

SCENARIO PLANNING

CONFIDENT
DECISION MAKING FOR AN
UNCERTAIN FUTURE

A CASE STUDY OF RMIT UNIVERSITY

Jester
strategy



EXECUTIVE SUMMARY

- For leadership teams, strategic planning regularly becomes a drawn-out and tiring process, resulting in a strategy that is perceived as a compromise lacking imagination and enthusiastic ownership.
- Getting alignment on what the future operating environment of the organisation might look like often proves to be an early stumbling block, diluting the rest of the strategic planning process as it gravitates towards “yet another business-as-usual document.”
- This case study provides an overview of how RMIT University’s Research & Innovation Portfolio used scenario planning over the course of six weeks in May-June 2019 to:
 - Explore a range of relevant and plausible futures for their organisation;
 - Create a shared understanding about that future operating environment; and
 - Gain alignment on the path forward.
- The outcomes produced by the team at RMIT University included:
 - Key trends shaping the future operating environment;
 - A range of relevant and plausible future scenarios;
 - Options that address the challenges and capture the opportunities that the range of futures present the organisation with; and
 - A selection process that resulted in ‘pressure-tested’ strategic options to build a robust longer-term strategy.
- Ultimately, the facilitated scenario planning process creates alignment about the future, allowing decision-makers to converge on crucial assumptions and choices. This lifts the focus and productivity of the strategic planning process, resulting in confident decision-making and tangible progress – invaluable for leaders tasked with the charting the future of their organisation.



TESTIMONIALS



Prof Calum Drummond AO

Deputy Vice-Chancellor Research & Innovation
and Vice-President

"We were looking for a different approach to our regular five-year planning process. Jester Strategy was able to bring our diverse team together to stretch our frame of reference and pressure test the assumptions that underpinned our strategy. This was exactly what we were looking for and certainly not business as usual!"



Jane Holt

Executive Director, Research Strategy and Services
(Project sponsor)

"Jester Strategy worked seamlessly with our team and stakeholders to understand our needs and create a tailored scenario planning solution. Sander was focused on engaging in a high energy and collaborative way throughout the project. We found their approach to be uniquely engaging and inclusive; delivering quality results beyond our requirements."



Prof Swee Mak

Associate Deputy Vice-Chancellor
(Research Capability) and Professor of Innovation

"We thoroughly enjoyed working Sander. It was a great process and quality delivery; and all within a tight timeframe."

THE CHALLENGE

Educating close to 100,000 students per year, while ranking in the global top 250 for its excellence¹ means that RMIT University is truly one of Australia's leading universities. The university's Research & Innovation Portfolio (R&I Portfolio) has been performing well, achieving the targets that it has set out for itself in recent years.

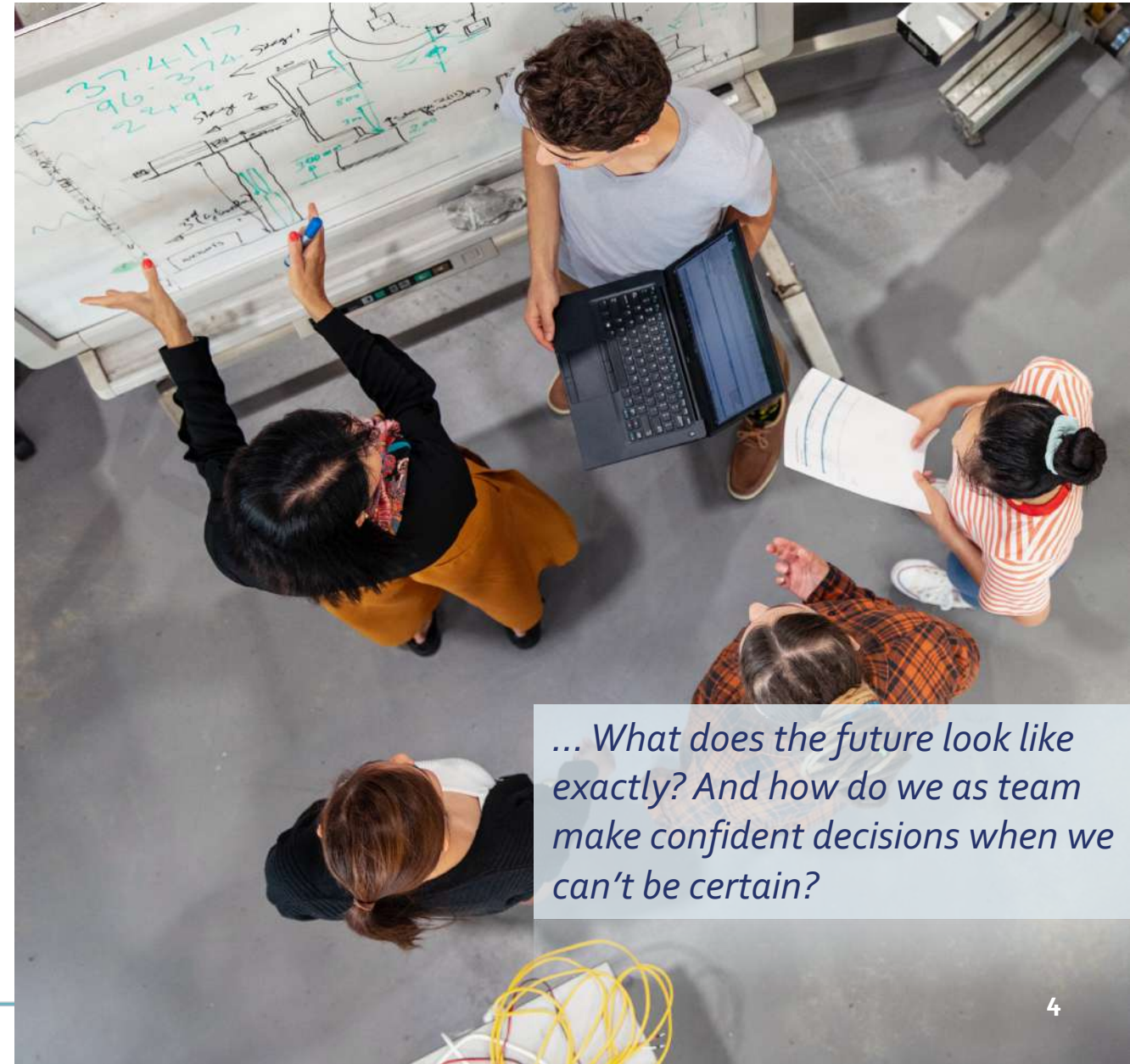
In 2019, although performing well, the leadership team was well aware that the world is changing and that the R&I Portfolio can't plan for 'business as usual' if it is to continue to thrive in a changing future.

But what does that future look like exactly? And how do we as a leadership team make confident decisions when we can't be certain?

To tackle these questions in its strategic plans, the leadership team needed to get a better understanding – *and align as a team* – on what the future environment could look like in which it is looking to create real and beneficial impact through its research and innovation activities.

And to do that well, the strategic planning process needed to embrace the diverse perspectives and expertise of the broader team that makes up the R&I Portfolio at RMIT University.

¹ <https://www.topuniversities.com/universities/rmit-university>



... What does the future look like exactly? And how do we as team make confident decisions when we can't be certain?

OUR SOLUTION

Although an indispensable part of strategy development, we refer to scenario planning as 'pre-strategy'; i.e., before developing your strategy, let's first get a better and *shared* understanding (alignment) of what your future operating environment might look like in which you will have to execute your strategy and achieve your objectives.

For leadership teams, this often proves to be the hardest part in the strategic planning process – and it's where strategy meetings frequently get stuck. Equally, when they get this part of the process right, it is where real gains are made, significantly lifting the focus and *productivity* of their strategic planning.

For leadership teams, getting alignment on what the future operating environment might look like often proves to be the hardest part in the strategic planning process – and it's where strategy meetings frequently get stuck

The big question then becomes; what does our future operating environment look like?

The old Arab proverb that "*those who predict the future lie, even if they tell the truth*" goes to the core of scenario planning: no one can accurately predict the future.

Rather than predicting, scenario planning is about exploring extreme, yet *relevant and plausible* futures that your organisation might be faced with. It is based on a solid process and rigorous analysis, and at SJS Strategy we believe that the best scenario planning takes place when that process is engaging and embraces diversity. This means that the scenarios are co-developed by and with the staff of the organisation – after all, they are at the coalface of their industry.

By collectively developing scenarios, alignment about the future is created, allowing decision-makers to converge on crucial assumptions and choices. The result is confident decision making and tangible progress – something that is invaluable for leaders tasked with leading their organisation into the future.

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To help leaders do this, and to fast-track their strategic planning, we have developed the scenario planning *Sprint*. This is a rapid, yet thorough and engaging process that includes two online surveys leading into a one-day workshop; an undertaking that is completed in a matter of weeks, rather than months. The alignment and focus that the *Sprint* creates turbo-charges the rest of the strategic planning process.

For the engagement with RMIT's R&I Portfolio, the two online stakeholder surveys took place in May 2019. The subsequent one-day workshop with the leadership team in June built on the survey results to develop the scenarios and the subsequent strategic options that are essential to scenario planning.

Key to the success of the engagement was that the process was inclusive, challenging, creative and inspirational, leading to results being developed – *and owned* – by the people that ultimately will be executing and delivering on the outcomes.

Figure 1 below provides an overview of the steps that make up the scenario planning *Sprint*.

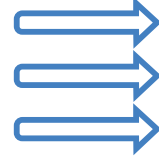
STEP 1



Determine the scope

- What is the focal question that we are trying to answer?
- What is the time horizon?
- What are the boundaries?
- Who are relevant stakeholders?

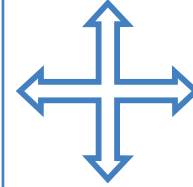
STEP 2



Explore the external environment

- What are the trends – both macro and industry specific – that the organisation has no influence over, but which shape the future operating environment that your organisation will find itself?

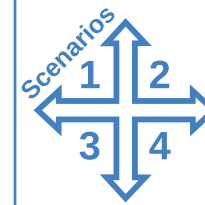
STEP 3



Establish key uncertainties

- Of these trends, which are the ones that are most uncertain, and will have the biggest impact?
- These two key uncertainties ('change drivers') form the scenario framework

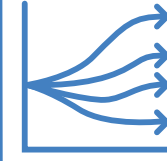
STEP 4



Develop the scenarios

- Once the scenario framework has been developed, one can detail the scenario stories; what could be the causes of the scenarios, and what are the characteristics of each scenario?

STEP 5



Generate and validate strategic options

- Once the scenarios have been developed, one can identify the key challenges and opportunities, as well as strategic options to address the challenges and capture the opportunities

Figure 1: The five steps of the scenario planning *Sprint*

THE OUTCOMES

OUTCOME

01

Key trends shaping the future of research and innovation at RMIT University

The broader R&I team as well as key RMIT stakeholders explored the trends that will shape the environment in 2030 in which RMIT will need to conduct its research and innovation activities. A total of 24 trends were identified, including trends such as 'The Rise of the Gig Economy', 'The New Political Divide', 'The Changing Funding Mix for Research' and 'The Rise of EdTech as an Education Contender'.

For a selection and brief description of these trends, please refer to [the extended RMIT case study](#)





OUTCOME

02

Scenarios: a range of relevant and plausible future operating environments of RMIT University

Out of the 24 trends, the two key uncertainties ('change drivers') were selected to form the scenario framework.

The scenarios that resulted from the framework sketch a range of futures for RMIT's R&I Portfolio that are:

- **Divergent:** they differ from one another in significant ways
- **Challenging:** they challenge beliefs and assumptions and present fundamental challenges to the organisation's status quo
- **Relevant:** they highlight key challenges and dynamics of the future as they relate to the organisation
- **Plausible:** they are logical, consistent and believable

For a high-level overview of the scenarios of the operating environment of RMIT's R&I Portfolio in 2030, please refer to the [extended RMIT case study](#).

'Pressure-tested' strategic options

By exploring a range of the most relevant and plausible futures, not only did the team meaningfully escape 'business as usual' planning; they gained new and credible insights. Armed with these insights the team used an options identification framework to collectively identify the implications that each future scenario represents for the university in order to formulate options to address the challenges and capture the opportunities.

Once these options were generated for each scenario, the team then 'pressure-tested' these options under each of the four scenarios to assess how robust (future-proof) they are. In scenario planning, this is referred to as 'windtunnelling'.



Although the specific outcomes cannot be shared, the strategic options that emerged for RMIT's R&I Portfolio were themed as follows (in no particular order):

**Collaboration &
Partnering**

**Flexibility &
Adaptability**

**Cross-disciplinary
Initiatives**

**Ethics, Trust,
Identity & Culture**

**Proactive Talent
Management**

For an overview of the 'options identification framework', please refer to [the extended RMIT case study](#).

As soon as the alignment is established [...] the immediate and palpable boost in the focus and productivity of the strategic planning process creates a clear path forward, allowing the leadership team to make confident decisions when the time has arrived to take action.

OUTCOME

04

A confident path forward

Establishing early on the fact that no one can predict the future means that the scenario planning process provided a safe environment that harnessed the divergent insights, experience and expertise of the broader R&I team at the university. This brought a richness and diversity that prevented 'business as usual' thinking, providing a platform for decision-makers to think more broadly and constructively challenge the organisation's 'official future'.

Ultimately, scenario planning is about creating structure in uncertainty – you can't eliminate uncertainty, but we can create structure in it. As such, the Sprint process facilitated a deeply strategic dialogue that allowed the decision-makers to converge on what it is that makes the organisation truly unique and what its role might be in a changing world.

As soon as this alignment is established – and this is one of our great joys as scenario planners – the immediate and palpable boost in the focus and productivity of the strategic planning process creates a clear path forward, allowing the leadership team to make confident decisions when the time has arrived to take action.

The outcomes from the scenario planning *Sprint*, and the insights gained during the process, have been incorporated in the strategic plans of RMIT's Research & Innovation Portfolio and are helping the organisation confidently navigate the future.



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