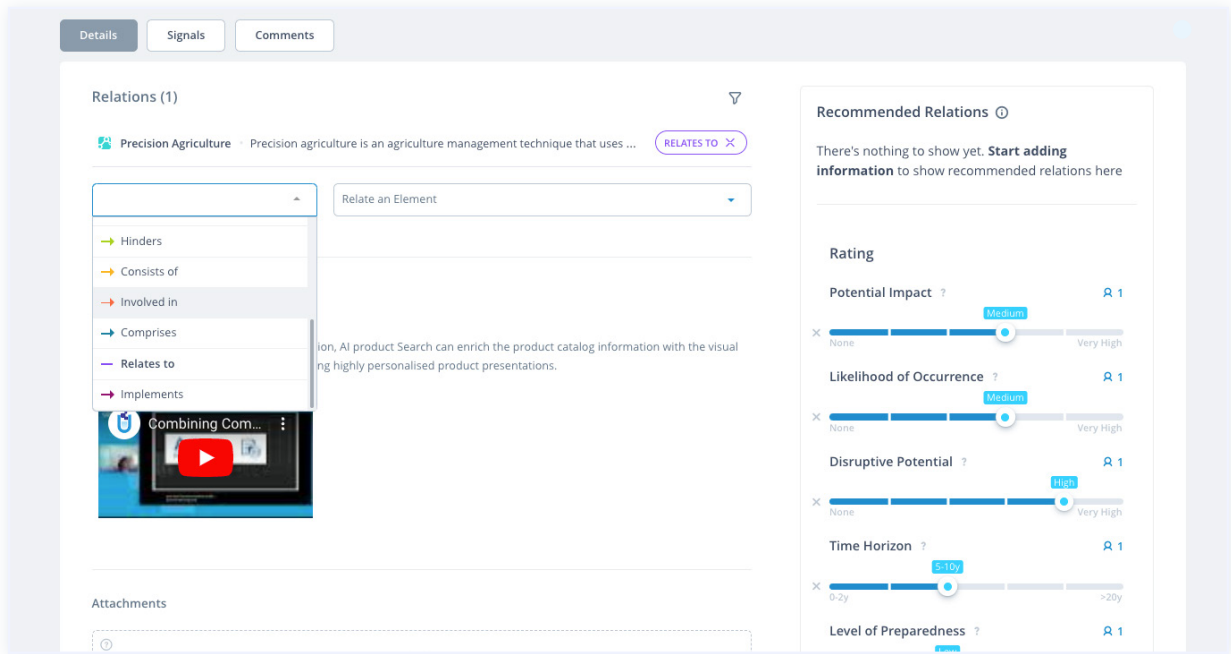
ITONICS Matrix

2. Once you are ready to save a scenario, you can click on the Create button and select Scenario. You can set up a Scenario **element and configure it** to your liking by using the element configuration. Add a title and description to illustrate what the scenario is about, then publish it.



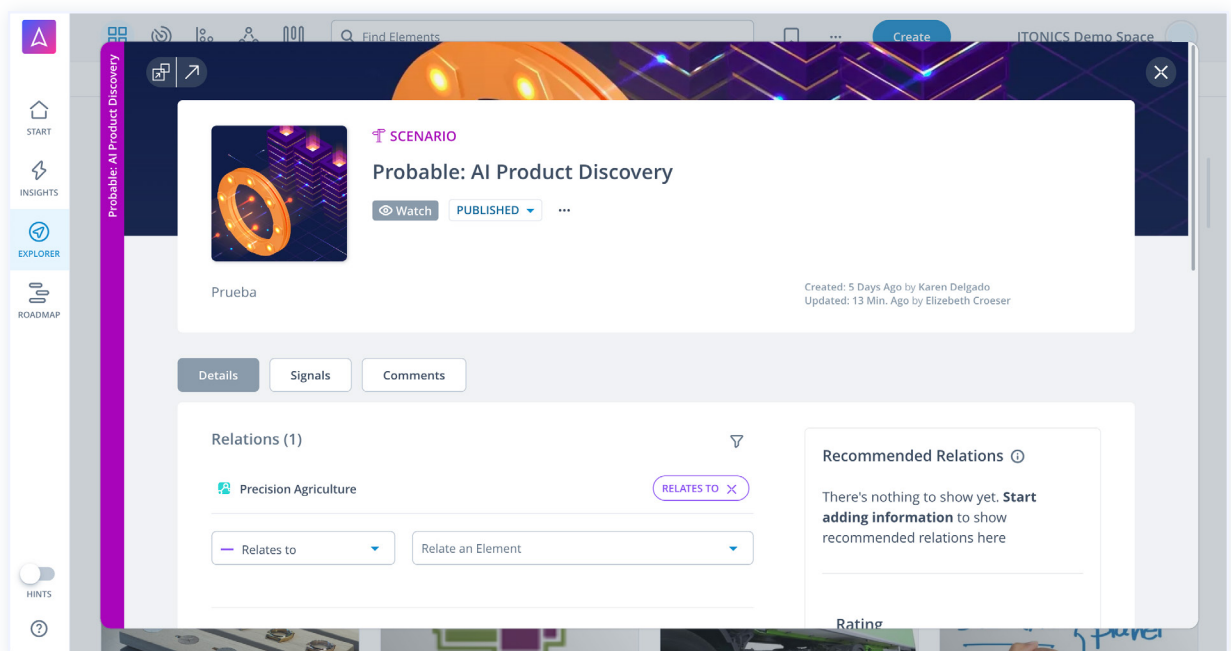
Scenario space Matrix

3. Now, you can add additional information to your newly created scenario element to provide a more comprehensive view on what the scenario is, and which trends, technologies, and risks relate to the scenario. Besides relating trends, technologies, and risks, you can also relate other element types to the scenario, for example, projects, or competitor.



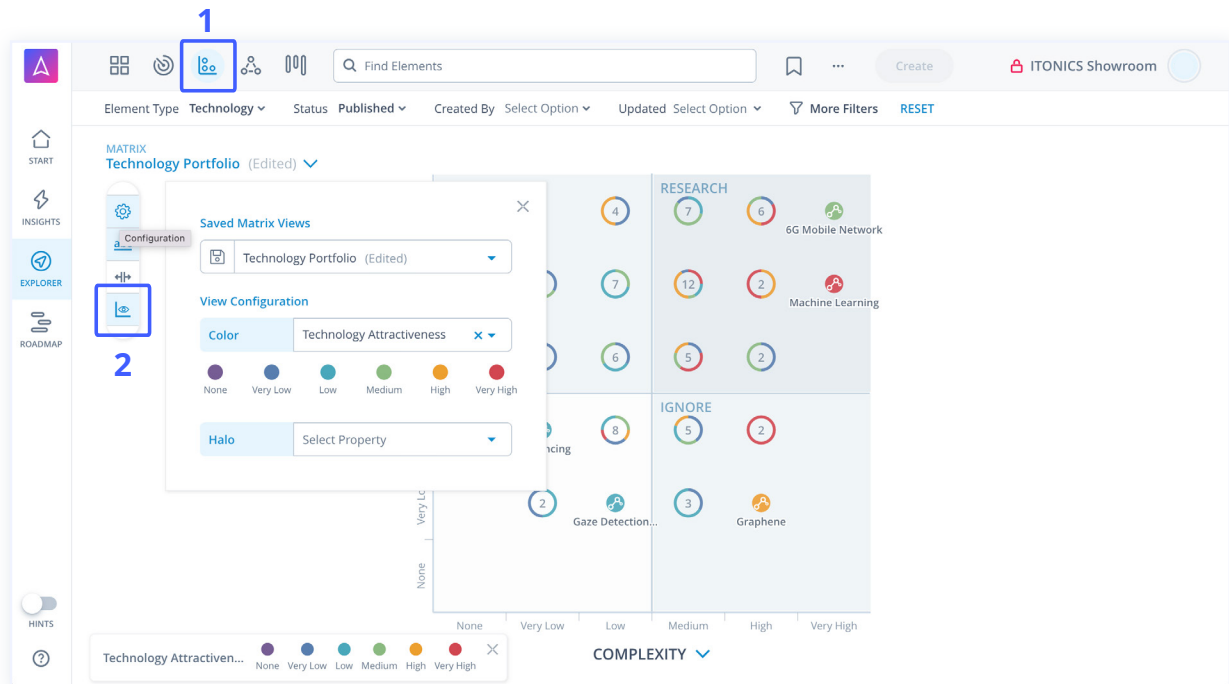
ITONICS Scenario

4. Evaluate the scenario based on different criteria such as Potential Impact or Likelihood of Occurrence. Pro-Tip: You can also open the element in full screen in a new tab.



ITONICS Scenario

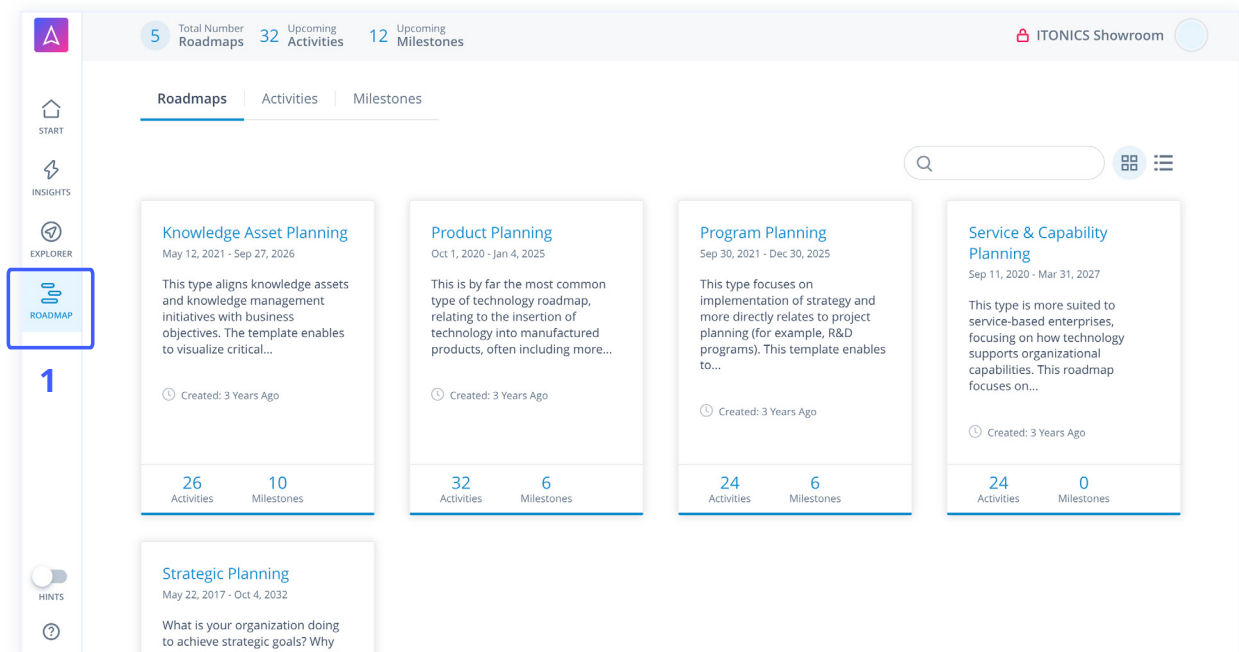
5. Once you have saved and rated your scenarios, you can map them on the Matrix (1). Click on the Show/Hide Zones (2) to see the actions you should consider, based on the scenario evaluations.



Recommendations for action for your Scenarios

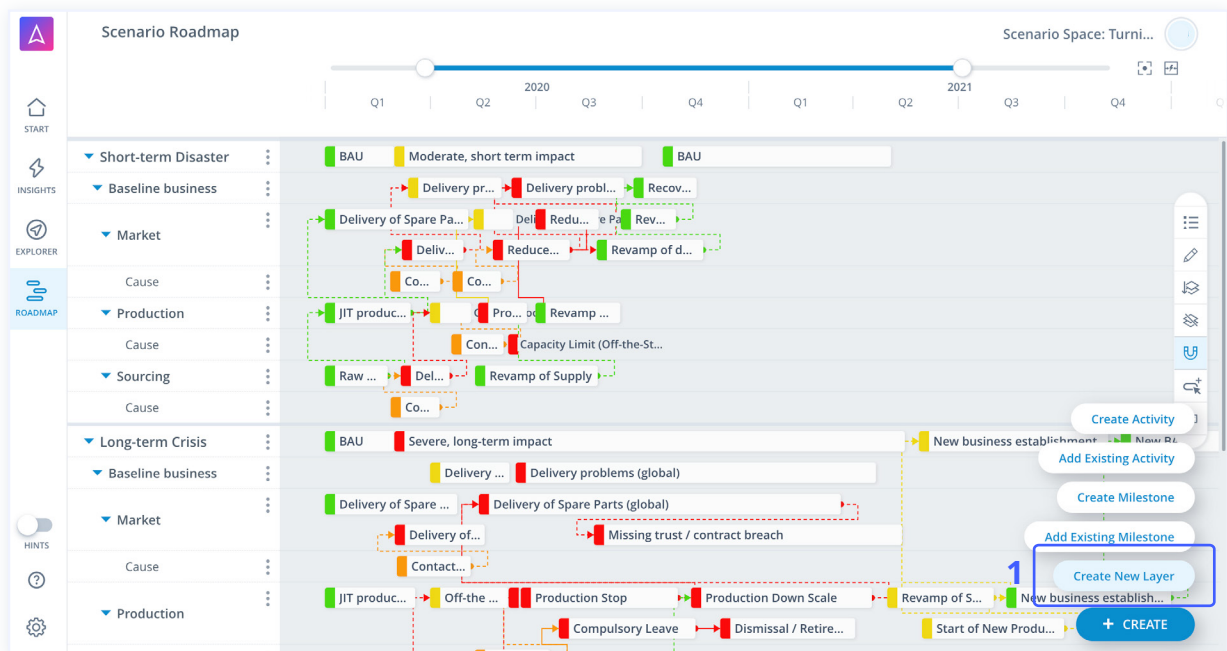
# Link scenarios to your business

## 1. Navigate to the Roadmap feature to set up a scenario impact roadmap (1).



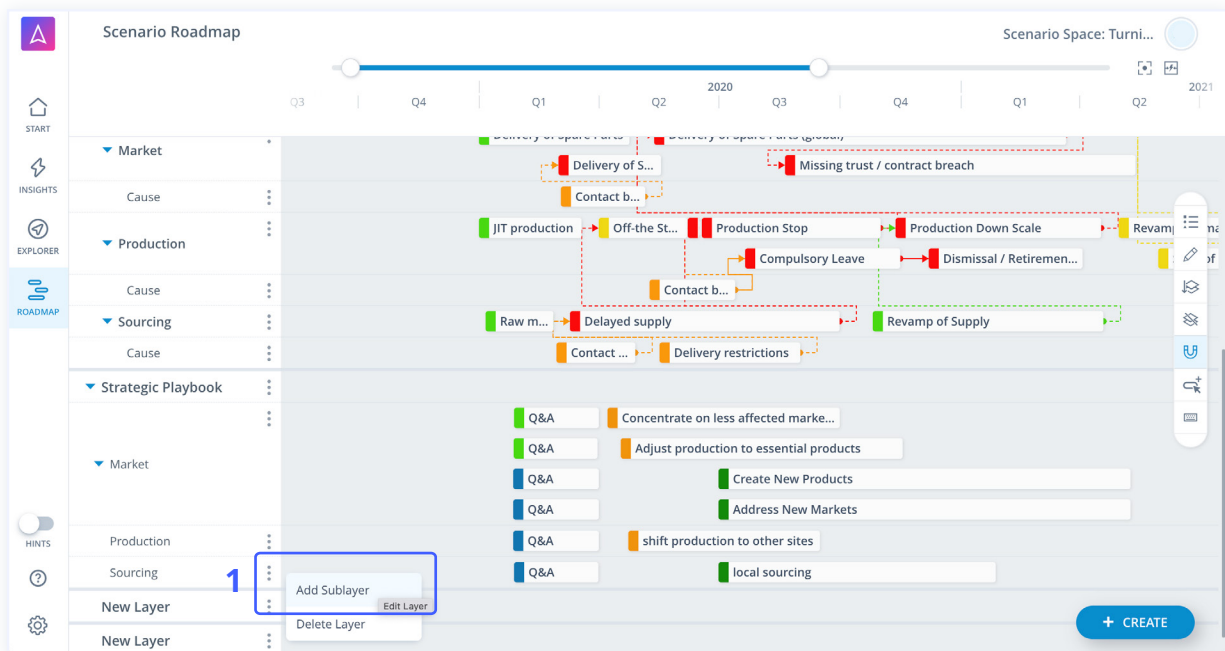
Scenario Impact Roadmap

## 2. Create a layer (1) for each scenario that you would like to map.



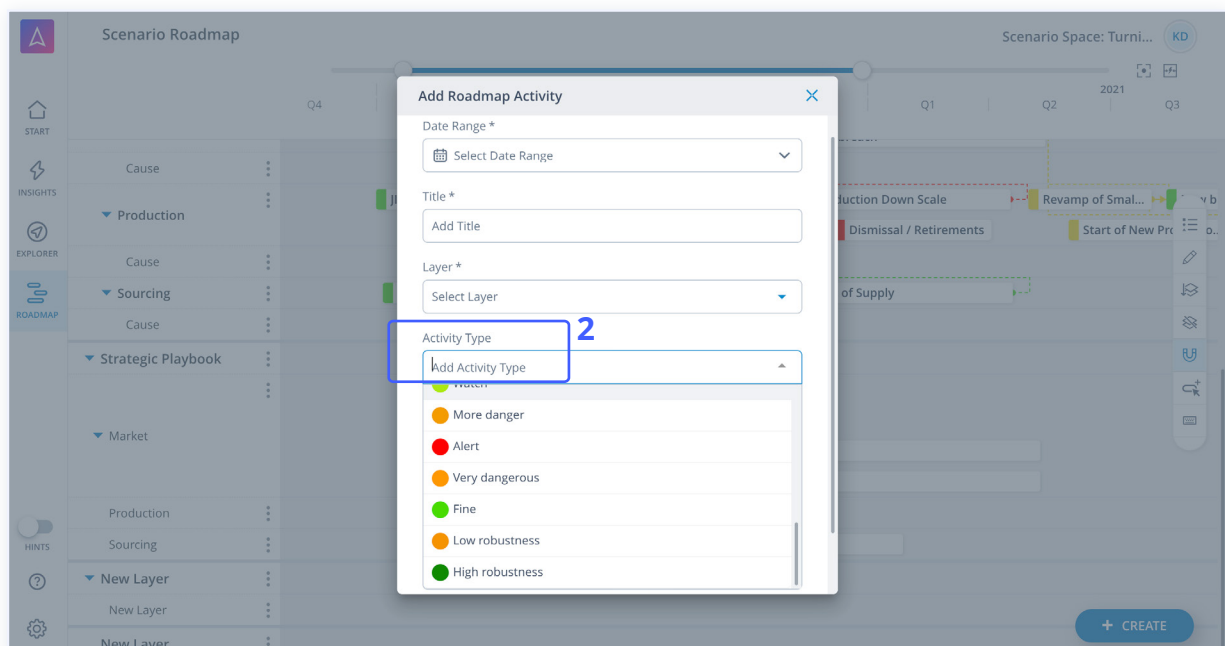
Scenario Impact Roadmap

3. Now, create sublayers (1) to reflect the market/customer, production, and resource/sourcing perspectives. This will help to give you a holistic view on your business.



Scenario Impact Roadmap

4. Now add the concrete business activities (2) to see when critical points will occur. Use different colors to help you quickly see what needs attention, i.e., green = Fine, yellow = Danger, orange = Very Dangerous, red = Alert. If things change over time, you can easily adjust durations or color codes.



Scenario Impact Roadmap

**Your first Scenario Impact Roadmap is set!**



## Have more questions?

### Contact us

If you have questions or need further assistance, get in touch with our experts.

To discover more about how ITONICS can enhance your foresight capabilities, schedule a demo with us today.

[Get a Demo](#)[Let's Chat](#)

#### Dr. Tassilo Henike

Director of Customer Innovation Success

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## About ITONICS

We are a leading Software-as-a-Service provider of systematic innovation management, serving organizations of any size and public institutions globally. Due to increased comprehensiveness, speed, and accuracy in analyzing data, our Innovation Operating System eases decision-making and increases efficiency as well as effectiveness.

The ITONICS Customer Innovation Success Management Team supports organizations in developing innovation management capabilities, creating growth trajectories, benefiting from our software solutions, and bringing innovation projects to work with long-term impact.

ITONICS is a trusted partner of global innovation leaders such as adidas, AUDI, Toyota, Mondelez, Intel, CISCO, Johnson & Johnson, and KPMG.



## Strategic Approach

The ITONICS methodology and tools link strategy, innovation, and execution and can be managed by teams and organizations of all sizes.



## Partnership for Excellence

Our best practice workshops, periodic health checks, benchmarks, and training sessions guarantee sustainable and world-class innovation management.



## Global Engagement

We manage and operate global innovation challenges and enable worldwide technology and trend scouting projects. You can trust our vast cross-industry experience.



## Trust

Protecting your data assets is one of our major obligations. Getting certified in our ISO/IEC 27001:2017 underlines this ongoing endeavor.

## ITONICS is globally trusted by



**BOSCH**



**AEROSPACE**

**intel**

**THALES**



Discover more at [www.itonics-innovation.com](http://www.itonics-innovation.com)

