SCENARIOS AND DECISION-TAKING
by Arie de Geus

Ever since Herman Kahn in the 60's and the Shell planning pioneers in the 70's published their first scenarios, the organisational uses of scenarios have continued to multiply. Also increasing was the link with research and thinking in (developmental) psychology, neuro- biology and linguistics with which scenario thinking seems to fit quite harmoniously.

1. Amongst the first raisons-d'être for the use of scenarios, mentioned especially by Herman Kahn, was the need to "think the unthinkable" (in his case: a nuclear conflict). We now have confirmation from neuro-biology that all our perceptions enter the brain via the centre that governs emotions. Scenarios help to give a different emotional colour to what we read, hear and see in a story. Thus, scenarios allow organisations and people to deal more rationally with an otherwise unthinkable future. Scenarios, also, are vastly superior in dealing with the future than predictions are (provided you do not use scenarios as predictions!!).

2. Scenarios in themselves already can change the emotional colour of perceptions, but they become really effective in terms of accelerating decision taking when combined with the ideas of the Tavistock institute (Winnicott "Playing and Reality"). Scenarios are the perfect "transitional object" (the managerial Teddy bear) with which a management team can "play": accelerating their decision taking processes by a factor 2 to 3 (Seymour Papert, "Mindstorms" found similar results).

3. The idea of "play" was (and still is) not greatly popular with a management generation who think that decision taking is a process of applying their accumulated knowledge to arrive at the formulation of one course of action (the Decision: singular). The work of the Swedish neuro-biologist David Ingvar on the way the human brain (as opposed to the institutional management team) deals with the future, shows that walking into many different but possible futures, creating "alternative time paths" is vastly superior to the "one-track mind." This also applies in the corporate setting: developing many options (plural) for a range of futures creates time, opportunities and avoids crises.

4. To improve perception. The second part of Ingvar's work is based on a hypothesis. Every human being does not only create many alternative time paths into the future, but it stores them: we have a Memory of the Future. Ingvar's hypothesis says that this Memory of the Future serves to filter out any signal from the outside world that is not relevant to that individual's future, i.e. to any of his stored alternative time paths. The corollary of this hypothesis is that any individual (or company for that matter) that has explored few futures, hears or

sees very little. A company with only one Strategy (singular) or one Plan is virtually blind or deaf. Scenarios are the obvious way to improve this situation.

5. Scenarios help to create language and language creates reality (Wittgenstein). The role of language in corporate decision taking still needs a lot of research to be clarified, but it is well documented in the Shell Planning history that scenarios help to create a vocabulary that facilitates decision taking.