

Scenario Planning

A way to prepare for an uncertain future, made famous by Shell. Instead of betting on one forecast, you pick the two most important and most uncertain forces shaping your future, cross them into a 2x2 grid, and build four vivid, plausible 'future worlds'. The goal isn't to predict which one happens, but to ready your strategy for all four, so no future catches you off guard.

Best for: Long-range planning · Deep uncertainty · Risk & resilience · Stress-testing strategy

01 — AT A GLANCE

Pick your two critical uncertainties, cross them as axes, and each corner becomes a different plausible future to plan for. (Example: a car-maker.)

Example: crossing EV adoption and oil prices gives four futures a car-maker must be ready for.

	EV adoption: slow	EV adoption: fast
Oil price: high	Petrol Squeeze	Electric Surge
Oil price: low	Business as Usual	Green by Choice

02 — THE CORE COMPONENTS

Building a 2x2 scenario set follows a few clear steps.

Driving Forces	First, scan the big forces shaping your future, political, economic, social, technological. These are the raw material of scenarios.
Two Critical Uncertainties	Pick the two forces that matter most and are most uncertain (and independent of each other). These become your two axes, everything hinges on choosing them well.
Four Future Worlds	Cross the two axes into a 2x2. Each quadrant is a distinct, plausible, internally consistent future. Give each a vivid name so it sticks.
Robust Moves & Signals	Test your strategy in all four worlds. Find 'robust' moves that work everywhere, plus early signals to watch so you know which future is arriving.

Not predictions, prepared minds

Scenarios aren't forecasts, you're not guessing the future. Shell's planners used them to build 'prepared minds' that recognised the 1973 oil shock faster than rivals. The win is resilience: a strategy, and a team, ready for whichever future actually shows up.

03 — WHEN TO USE IT & WHEN NOT TO

This framework isn't right for every situation. Used at the wrong moment, it can point you in the wrong direction.

✓ USE IT WHEN...	✗ DON'T USE WHEN...
- Planning far ahead under deep, genuine uncertainty - Stress-testing a strategy against very different futures - Building resilience to shocks and big shifts - Widening a team's thinking beyond one assumed future	- For short-term or low-uncertainty decisions (overkill) - Picking 'safe', familiar uncertainties over the truly critical ones - Using axes that are really the same thing (they must be independent) - As a crystal ball, it prepares you, it doesn't predict

04 — IN ACTION

DriveCo — Four Futures for a Car-Maker

DriveCo, a car manufacturer, must plan a decade ahead but the future is murky. Rather than bet on one forecast, it builds four scenarios to be ready for any of them.

How the framework was applied:

Step 1	Scan the forces — Many forces matter, but two stand out as huge and uncertain: how fast EVs are adopted, and where oil prices go.
Step 2	Pick two uncertainties — EV adoption (slow vs fast) and oil price (low vs high) become the two axes.
Step 3	Build four worlds — Crossing them gives four futures: 'Electric Surge', 'Green by Choice', 'Petrol Squeeze' and 'Business as Usual'.
Step 4	Stress-test strategy — DriveCo checks its plans in each world and finds robust moves, like flexible factories that can build petrol or electric, that pay off everywhere.
Step 5	Watch the signals — It tracks EV sales and oil prices to spot early which future is arriving, and shift fast.

The numbers at a glance

Uncertainties 2 EV pace, oil price	Futures 4 named worlds	Find Robust moves win in all	Watch Signals which future
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Why four futures beat one forecast

DriveCo couldn't know how EVs or oil would move, so a single forecast was a gamble. Four scenarios revealed robust moves, like flexible factories, that work whatever happens, plus signals to watch. That's resilience, not prediction.

05 — KEEP IN MIND

Even experienced teams slip up here. Keep these in mind to keep your analysis honest and useful.

1. Treating scenarios as forecasts and betting on the 'most likely' one.
2. Choosing comfortable, familiar uncertainties over the truly critical ones.
3. Picking two axes that are really the same force (not independent).
4. Writing dull, vague worlds, vivid names and stories make them useful.
5. Building the scenarios, then never stress-testing strategy against them.