



- PARTNER FOR THE UNEXPECTED -

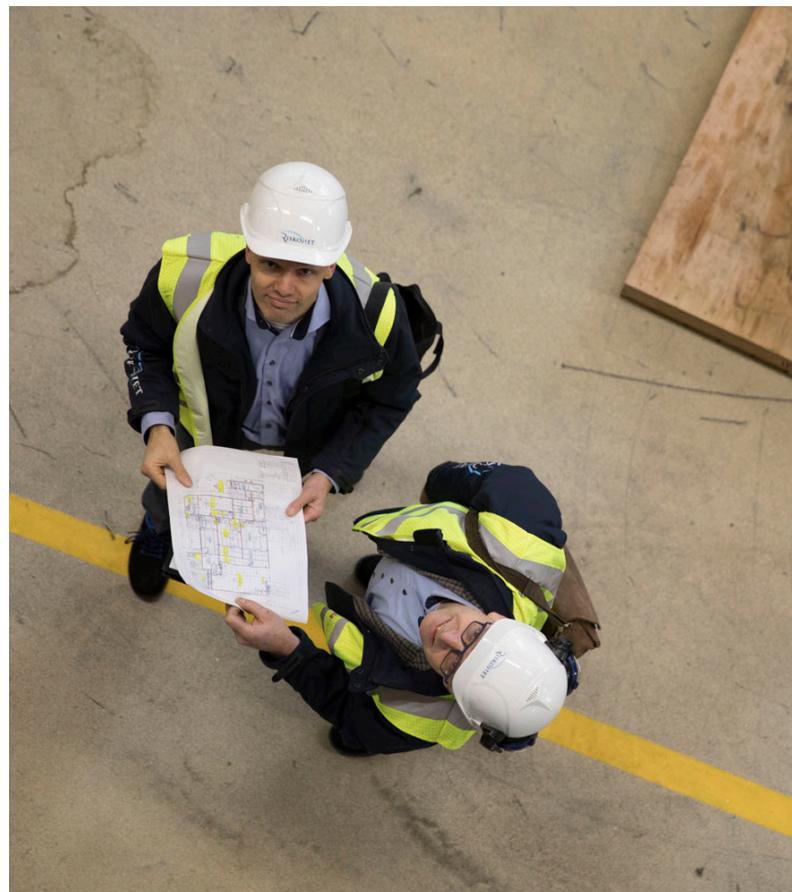


THINKING AHEAD IS A MUST IF YOU WANT
TO ANTICIPATE RISKS AND OPPORTUNITIES BEFORE
THEY APPEAR ABOVE THE HORIZON

SCENARIO-BASED PLANNING: LOOKING AHEAD, AT C-LEVEL

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INTRODUCTION

SCENARIO-BASED PLANNING DURING STRATEGY DEVELOPMENT: RISKS AND OPPORTUNITIES

Looking ahead is a must for entrepreneurs. Some are very good at it; and they are the ones that will identify opportunities and challenges in good time. In the context of the recent pandemic, and exacerbated by staff shortages and the increasing vulnerability of supply chains, planning for tomorrow has become more important than ever.

And this also applies to your organisation. While it's nice to see an unexpected alternative road when your planned route turns out to be blocked, are you really seeing all the possibilities? Do you recognise tomorrow's highways in today's well-trodden paths, for example? And what about those unthinkable – but not impossible – developments that could confront you in the medium term? Do you have a plan B, C, or maybe even D, for the risks and opportunities that they might bring?

Scenario-based planning is a crucial element in strategy formation and strategic risk management. It will enable your organisation to expect unexpected surprises when they come. And they will come, because rapid technological innovation won't be stopping any time soon, and turbulence in society is here to stay – assisted by headwinds, or otherwise.

As an entrepreneur, you'll have to anticipate the directions tomorrow's tailwinds will come from. Think like a chess player, preferably 10 steps ahead, sometimes even on several chessboards. You'll have to make scenario-based planning an integral part of strategy development in your organisation.

In this white paper we'll explain what scenario-based planning is, what it can mean for society and organisations, why companies can no longer do without it and how it can work for your organisation in the real world.

This white paper is a co-production of Riskonet and De Ruijter Strategy

Paul de Ruijter has been involved in scenario-based and strategy projects for over 25 years. He has also written a book about strategy development called "Klaar om wenden" (Ready to turn), in which scenario-based planning plays a key role. As well as being an eminent lecturer at Nyenrode University, De Ruijter is also a strategic partner of Riskonet, working closely with, among others, Senior Riskonet Consultant, Gerrit Vink. As co-authors of this white paper they bring together two worlds: those of risk and opportunity. Both these worlds, and the correlation between them, are worth looking at from a strategic perspective, at C-level.



SCENARIO-BASED PLANNING “FOR DUMMIES”

As a manager it's part of your job to look ahead. Some things you can see happening, while others are a natural progression of them. But looking even further ahead, the view tends to get a bit “fuzzy”.

Have you ever considered the kind of situations your organisation could find itself in in future? Being ready, with just a list of individual opportunities and risks, does not make you ready enough. If you really want to benefit from anticipating the future, it's important to combine developments in a more meaningful way – with the aid of modelling and scenario-based planning – into several sufficiently different, coherent images of the future. In other words, scenarios.

BRINGING DREAMS AND NIGHTMARES INTO THE DISCUSSION

Scenarios make the future perceptible. They can help you visualise situations in which the organisation could find itself,

but on which it has no influence. However, if you want to use scenarios strategically you will have to reconcile knowledge and imagination in the organisation. In essence, scenario-based planning is a way of bringing dreams and nightmares into the discussion.

In more and more organisations this form of forward thinking is becoming a permanent fixture on the agenda. But it's important to bear in mind that developing several divergent future scenarios is not an end in itself. It is a way of structuring information and giving it meaning, so that people in the organisation can make more informed decisions.

INSIGHT INTO TOMORROW'S RISKS AND OPPORTUNITIES

In a nutshell: scenario-based planning throws more light on tomorrow's risks and opportunities, enabling you to anticipate developments. It will help you keep your options open, accelerate investments, or to make different choices. To exert influence on the future and perhaps even control it to a certain extent.

And if you get yourself into that situation you'll be sitting on a goldmine. With some ability to influence the future.



SCENARIO-BASED PLANNING: WHY NOW?

The world is changing, with an unprecedented level of turbulence. The pandemic is partly to blame, but other, more longstanding developments, are also at play. Think of the energy transition, for example, driven by climate change. Things are moving so quickly that companies are being forced to accept that their plan A no longer works, and that they need a plan B.

In addition to the pandemic and energy transition, much more is also at play, such as exponential technological progress and an ageing population. The odds in the labour market are stacked against you and there is a dire shortage of technically trained employees.

As a result of all this, companies are no longer charting a course through yesterday's calm waters but doing their best to manoeuvre through permanently rough seas, dotted with icebergs. The trick, of course, is to spot the icebergs in time. "It's no secret that there is a lot of turbulence," says Gerrit Vink, Senior Consultant at Riskonet. "And to keep our planet liveable, we simply have to think more about the long term."

RABOBANK CLEANS UP

By now, scenario-based planning has become the norm among many governments, as well as in the international business community. Even back in 2003, for example, Rabobank was already alerting senior management of a looming mortgage-crisis scenario and what, within the bank, was known as the "Japan scenario", with interest rates of zero per cent. In 2003, both these scenarios were unthinkable for most organisations. But thanks to its preparation, Rabobank foresaw the credit crisis and its consequences earlier than the rest. Contingency options as to how to deal with it were ready and waiting. And the benefits for Rabobank? A profit of €2.8 billion in 2008, a year in which many others were going bankrupt. Since the credit crisis, the management boards of banks, pension funds and insurers have been legally obliged to anticipate and contemplate the repercussions of possible scenarios. Even during the current corona pandemic, the Netherlands Bureau for Economic Policy Analysis (CPB) is increasingly working with scenarios.



Michiel Adriaanszoon de Ruyter and scenario-based planning

Michiel Adriaanszoon de Ruyter, the famous Dutch admiral from the Netherlands' Golden Age, left nothing to chance. He practiced a far-reaching form of scenario-based planning: predicting, along with his team, the naval battles that would have to be fought on dry land.

The admiral and his captains and first mates went through every possible scenario of an engagement with the English. He weighed up every conceivable move his opponents could make, took the influence of the wind into account, and even factored in the reactions and measures taken by himself and his fleet – essentially a combination of several autonomous teams. The end-result of this endless practice and preparation was a very agile fleet.

"Be surprised in the boardroom, before the event, not in the market afterwards," is how Paul de Ruijter summarises the admiral's approach, nearly 400 years later. Bringing it fully up to date it means that, given that we know the coronavirus can mutate, a manager should not be surprised if the Netherlands faces another lockdown in 2022.

SCENARIO-BASED PLANNING: WHY BOTHER? THE LINKS TO MISSION, VISION AND STRATEGY

Scenario-based planning should be seen as an extension of a company's mission, vision and strategy. What the organisation is growing towards, what its ambition is and how it wants to realise it all. These form the starting points that will define developments in both the short- and the long-term. They are the reasons behind specific investments, such as the construction a new factory, for example, or recruiting new employees, or acquiring more customers. Putting all this together is Plan A.

And then Brexit happens. Or a pandemic. A shortage of technical employees. A worldwide scarcity of microchips. A disruption to the global supply chain because a container ship is wedged across the Suez Canal. Just bad luck? Or could they all have been anticipated to varying degrees by asking the "what if" question early on?

Risk-management professionals will be quick to talk about risks in such a context, while strategists will opt for scenarios. "It's the amount of preparation for a scenario that determines

whether it becomes a risk or an opportunity," says Paul de Ruijter. "If you approach issues strategically you'll be trying to anticipate and resolve them before they even become issues. If you do so early enough, there is a good chance that a risk can be transformed into an opportunity."

RISKS BECOME OPPORTUNITIES

Opportunities? Definitely. Being well prepared for unexpected events can give a company an advantage. It's the reason that Rabobank did not become a victim of the credit crisis, but, instead, emerged as a winner. Rabobank suffered less damage from the mortgage crisis than many other banks because back in 2003 it had already started thinking about (and taking measures against) a potential mortgage-crisis scenario. In 2005 it made a conscious decision to cede market share to its competitors. At the time it was possible to get a mortgage of up to seven times your annual salary, but the bank found the risk-return ratio to be excessive, even for customers. Sometimes you can win by not losing. In 2008, many new customers opened an account with Rabobank. At the end of the day, banking is about trust.

ONE STEP AHEAD OF THE COMPETITION

Planning in terms of scenarios makes it possible to be better prepared for the future, and stay ahead of the competition. It helps get you ready for future developments – and thus to realise your mission, vision and strategy. It also supports you by giving you options, to invest or take whatever measures that might be necessary. Or just wait and see, let your competitors get their fingers burned. These are options: wait, insure, or take a financial risk yourself.

Here's a pearl of wisdom from scenario-based planning expert Paul de Ruijter: "The biggest risk a company can expose itself to is not thinking about future scenarios in a timely manner. By not being prepared you risk being unpleasantly surprised."



THE SHARK, THE OPTIONS AND WHAT THEY ALL HAVE TO DO WITH INSURANCE

“Picture the following scenario,” says Paul de Ruijter. “While swimming in the sea you encounter a shark. Investing in a harpoon beforehand would have been an option. A good one too; it would have been a tangible investment and, given the circumstances, perhaps more practical than just taking out ‘shark insurance’.” Similarly, you could insure a cargo ship against piracy, he continues. But here too you would have other options.

You could invest in security, for example, choose a safer shipping route, or, if you are a major shipping company, set up your own captive. The point he’s making is that whatever the situation, there are always different options.

Every option has a value, which can be quantified financially and in theory. Insuring a risk is an option, as is not insuring it and accepting the risk yourself. A fire or similar calamity brings with it a financial risk, but it can also cause environmental damage (as well as the reputational kind). The dismissal of employees can also have repercussions. In the world of risk management this is known as “connected risk”. In today’s society, a risk is rarely unaccompanied.

THE UPS AND DOWNS OF RISKS

When it comes to strategic risks, it’s wise to think along the lines of a coherent story: in other words identifying the relationships between risks, rather than treating them as stand-alone events. By actually thinking about this up front, they might even turn out to be opportunities and not risks

at all. In risk management speak, it then becomes an “upside risk”, as opposed to a “downside risk”.

According to Paul de Ruijter, for a long time the Netherlands’ business community has hardly had to consider risk options other than insuring them. Indeed, for many years covering a risk by insuring it was an excellent option. “Insurance was so cheap that many companies barely needed to consider alternative options. But that’s changing,” agrees Gerrit Vink of Riskonet. “The insurance market has become harder, and insurance has become more expensive than it’s ever been.”

“This is why other options are worth considering nowadays,” returns Paul de Ruijter, “Developments in the insurance market have seriously increased the appeal of scenario-based planning.”



SCENARIOS: THINKING ABOUT THE UNTHINKABLE

How about you? Are you ready to think in terms of scenarios? About the consequences for your company and the investments you could make, immediately or in the longer term, that could transform risks into opportunities? If so, start with a simple exercise. As a team, consider the following strategic risks as a scenario, along with all their repercussions and follow-on effects.



Then consider the measures you think you could take and the options open to you that could redress the situation:

- A new pandemic.
- Cybercrime.
- ICT outages lasting days, or even weeks.
- Storms and floods.
- Corporate Espionage.
- Disruption of the supply chain, leading to long-term shortages of essential raw materials.
- A major fire.
- A major fire that paralyses a key supplier.

But positive scenarios too:

- A pharmaceutical company develops a medication with 100 per cent efficacy and in three months the pandemic is completely and definitively over.
- Government investments substantially and enduringly increase demand for your products.
- Your main competitor goes bankrupt.



THE PHENOMENON OF “CONNECTED RISK”

While thinking about risks and scenarios is an interesting and important exercise, “connected risks” constitute a factor that should not be underestimated.

A risk such as a virus now also poses political and economic risks. You need look no further than the entry and travel bans imposed by countries trying to keep it outside their borders. “Suddenly, your employees can no longer visit international clients, exporting gets decidedly difficult and the process of dispatching a maintenance engineer to overhaul a machine also has to be put on hold,” says Paul de Ruijter. “Just think of the effect all this can have on your business operations. So what kind of things can you do to mitigate this risk? Or, better still, do you have a solution that will be better and more effective for customers than your competitor’s solution?”

CONSEQUENCES AND IMPACT

The bottom line here is that from one risk, other, new ones, emerge. In the case of the pandemic, for example, an ecological risk (whereby an animal virus makes the transition to humans via zoonosis) is followed by a political risk (lockdowns, travel bans) and the knock-on effect of it all is an economic risk. These are what we call “connected risks”: interest rates fall, the ECB intervenes and, on balance,

Inflation rises sharply. “Because one thing happens, another follows. Risks are connected and it’s important to identify the connections in time. This is also the case in positive scenarios. If you are late in recognising that the economic tide is quickly turning and improving, you’ll miss out. Even a positive scenario can be a risk if you fail to see it because an opportunity could go begging.”

“Nowadays, connected risks make themselves felt much earlier than they did before,” insists Gerrit Vink. “The world is much more connected, so the effects of a development are noticeable much sooner. Before the internet, you had a few days’ grace to consider your response after a major global event. Nowadays you have to stay up to speed in real time.”

“And the consequences are often immediately evident,” adds De Ruijter. “On top of all this, today’s industry works as ‘lean and mean’ as possible. And the ‘just in time’ nature of the supply chain has become so pronounced that a production setback of a major microchip producer in South Korea today will have repercussions for global industry tomorrow.”



USE SCENARIO-BASED PLANNING TO ENSURE YOUR ORGANISATION CAN REACT QUICKLY

Scenario-based planning is therefore a way of dealing with uncertainty. A practical method of exploring the connections between events. Strategic risk management can use scenario-based planning to help company managements to identify opportunities, not just see the risks.



Shareholders want it: vision on long-term value creation

The shareholders of more and more companies are now demanding future perspective, often fuelled with scenarios. Society – public opinion – also expects it, both for the organisation and its customers and employees. And today's managers must be able to provide it. In late 2020, for example, in a letter to all Executive and Supervisory Boards of listed companies, the Dutch Investors Association asked that the impact of various possible corona scenarios and their options be included in the annual report.

It has become abundantly clear that thinking only in short-term shareholder value is outdated. For many years already, institutional investors have stressed the increasing importance of long-term value creation. In the Netherlands' Corporate Governance Code, a company's management board bears formal responsibility for this. Gordon Gekko's "greed is good" era is well and truly behind us.

In other words, ask that "what if" question. What benefits will thinking structurally about uncertainties bring an organisation?

1. RESILIENCE

When it comes to building up resilience, scenario-based planning serves like a vaccine. It helps an organisation see opportunities and threats earlier than it otherwise would because it becomes accustomed to looking at the future structurally and systematically. "Because Rabobank discussed a mortgage crisis scenario in 2003 and practiced its response with employees, the bank was better prepared when it actually became a reality in 2008," offers Paul de Ruijter. "The management knew exactly what to do because they'd already practiced a hypothetical mortgage crisis. Foresee the calamity, establish potential counter measures in advance, then train for it."

2. AGILITY

You'll be quicker to respond to positive or negative developments because, as an organisation, you will anticipate possible events and their "connected risks" sooner. And see risks as opportunities too.

3. MAKE BETTER INVESTMENT DECISIONS

The management and organisation will try to look further ahead and make more allowance for negative and positive developments. And when it comes to investing in the long term, options will be kept deliberately open.

ESSENTIAL IN SCENARIO-BASED PLANNING: INSIGHT INTO DEPENDENCE AND VULNERABILITY

If you want to develop effective and realistic scenarios for an organisation, you will need an overview of its dependencies and vulnerabilities. In many production companies, these can often be found where you might least expect them: a hyper-efficient organisation, for example, is a vulnerable one.

This is because companies that are more efficiently organised are more exposed to the risk of disruptions, which are often accompanied by more far-reaching repercussions. The root cause of this is to be found in the efficiency of the organisation itself, and a lack of redundancies. Having a spare machine in a certain part of the process costs money. And if you weigh-up the cost saving of not investing in a spare machine against the likelihood of a disruption, it might seem like a no-brainer to not invest.

“In the Netherlands, managers and company directors are primed to derive maximum efficiency from capital and

investments,” says Paul de Ruijter. “Thinking from the efficiency paradigm brings with it risks and vulnerabilities. Eliminating redundancy seems to be the objective and for as long as you don’t need it, that’s all well and good. But you must realise that it also leaves you vulnerable.”

THE BEST OPTION FOR THE LONG TERM

You see the same kind of thing in staffing decisions. It might seem like a good idea to take a chance and deliberately keep staffing levels to a minimum in a critical position. However, the repercussions of absenteeism as a result of illness can be substantial.

Similarly, extensive automation and digitisation might bring significant benefits, but being overly dependent on them in the event of an internet failure (or power outage) can have serious consequences. The inherent risks of more efficiency must be weighed up against the return, just like the value of redundancy. An airliner with one engine might well be more efficient than one with two engines, but it’s not always the best long-term, or safest, option.

Gerrit Vink: scenario-based planning in risk management

When it comes to risk management issues, Gerrit Vink, senior consultant at Riskonet, welcomes the idea of thinking more in terms of scenarios. “The risks that we identify in companies will certainly benefit from a long-term vision.”

At the same time, Vink thinks it is imperative that risk management is discussed at the highest level of an organisation – in the boardroom. “It takes time to get thinking in scenarios – be they negative or positive – at a strategic level. And not just once every few years during an off-site brainstorming session, but periodically and systematically.”

And this certainly has to go beyond just thinking in terms of risk. “I know of plenty of organisations in which risks have been inventoried and where people are really mindful of all kinds of calamities that can befall them. They compile lists of individual risks, accompanied by the quantification of the negligible chance that they will actually happen. But these lists often fade into the background because other aspects are seen as more important in the short term. Scenario-based planning can help to make unthinkable events more tangible and realistic. That’s when it all takes on a life of its own. And becomes easier to manage too.”



ADVICE FOR FIRST-TIME SCENARIO-BASED PLANNERS: START SMALL, KEEP IT MANAGEABLE

If an organisation intends to seriously get to grips with scenario-based planning, Paul de Ruijter's advice is to start small and keep it clear and manageable

Supposing, for example, that you are a technically oriented production company, you could develop a scenario that outlines what you can do if it's no longer possible to recruit technical employees. Or, what if things go seriously wrong between China and Taiwan and a local conflict breaks out? What can you set in motion now that will help you deal with a possible supply chain disruption from China?

WHAT ARE YOUR OPTIONS?

You could also contemplate a similar scenario, but nearer to home. What if there is a conflict between Russia and Ukraine and the natural gas supply to Europe is cut off. Can you as a company prepare for such a contingency, by keeping other energy sources as options? What if, in two months' time, the gas supply is suddenly cut off? If you already think about it now, you could immediately order a diesel generator as a back-up. Then if, further down the line, that situation should actually materialise, the whole business community would arrive at that same decision. However, not having already thought about it, most companies would simply be too late...

A company can typically come up with between 10 and 20 scenarios, but it then becomes a matter of choice. The organisation can work out a handful of what it considers to be the most realistic scenarios. Start with the most logical scenario and draw up a plan B for each one. "And don't just do it once," warns Paul de Ruijter. "Repeat it a few times a year. You'll get better at it and it's a fun way to keep your employees and company resilient and agile. It'll be training for the real thing, which will then be a walk in the park, if and when it comes along."

STANDARD PRACTICE

"Scenario-based planning should become standard practice," insists De Ruijter. "It's also a matter of good entrepreneurship. Don't just think in terms of risks, but train yourself and your team to look further ahead, in terms of scenarios. And be prepared to draw up contingency plans should the scenario become reality. This will force you to consciously consider the measures you want to take, whether to just insure yourself against the risks, or whether you also want to invest in other worthwhile options."



THE KEY QUESTION IN SCENARIO-BASED PLANNING: WHERE ARE YOUR DEPENDENCIES AND VULNERABILITIES?

We live in what some trendwatchers call a VUCA – Volatility, Uncertainty, Complexity and Ambiguity – world. At which point will this affect your organisation’s strategy, in a year, in five years or in ten years?

DEMOGRAPHY

How will the inevitable exodus of older, experienced and highly knowledgeable workers affect your organisation?

ECONOMY

Inflation and rising interest rates are increasingly in the news. Consider how these developments will affect your organisation.

SOCIETY

How does today’s new generation fit into your organisation?

ECOLOGY

How will climate change affect your organisation? Consider the increased likelihood of forest fires or flooding in wetland areas.

TECHNOLOGY

What effect will new technology have on your organisation?

POLITICS

What consequences are the corona measures (lockdowns, border closures) having on your organisation? And how will the pandemic affect the way in which your organisation will function in the long term – such as working from home, hybrid working? But consider too how the policies of the Netherlands’ new cabinet, the EU or other national governments will affect your company in the long term.



RISKONET AS ADVISOR: FROM RISK-BASED TO SCENARIO-BASED PLANNING

The switch from risk- to scenario-based planning is smaller than you might think. That said, it is also so much more than simply looking further ahead. It involves the thorough quantification of opportunity and impact and ascertaining whether the options open to you (such as investing or insuring) are worthwhile.

Sometimes it can work out that insurance is too expensive an option and that it would be cheaper to set up an alternative production location. Or perhaps extra storage capacity is a serious option. Or investing more in fire prevention or fire-resistant measures.

UNEXPECTED SOLUTIONS

“And that’s our specialty,” says Riskonet’s Gerrit Vink. “We can support organisations in the area of scenario-based planning, particularly when it comes to weighing up the options for the short- and the long-term.”



VINK AND DE RUIJTER ON RISK MANAGEMENT IN THE BOARDROOM: “MAKE IT PART OF THE BUSINESS PLAN”

The application of professional risk management (including scenario-based planning) is not yet commonplace in every Dutch boardroom. Sometimes, the executive board only actually broaches the subject when it's time to discuss it in the relevant section that's been prepared by the auditor for the annual report. Gerrit Vink (Riskonet) and Paul de Ruijter (De Ruijter Strategy) believe it's time to do things differently. And better.

Gerrit Vink makes the point that, almost by definition, an accountant looks at the past year. “But risk management should be part of a company's business plan, not just a section in its annual report,” adds Paul de Ruijter. “Every shareholder who wants to know the company's strategy has a right to be given a clear insight into its risks and how they are managed. The pandemic that might last another five years? No problem, being managed. Interest rates set to rise in the long term? Being managed. This type of reassurance gives confidence.”

RISK MANAGEMENT

Paul de Ruijter doesn't think the responsibility of risk management lies primarily with the accountant. “It should be more forward-looking, and thus part of the strategy. Risk management isn't something that should be driven purely by compliance, because you have to. You should do it because it's useful, important and necessary. Risks are not necessarily something to avoid at all costs; they can also drive commercial opportunities. As a manager you cannot consider the upside unless you have also thought of the risks.”

SAILING CLOSER TO THE WIND

“And don't forget, one entrepreneur or company director might want to, or be able to, sail closer to the wind than another,” says Gerrit Vink. “And this is a conscious risk-versus-return choice.” Companies can, of course, document these choices in the annual report. “But approaching risks professionally and strategically should be a permanent process. Planned and invested in or supported at the highest level,” insists



De Ruijter. “And not separately either, but, whenever relevant, in conjunction with suppliers and the entire supply chain. Risk management is not something you do alone.”

SME COMPANIES TOO

Risk management is not the exclusive prerogative of the big, listed companies: SMEs also have a lot to gain by structurally looking to the future, stresses Paul de Ruijter. “It could, for example, be a dairy cooperative that decides to experiment with vegan products because it anticipates a section of consumers want to wean themselves off milk-based products. Alternatively, it might be a construction company trying to predict what houses will look like and how they will be built 10 years from now and is already preparing for the shift. It's not so much about how you solved yesterday's problems as how you intend to tackle tomorrow's. It's foresight along a strategic axis.” Gerrit Vink agrees that it comes down to thinking ahead. “Recognising risks and opportunities is intrinsic to the nature of entrepreneurs. Then structurally and systematically developing a plan B, C or D – all of which we will be more than happy to support.”

AVOIDING RISKS OR LOOKING FOR OPPORTUNITIES: SCENARIO-BASED PLANNING IS NOT A PROJECT; IT'S A PROCESS

So far in this white paper we've discussed the usefulness, necessity, background and the benefits of scenario-based planning in strategy definition. Now it's time to link it all to you and your organisation.



To make sure you hit the ground running, first of all you'll need to answer a few essential questions that will determine the basic outlines of the process for you.

1. WHY DO YOU WANT TO PRACTICE SCENARIO-BASED PLANNING?

What is your motivation? Is it compliance driven, are you being motivated by innovation, or do you just want to avoid risks? Are you seeking alignment between the risk professionals that want to manage risks and those in the commercial department who are actively seeking them out?

2. WITH WHOM WILL YOU BE DOING IT?

If you are only thinking of doing it with the management, you will miss important insights. Add young employees, suppliers and other stakeholders to the equation. Shareholders and the supervisory board? Let them join the discussion too.

3. WHAT ARE THE WORK FORMS THAT CAN MAKE IT A JOINT, MUTUALLY BENEFICIAL PROCESS?

Go and think about it in an inspiring location with the management, along with one or two layers below that. Or make it a game in which the whole company can play.

4. WHAT WILL BE THE OUTCOME?

Is it to be a heat map? An extensive plan? A video or film? A step-by-step plan? An incentive for behavioural change? Try to make it interactive and avoid a top-down diktat.

TO WORK: THE WORK SCHEDULE WITH FIVE W'S

So, we've convinced you to apply scenario-based planning in your organisation. You'll now need to set it all up and ensure that your organisation (and its strategy) gets stronger as a result. This work schedule, based on the five Ws, will be a great help.

The "Who?" is all about the participants and stakeholders; in other words, who will design and implement the process. The "Why?" pertains to the reason the organisation will engage in scenario-based planning. In "When?" you can agree on the timing and set benchmarks at key points. Then, consider the various "Work forms?" that are possible, from small-scale and limited circles to workshops and perhaps even a conference. Finally, in responding to the "What?" you can decide how you will present the outcome and share it (or otherwise).

1. WHO?

- Client(s)/steering group
- Implementation team/working group
- Participants
- Users
- Experts/outsideers
- Stakeholders

2. WHY?

- Inspiration
- Mandatory
- Innovation
- Risk avoidance
- Alignment

3. WHEN?

- Kick-off
- Sessions
- Deadlines
- Connection with other activities

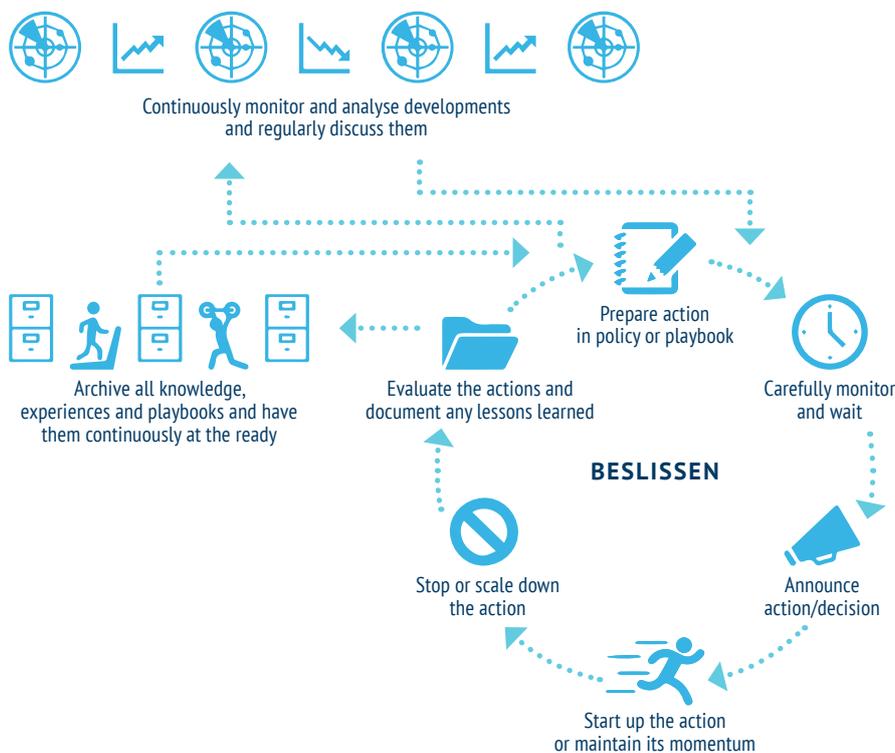
4. WORK FORMS?

- Desk research
- Interviews
- Workshops
- Conference
- Online sessions

5. WHAT?

- Report
- Film
- New insights
- Other behaviour

The process of applying scenarios (monitoring, deciding and learning)



- Exploring possible scenarios and options should not be seen as an end in itself, but a means of predicting developments at an early stage and then being able to respond to them in a timely and proactive manner.
- The scenarios are used as a framework, within which developments can be monitored and discussed.
- On this basis, it can be decided which options should be prepared, started up, or, alternatively, scaled down or stopped. Carefully monitoring and waiting will often be the best course of action.
- What is described here is a continuous learning process. As time goes by it will become clearer how uncertainties will develop, what actions will be needed and which interventions will be effective.

TAKE ACTION: GET GOOD ADVICE

“There is no such thing as a bad scenario, just bad preparation”, that’s the motto of De Ruijter Strategy. In other words: make sure you start with the right advice and the proper tools. Riskonet and De Ruijter Strategy will make sure that any efforts you make will be rewarded and that your organisation will not only be thinking in terms of risks, but also in terms of opportunities.

RISKONET

For many years now Riskonet has been a “partner for the unexpected” for forward-thinking organisations. In collaboration with you, Riskonet’s risk-management experts will apply their extensive knowledge and experience to identify and acknowledge risks, rationalise them and, above all, manage them. And thus organise safety. Riskonet supports organisations in thought-through and effective risk management, in three phases: assessment & advice, implementation & execution, maintenance & optimisation.

DE RUIJTER STRATEGY

Paul de Ruijter can fall back on a wealth of experience as a specialist in scenario-based and strategic projects. He developed his expertise with Shell Group Planning in London and at Global Business Network in the US.

Since 1996, together with his team at De Ruijter Strategy, Paul has worked on international strategy projects for governments, sector associations and the business community. He is also an eminent lecturer at Nyenrode University, where he makes sure the importance of charting a future-proof course is placed firmly on the agenda of professionals and administrators alike. You can read more about his thoughts and ideas in his book “Klaar om te wenden” (Ready to turn).



HOW CAN WE HELP YOU FURTHER?

Do you need help in mapping out your company's risk scenarios? Or are you looking for advice on the best way of guaranteeing the continuity of your company? If so, please feel free (and without any obligation) to contact Gerrit Vink or Paul de Ruijter. We'll be more than pleased to help you.



GERRIT VINK

Senior Consultant
Riskonet

gerrit.vink@riskonet.com
+31 (0)6 531 212 40

RISKONET.COM



PAUL DE RUIJTER

Directeur De Ruijter
Strategie bv

paul@deruijter.net
+31 (0)20 625 02 14

DERUIJTER.NET

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Amsterdam, January 2022



- PARTNER FOR THE UNEXPECTED -

