

[illegible]

Pitfalls of Strategic Planning

- **Narrow**

- ⇒ *Short-term, forecasts & numbers dominate, misses significant trends*

- **Political**

- ⇒ *Top-down processes that drive out diversity*

- **Incremental**

- ⇒ *Rarely radical or inspiring*

Addressing the Pitfalls: Narrow

Creating Peripheral Vision: Scenario Planning

Some advantages of scenario planning

- Multiple scenarios weaken 'official corporate future'
- Scenarios as narratives weakens dominance of numbers
- Generates conversations that deepen understanding & increase sensitivity to shifts
 - Minority views gain legitimacy when the group must consider multiple futures

A good scenario has the following characteristics

- reasonable to a critical mass of decision-makers;
- internally consistent;
- relevant to the topic or issue of interest;
- recognizable from early and weak signals of change;
and
- challenging, as it contains some elements of surprise or novelty in directions where the organization's vision needs to be stretched.

Scenarios

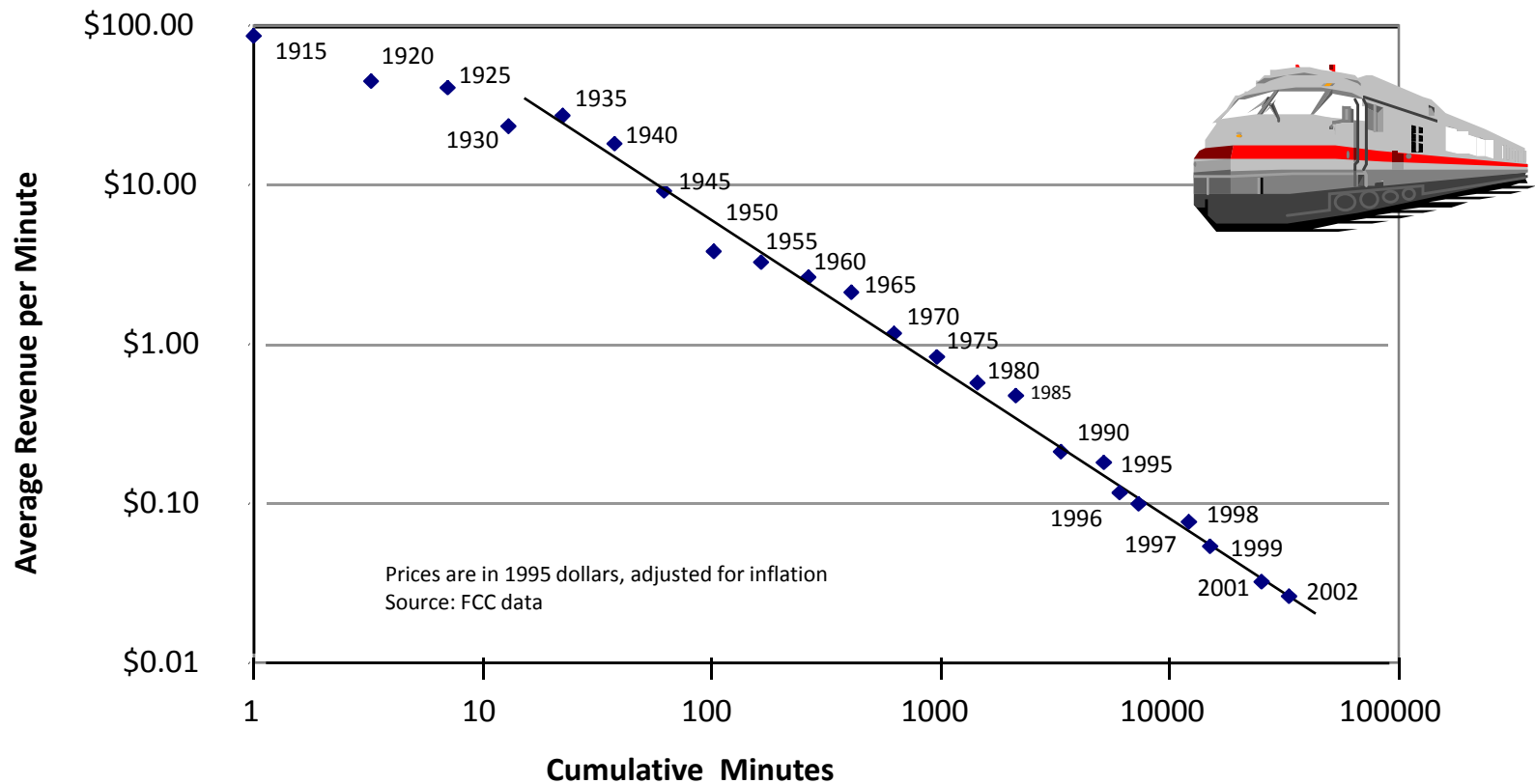
- Are interesting stories that capture a related set of contingencies in the future
- They are NOT the most likely outcome, which may be closer to the middle of the “scenario space”.
 - They anchor the extremes in stories that people remember easily.

Sometimes, even when the vision is broad enough...

AT&T 1993



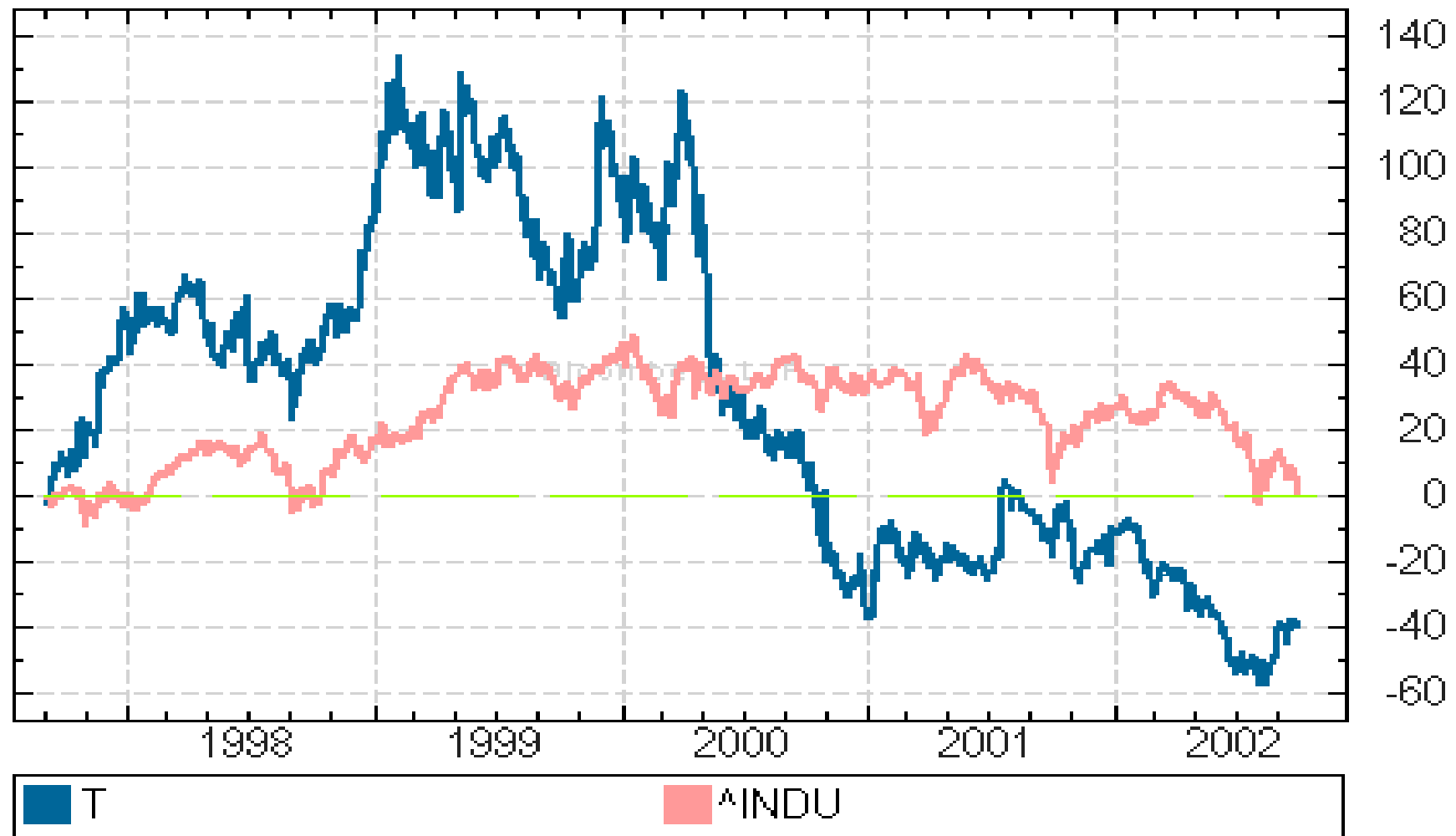
The cost of a U.S. long-distance call.



“AT&T’s strategy is sound. We know that because of the many other players in the marketplace with the same strategy.”

Rick Miller,
CFO,
Sept 25, 1996
AT&T Today

AT&T Strategy Failure



Pitfalls of Strategic Planning: Narrow



"What we didn't have but obviously needed was an alarmist."