

SCENARIO PLANNING



**WORKFORCE
PLANNING
WEST**

GROWING OUR WORKFORCE

Blueprint for applying a scenario-based approach to workforce planning

What is Scenario Planning?

Scenario-based planning is a collaborative systems and design-thinking framework for facilitating strategic planning by identifying and managing the possible outcomes of a set of future scenarios affecting a focal issue. It examines what might happen and determines what we should do about it. In the context of workforce development, the process works with stakeholders to develop probable future scenarios by exploring local level impacts on the labour market. Programs, practices, and interventions that can be put into place to mitigate these impacts are then developed based on these scenarios. It provides an opportunity to align data and labour market insight to contribute both to local economic recoveries and to employment recoveries across your region. Scenario planning is not meant to replace strategic planning. It is a tool to compliment your strategic plan that allows you more flexibility as circumstances change. Scenario planning can be done over a period of several months with stakeholder groups participating in the process. It can also be completed in a few hours with only a few people around the table. It depends on the problem you are trying to solve and who needs to be involved. It is a flexible process.

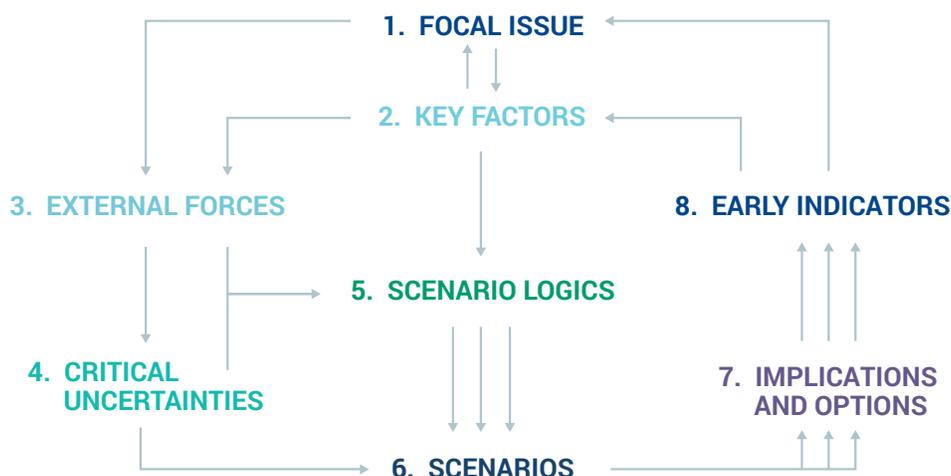
Developing your Scenario Plan:

Scenario planning is a tool used by economic development, economists, and businesses to plan in uncertain times. The scenarios tell a story of alternate futures that are impacted by current decisions. There are several scenario planning models. The Workforce Planning West scenario planning projects used the scenario planning methodology first used by Royal Dutch/Shell in the 1970's. This was discussed in detail by Jay Ogilvie in Forbes magazine in January 2015 (Ogilvy, 2015). This model develops four possible future scenarios.

“SCENARIOS ARE STORIES ABOUT WHAT THE FUTURE MAY LOOK LIKE, CREATED THROUGH A STRUCTURED PROCESS, THAT AIM TO HELP ORGANIZATIONS STRETCH THEIR THINKING, CHALLENGE THEIR TRADITIONAL ASSUMPTIONS, AND DRIVE BETTER STRATEGIC DECISION-MAKING.”

**— MONITOR INSTITUTE BY
DELOITTE**

The process consists of eight steps:



The first step is to establish the focal issue. The goal of this focal issue is to determine recommendations for policies, investments, programs, and supports that are needed in each of the four possible future scenarios. In the context of workforce development, questions to consider are:

- What skills gaps, job loss, and new opportunities will emerge?
- What will the labour market look like?
- What are our action plans?
- What parts of our organization will be permanently changed?
- What are our limitations to thriving in each scenario and how do we overcome them?

Once a focal issue is identified, work with stakeholders to discuss internal key factors impacting the focal issue. These can include local economic conditions and dynamics. Typically, these are things that would be found in a business plan. External forces are then identified. These are things outside of an organization such as broader economic outlooks and social factors. This brainstorming and discussion is similar to conducting a SWOT analysis (strengths, weaknesses, opportunities, threats), and can result in a list of over one hundred key factors and external forces.

From here, your group narrows down the list of key factors and external forces into themes to identify up to ten critical uncertainties that impact the focal issue locally. This list of critical uncertainties is discussed in terms of what are the most uncertain items that are out of their control. This also includes identifying performance indicators to track how the critical uncertainties evolve.

The top two critical uncertainties are then chosen by your working group. These two critical uncertainties became the foundation for your scenario plan where four scenarios are plotted on an axis. The scenarios are the outcomes of the critical uncertainties.

The sixth step is telling the story of each of the four scenarios. These are fictional narratives that tell a story of what the future could look like. What will happen economically, socially, environmentally, and politically in the scenarios that will impact the focal issue? What is each future scenario anticipated to look like? The scenario stories are not forecasts or predictions.

Step seven involves considering strategies for each of the four possible futures through discussing options for action and interventions. In the context of workforce planning, consider new policies, investments, programs, and supports; current and projected skills shortages; and issues for businesses to consider.

The eighth step in the process is determining which scenario you are trending toward by tracking measurable indicators related to the four identified scenarios. These are used to monitor how the two critical uncertainties are trending and which of the four scenarios may become reality. Examples of

SCENARIO PLANNING
IS A TECHNIQUE THAT USES
MULTIPLE PROVOCATIVE
STORIES ABOUT THE FUTURE
...TO CHANGE THE MINDS
AND ACTIONS OF A GROUP
OF PEOPLE... SO THAT THEY
ARE BETTER PREPARED FOR
TOMORROW

— STANFORD SOCIAL
INNOVATION REVIEW

workforce indicators impacted by the COVID-19 pandemic include employment levels, economic activity, and level of spread of the COVID-19 virus.

The scenario planning process is an opportunity to think outside the box and be creative. Challenge yourself and your team to come up with unlikely possibilities to consider. Uncertainty and asking difficult questions are part of the process.

Applying a Scenario Based Approach to Workforce Planning:

To develop local workforce development solutions, post-pandemic community action and strategic plans will need to consider local factors and uncertainties and work with local stakeholders.

Scenarios tell a story of what the future could look like under certain circumstances. They are a world in which different, unexpected outcomes are possible. They are not policy choices but an opportunity to consider how you would react if this future scenario were to occur. It is important to think outside of the box and consider how your organization would react.

Exploring a range of possible futures provides stakeholders the opportunity to consider four possible workforce-related outcomes caused by the pandemic, achieve consensus on the most likely to emerge, and act to meet the employment challenges that arise. These can then be used as part of strategic planning by non-profits, educational institutions, government, businesses, service providers, and other community stakeholders.

In addition to following the Scenario Planning approach outlined here, we also recommend examining post-COVID-19 recovery by looking at a four-step recovery timeline of **REACT, RESTART, RECOVER**, and **RESILIENCY**. Consider each of the four scenarios you develop in the context of the **REACT, RESTART, RECOVER**, and **RESILIENCY** stages. For more information, please refer to page 20 of the regional [Workforce Planning West Scenario Planning Report](#):

PRESENT-BASED PLANNING



LESS UNCERTAINTY, SHORT TERM

SCENARIO-BASED PLANNING



MORE UNCERTAINTY, LONG TERM



REACT

Adjusting to lockdown conditions and new restrictions, accessing remedies, taking short-term and reactive actions. Priority is staying afloat.

RESTART

Adjusting to new, more stable conditions that permit a certain level of business activity, while still relying on temporary remedies and preparing for potentially serious threats including new lockdowns. Priority is reaching a new steady state.

RECOVER

A new steady state, or new normal, is sustainably achieved. Depending on the sector, this may represent a return to pre-COVID-19 levels of activity. Businesses may still be dealing with the impacts of downturn in other sectors or in the economy as a whole. Priority is long-term investments and changes to business models that enable success in the new normal.

RESILIENCY

The benefits of investments and long-term changes made in the **RECOVER** phase are felt. Whether as a result of these changes, or the end of the COVID-19 crisis as a whole, businesses become impervious to negative impacts related to COVID-19. Priority is growth beyond the COVID-19 crisis.

Questions to consider are:

- What stage are you currently in?
- What programs and supports do you need to support you in this new reality?
- How would you mitigate the problems in each of these scenarios?
- What are the challenges?
- Where are the opportunities?
- What recommendations will help your organization?

Once you have identified your two critical uncertainties and four possible scenarios, you can plan how your organization will react in each of these four situations. This can then be used to help inform your strategic plan. For more information on training your staff to conduct a scenario planning project, please refer to the PowerPoint presentation that accompanies this blueprint.

The Workforce Planning West scenario planning project was innovative in its delivery. Due to COVID-19 restrictions, all meetings and consultations had to be done virtually. This was accomplished mostly through online meeting platforms and collaboration tools including Microsoft Teams, Zoom, and Google Jamboard to name a few. A regional project steering committee of fourteen people, a researcher working group of twelve people, and various other committees and groups totaling over 250 organizations all met and collaborated online through these tools without ever meeting in person.