

# Joint scenario planning

## Description

When you need to develop a joint business model.

## Benefits

The tools are focused primarily on generating value for the SME, placing greater emphasis on how the frameworks can help firm develop and sustain a competitive advantage by identifying future industry trends.

## Expected outcome

## Time needed

1 to 2 hours

## Team needed

All partners should be present during this process and go through each step together in order to provide a more holistic view of the different dimensions that are involved.

## Complexity

3

## Type of tool

- DISCUSSION TOOL
- CHECKLIST
- THINKING FRAMEWORK

## Innovation Phase

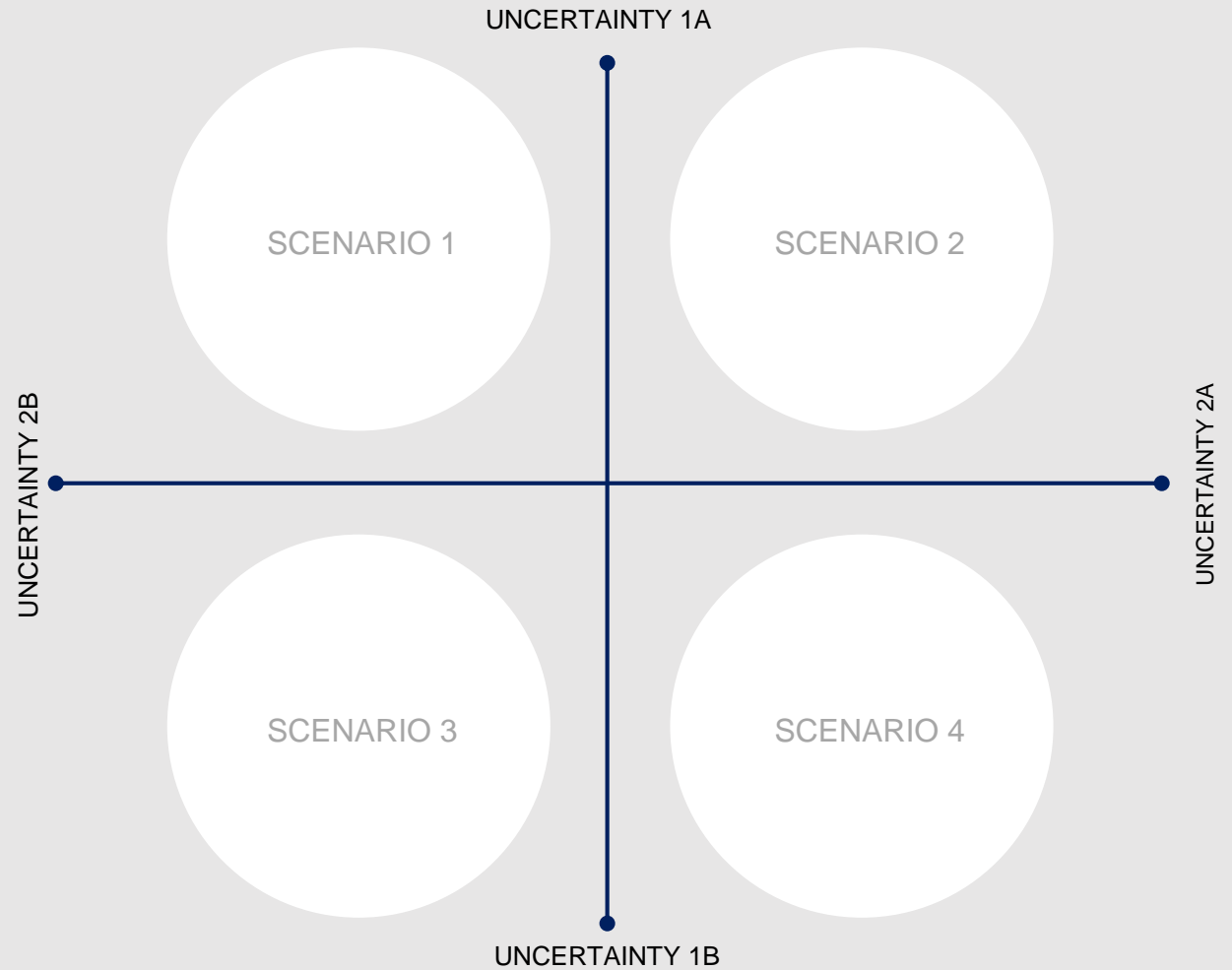
- EXPLORE OPPORTUNITY
- DEVELOP CONCEPT
- VALIDATE CONCEPT
- INTRODUCE PRODUCT/SERVICE
- SCALE UP
- EXPAND & DIVERSIFY
- MANAGE OI



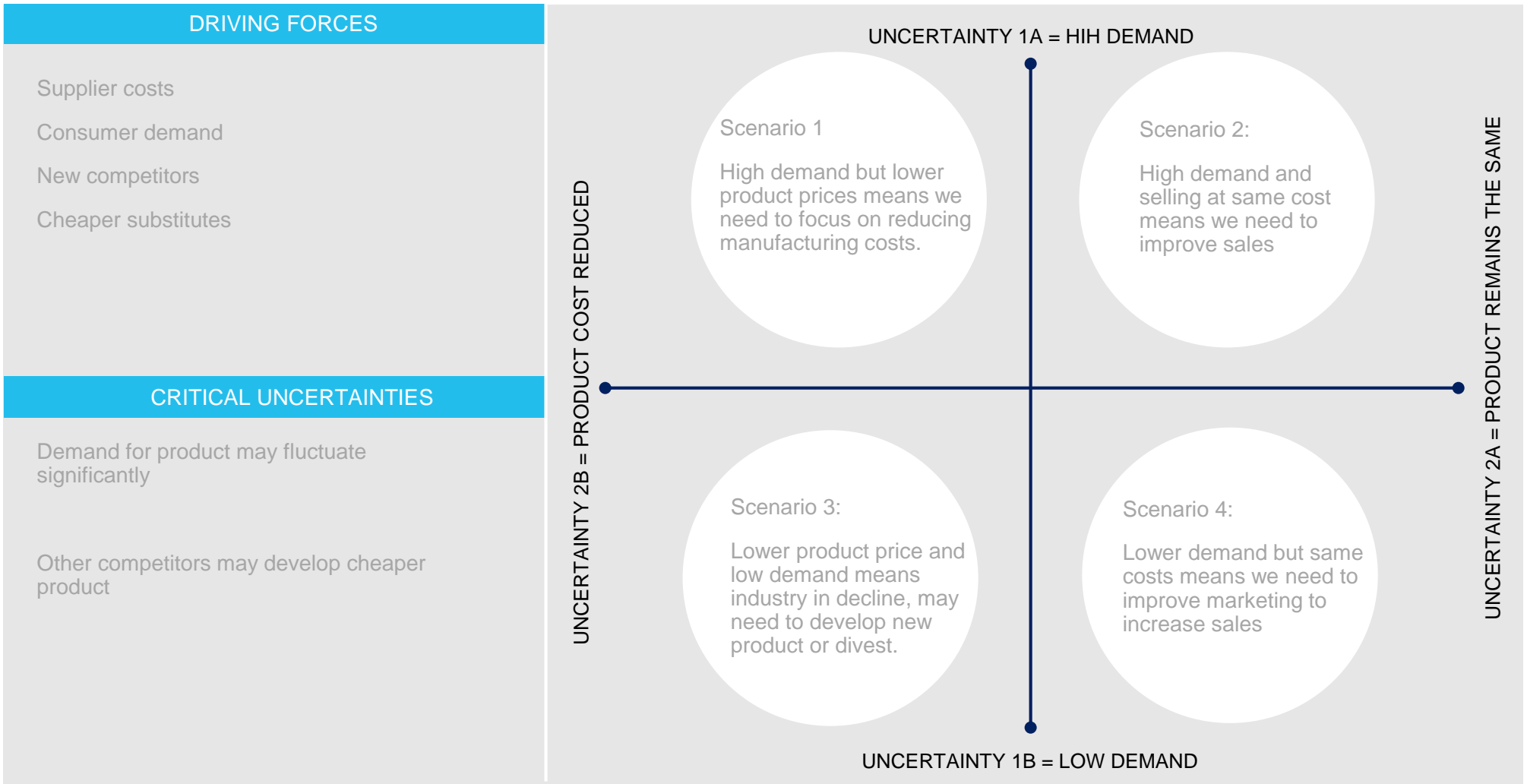
# Joint scenario planning

DRIVING FORCES

CRITICAL UNCERTAINTIES



# Joint scenario planning - example



# Joint scenario planning

## Use Guidelines

### Step 1

The objective of the first stage is to identify all possible external forces beyond the control of the SME and its partners.

Other frameworks and models that can be used include PESTEL and Porter's Five Forces.

- The PESTEL model includes Political, Economic, Social, Technological, Environmental, and Legal. The objective is to create a more holistic list of all the key issues from external environment which may affect the firm.
- Porter's Five forces are more specific to the industry, and focuses on:
  - Bargaining power of Suppliers and Buyers
  - Threat of new entrants and Substitutes
  - Industry rivalry

### Step 2

After identifying a number of uncertainties, each of these should be evaluated in order to identify the two most meaningful.

Different factors should be used in order to priorities each of these in a form of risk assessment analysis. One of the possible tools that could be used would be risk assessment, looking at:

- Likelihood of those factors happening
- The extent of its impact

Factors to consider:

- **Timeframe:** Will it happen in the short term or in the long term
- **Probability:** How likely is it that it will happen
- **Impact:** What will the outcome be
- **Factors:** What other events might it trigger



# Joint scenario planning

## Use Guidelines

### Step 3

Along with your partner, discuss the 4 possible scenarios in order to identify the following:

1. What are the implications of these scenarios for the OI partnership.
2. What can be done to address these scenarios.

The objective is not to select just one scenario from the process, but to take all scenarios into account when developing a business model based on the OI partnership. This new business model should incorporate a competition strategy that may address all possible scenarios.

Things to consider:

### **Driving forces**

For the driving forces you will discuss with your partner about the shifts in the industry and how these could affect the partnership.

### **Critical Uncertainties**

After identifying the shifts in industries, evaluate the strength of their impact and select the most meaningful.

### **Develop Plausible Scenarios**

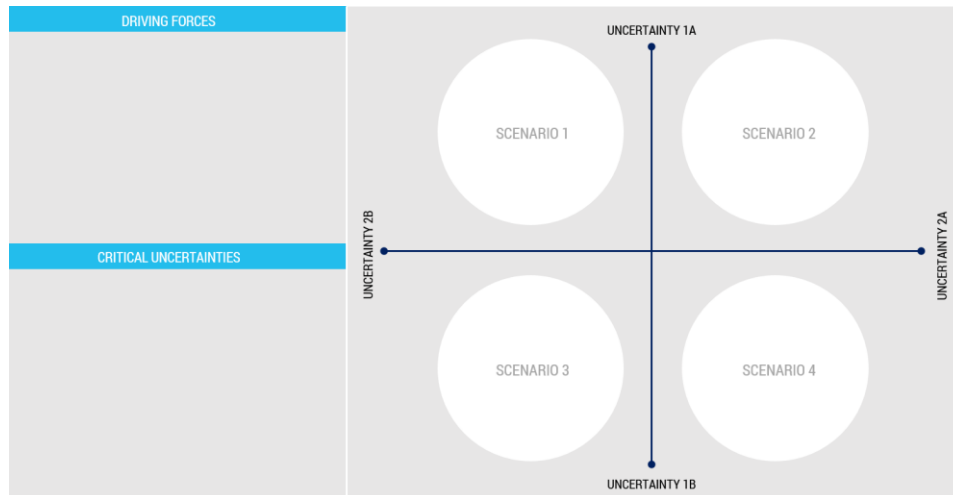
From the two you have selected, develop a range of scenarios that would incorporate both in some way.

### **Discuss implications and Paths**

Discuss the four possible scenarios with your partner regarding their implication on the partnership in order to determine what your joint business model will have to address.



# Joint scenario planning



## Training material guidelines

What is it?

A tool that will allow SMEs and Entrepreneurs develop a joint business model and overall strategy.

Why should you use it?

To have a more systematic approach to decision-making and developing a cohesive market-focused plan.

This tool will help teams to:

- Explore the most relevant and critical scenarios that will affect them in the long term
- Develop an informed plan to jointly address possible future scenarios

