

C-SERIES ON RESILIENCE PLANNING WITH EVAN SMITH | **TOP TAKEAWAYS**



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Here are 10 key takeaways from the second podcast in a C-Series on Resilience Planning in a COVID economy with Chris Wheeler, Prevedere VP of Partnerships, and Evan Smith, former operating executive. These takeaways discuss how it is paramount for corporations to align platforms, processes, and resources to support scenario planning as a normal requirement for succeeding in today's business world.

1. Traditional forecasting takes too long and is too narrow in scope

Traditional methods of forecasting often focus on narrowing in on one specific version of the future. However, as we have seen throughout 2020, the economic environment faces more uncertainty than ever before. Traditional forecasting has become less useful in today's rapidly changing world. As Smith points out, among businesses, there is "a recognition that the processes they have used are too fragile, not robust enough, and they take too long."

2. There's a drive to discover new ways to harness real-time power

Given the massive amounts of uncertainty, businesses are pushing to find new ways to execute forecasting and develop a more robust plan. Smith explains it's about "looking for new sources of data that can help inform by both providing more real-time feedback and helping people get a different sense about what underlying drivers are." Specifically, Smith clarifies that this is going to depend on some "big shifts in where the data comes from that informs those models and how companies process it."

3. The shift towards scenario planning starts with a shift in mindset

One challenge with scenario planning is moving away from older forecasting models and embracing real-time, data-driven analytics. Smith explains, "so much of that starts with mindset and curiosity at the senior team level and a willingness to think differently about what might be happening that is leading to the sorts of things that we're seeing in marketplaces and seeing as underlying drivers."



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4. C-level leaders are key to executing successful scenario planning

As leaders and top-level executives, Smith highlights the importance of “bringing our best business judgment to understanding which scenario, which set of futures we’re prepared to move into testing, experimenting, piloting in as quickly as possible. And be in the place where we’re willing to follow the scenario.”

5. Breaking through internal boundaries will be key

One of the most important aspects of forecasting during this pandemic is adapting to the rapidly changing and uncertain environment. Wheeler explains we are seeing “that there are internal boundaries associated with folks who are unwilling to change their current behavior, the limitations of internal processes, or infrastructure, which prohibits companies from taking advantage of new technologies to kind of excel coming through and out of this pandemic.”

6. Successful scenario planning means keeping your options open

As Smith explains, “we’re in a world right now with so many uncertainties and so many variables connected to others that we’re going to have to fundamentally rethink the way we think about planning.” This fundamental shift is all about “keeping the options open and understanding them as well as possible so that our ongoing decision-making is choosing from an array of well-qualified options.”

7. Both small and large companies can become more resilient from scenario planning

It is crucial to have the right tools to harness the data for scenario planning and quickly adapt to changing circumstances. As Smith says, “companies that had a robust infrastructure, lots of computing horsepower, great middleware, great analytics, they’re much more well-positioned.” However, even smaller businesses with less robust tools can still be well-positioned with scenario planning as they are often more adept at getting to faster cycles and building alternate scenarios.”

8. Scenario planning provides valuable insight during tough decision-making

Given the massive amount of uncertainty as the pandemic and economic recession continue, Smith explains that “we need to be exploring more possibilities in parallel and then making selective choices about what those are like as we go forward.” Despite uncertainty, it is this type of “decision making that leads ultimately to pilots that helps inform choices that we’re going to make, investments that we’re going to make.”

9. A more robust organizational framework builds resilient businesses

While the future remains unpredictable, Smith stresses that there is, in fact, “a framework overall for what a new version, what a more robust, resilient, open, rapid planning process can look like.” Moving forward, “individual leaders are going to have to make some significant shifts, both in their habits, their ways of thinking, the conversations they’re in, and the ways they explore new opportunities.”

10. Scenario planning is the new normal in resilience planning

As a result of COVID-19, more and more businesses are beginning to embrace scenario planning benefits to help make crucial decisions in the face of uncertainty and volatility. As Wheeler points out, at the beginning of the pandemic, “companies were sort of paralyzed” and so they “turned to scenario planning as a proxy for what they used to do.” Wheeler expects this trend to continue for companies to “not only get through the pandemic but as a way to rapidly model their business and make key decisions going into the future.”

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