

- Meaning, purpose and scope of scenario planning
- **Scenarios and decision making**
- Scenario development methods
- Scenario practice in the world of energy
- Fundamental driving forces/key uncertainties
- World Energy Scenarios – The future of nuclear (2019)

Business decisions

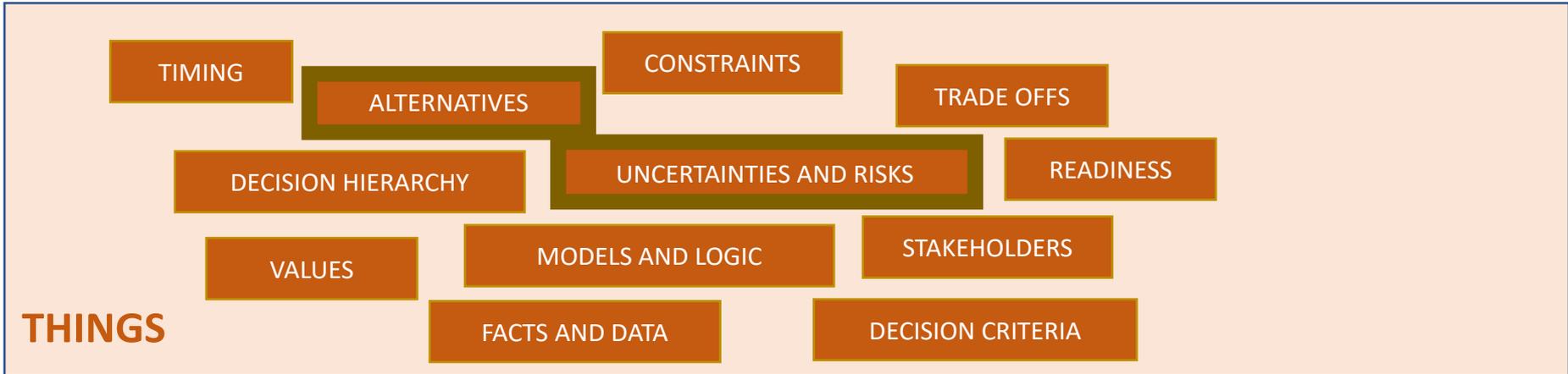
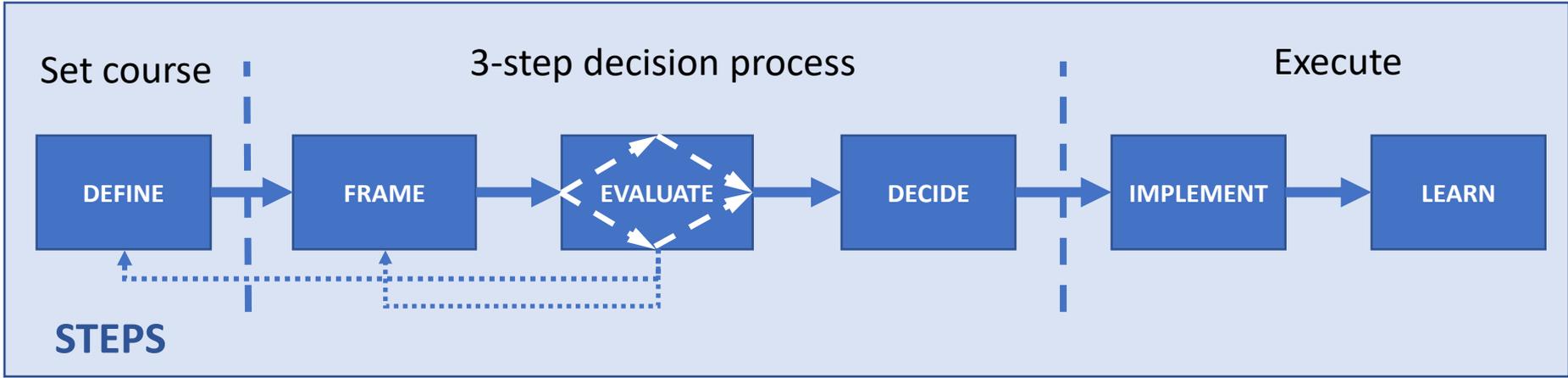
How organizations tend to make decisions



Complexity and Uncertainty

Cognitive Biases

Recommended decision process



Pierre Wack about Scenario Planning (1986)

Microcosms



Source: Youtube, Oxford Futures Library

Experience and Intuition



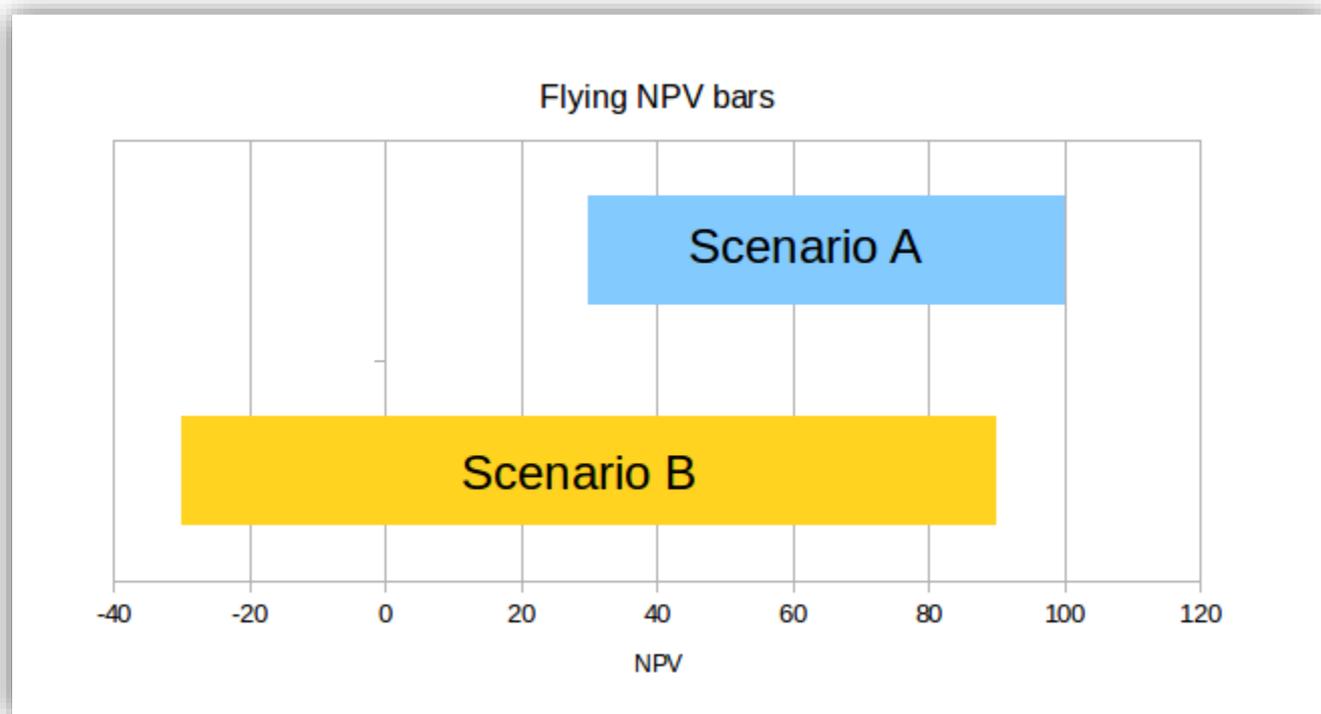
Pierre Wack: ‘..to shift the personal microcosms (of decision makers)’

Wind tunneling



Strategy	Scenario 1	Scenario 2	Scenario 3
A	+	-	++
B	-	+	+
C	+	--	++

Example: The value or financial attractiveness of an investment opportunity under two future scenarios with different fundamental assumptions



Recap decision-making

- The two most important problems with corporate decision-making:
 - ✓ Complexity and Uncertainty
 - ✓ Cognitive Biases
- There are advanced approaches to corporate decision-making that help tackle these issues
- Scenario planning can be instrumental as follows:
 - ✓ By ‘calibrating’ the mindsets of decision-makers; by providing them with a broader view of the future contextual environment
 - ✓ By reviewing strategies against the backdrop of different future scenarios; this also helps with articulating alternative options.
 - ✓ Through integration in quantitative modeling: to understand what various futures could imply for the ‘bottom line’.