



Futures Techniques

Scenarios: creating the axes of uncertainty

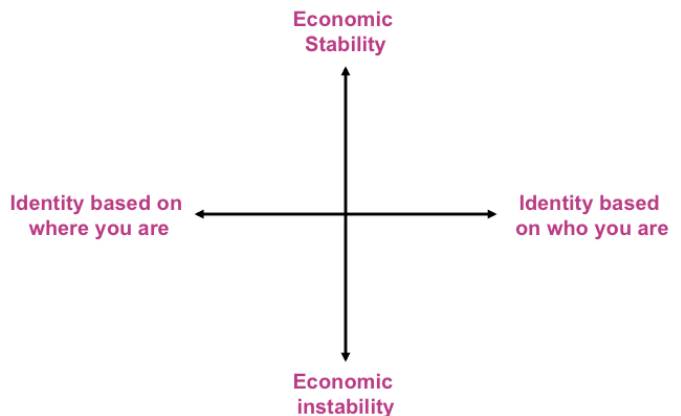
Overview

The scenario matrix is a 2x2 that is based on the most important - the critical - strategic uncertainties that define the future and that provides the logic framework for creating the scenario narratives.

Participants select a number of critical uncertainties from the driver analysis exercise and refine them by describing the nature of the uncertainty and how it might play out in the future.

Participants then prioritise the refined uncertainties – now called *axes of uncertainty* – according to which are most important for the business and which offer the most relevant strategic insight. Following discussion and negotiation, participants select two axes to create the scenario matrix.

The outcome of the exercise is the scenario matrix but the process of agreeing it is equally important since it allows participants to examine drivers of change in more detail and to explore individual and shared perceptions about how the future might develop.



Process

The process has four steps:

1. Identify the main axes of uncertainty
2. Create a shortlist
3. Describe the dynamics of uncertainty
4. Agree the matrix

Identify the main axes of uncertainty

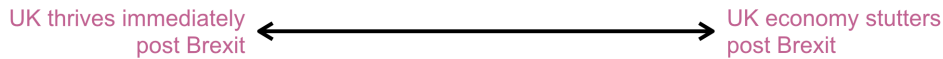
30 – 40 minutes

Participants create axes of uncertainty by selecting a range of critical uncertainties from the driver analysis and describing the nature of the uncertainty and how it might play out in the future.

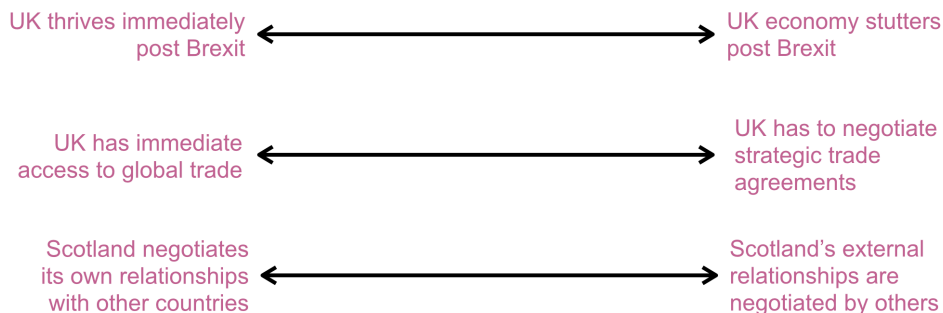
The optimum number of axes to develop at this stage is 10-12 but can be varied according to the number of participants. A good approach is to divide participants into (say) 6 groups and ask each group to identify 2 axes. There may be some overlap of ideas.



Axes are identified by describing alternative outcomes for how the critical uncertainty might play



out. For example, a driver entitled **Brexit** might relate to uncertainty over whether the UK will thrive immediately post Brexit or whether it will take some time to find its feet: Participants should explore different interpretations and outcomes for each driver and choose the one that best describes the nature of the uncertainty:



Ideally, participants should try to avoid describing 'good' outcomes and 'bad' outcomes. This is not always straightforward.

Create a shortlist

20 minutes

Once each group has identified its axes, they should share them in plenary and all participants should vote on four to shortlist for the scenario matrix.

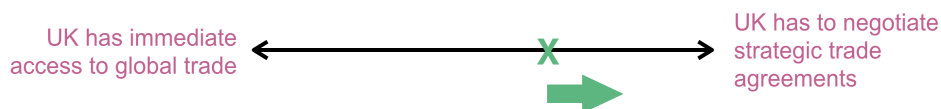
Describe the dynamics of uncertainty

20-30 minutes

This stage can be left out if the group is short of time.

Participants work in groups and review the four shortlisted axes to explore and describe the dynamics of uncertainty. This involves agreeing

- where the world sits now relative to the two ends of the axis (marked with a cross)
- what forces are acting on it and the current direction of travel (marked with an arrow)



Participants then share and discuss the results in plenary.

Agree the matrix

20-30 minutes

The group agree through conversation and negotiation which two axes of uncertainty will create the most interesting or valuable scenario matrix. It may help the decision to draw up a couple of alternative matrices and briefly explore what the scenarios will look like.

The only rule for choosing the matrix is that the axes must not be similar to each other or different versions of the same uncertainty.