Planning for the Future(s)

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About GBN

Global Business Network, a member of the Monitor Group, is the most significant centre for scenario thinking and the management of future uncertainty

The Practice

• Founded in 1987 by former members of Shell Oil’s famous Group Planning team
• The most significant source of thought leadership on scenario planning and managing uncertainty
• The largest, dedicated scenario planning practice in the world

Past & Present Members & Client Organizations

Over 20 years of scenario planning experience across a wide range of industries

• 150 of the top Fortune 500 companies
• Highly influential government agencies
• America’s largest private foundations
Decades of experience in helping organizations deal with the uncertainties and opportunities around climate change, sustainability, and clean energy technologies
- Dates back to Shell in 1980s and global climate change models in the 1970s
- Project work for Fortune 500 clients in consumer packaged goods, electric power, oil/gas/alternative fuels, transportation, infrastructure, and logistics
- Multi-stakeholder government projects related to climate change
  - Includes: Strategic Energy Management (EPA - EnergyStar), Mobility 2030 (World Business Council on Sustainable Development), The Future of Arctic Marine Navigation (The Arctic Council), President’s Council on Sustainable Development

Select Historical Publications

- Environmental Technology: Integrating the Environment into Business
  - 1991
- Sustainability
  - 1999
- US Energy Scenarios (Pew Center on Global Climate Change)
  - 1999
- An Abrupt Climate Change Scenario (Dept. of Defense)
  - 2003
- Impacts of Climate Change: A System Vulnerability Approach
  - 2007
Broader Systemic Uncertainty around Climate Change & Sustainable Development

We have seen a growing interest in understanding the broader, systemic consequences of climate change on a range of different facets of life:
Typical Responses to Future Uncertainty

**Denial**
- Oversimplify
- Express false confidence
- Don’t discuss
- Don’t look up

**Paralysis**
- Plan for everything
- Wait and see
- Don’t discuss
- Don’t look up
Core Principles of Scenario Thinking

- take the long view
- use outside-in thinking
- encourage a diversity of perspectives
Scenarios – Sense-Making, Versus Data Gathering

Observable Data, Trends, and Events

Commonly Understood Assumptions, with Explicit Alternatives

SCENARIO PLANNING

Option A

Option B

Option C

Story A

Story B

Story C
Scenario Planning: Diverging Before Converging

- More time developing logic hypotheses, before data and modeling
- Looking in new places
- Space for a new / alternative ideas
Framework for Climate Change and Development Planners & Policy Makers

**Diagnostic**

- Economic Structure and Competitive Position
- Assess carbon footprint
  - Structure and Trajectory
  - Key Leverage Points
- Inventory of current policy options and frameworks
  - International Benchmarking
- Economic Analysis
  - Possible impacts on business sectors and consumers
  - Cost Abatement Curve

**Long term Impact Scenarios**

- Current Capability Assessment
- Assessment of International Positioning

**Strategy Development**

- Senior Political Leadership and Cross Functional Responsibility
- Definition of Goals and Aspirations
  - Target Setting
- Integrated Strategy Formulation
  - Opportunity identification
  - Trade-off assessment
  - Initiative prioritization
- Policy Choices by Government
  - Financial Impact Evaluation
- International Positioning Choices

**Capability Building and Implementation**

- Initiative implementation plan
- Metrics and tracking method/tool identification
- Technical skills / capability building (if required)
- Policy management
- External positioning and communication
Scenarios Can Deepen Understanding of Complex Issues & What to Do
Acting on Climate Change Business Leader Workshop (2007)

“Solidarity in Crises”
Catastrophic natural events cause different regions to see climate change as a common, urgent problem
Multi-lateral frameworks to quickly reduce carbon impact, anticipate and prepare for disruptive effects
Investments in relatively well-established mitigation technologies with high chance of immediate impact; R&D also targeted at adaptation solutions
Consumer behavior changes due to more stringent regulations and compulsion

“Kyoto 2.0”
Common, gradual solutions to transition economies to a low carbon world
Common emissions targets, global carbon price
Consumers see issues being solved through policy and regulation
Market prices drive international investment in breakthrough technologies

“Survival of the Fastest”
More scientific evidence and climatic events suggest heightened urgency, but there is little integration and alignment in the international political response
Urgent solutions developed due to local threats, circumstances and capabilities; local winners favored
Frustrated, impatient consumers and a media frenzy create widespread lifestyles changes and bottom-up activist movements

“Many Shades of Green”
Many disparate approaches adopted to deal with a high carbon world, with BRIC nations less active
Variation in perspectives, philosophies and approaches between Europe, US, China and others
Climate change vies with other issues as a priority for many countries
Consumer behavior changes only slowly

Perception of Response Window

Coherence of Global Response

Less aligned

More aligned

5-10 years

20+ years

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Scenarios on the Future of Arctic Marine Navigation in 2050

**Arctic Race**
High demand and unstable governance set the stage for a “no holds barred” rush for Arctic wealth and resources.

**Arctic Saga**
High demand and stable governance lead to a healthy rate of development that includes concern for the preservation of Arctic ecosystems and cultures.

**Polar Lows**
Low demand and unstable governance bring a murky and under-developed future for the Arctic.

**Polar Preserve**
Low demand and stable governance slow Arctic development while introducing an extensive eco-preserve with stringent “no-shipping zones”.

GOVERNANCE

- unstable & ad-hoc
- stable & rules-based

RESOURCES & TRADE

- more demand
- less demand
Future Scenarios for the Development of Central America
“Scenarios can be successful in structuring uncertainty only when ... they change the decision maker’s assumptions about how the world works and compel him to change his image of reality. This is different—and more—than simply designing good scenarios.”

—Pierre Wack:

“Scenarios: The Gentle Art of Reperceiving”