



Should your NCDFI consider scenario planning?

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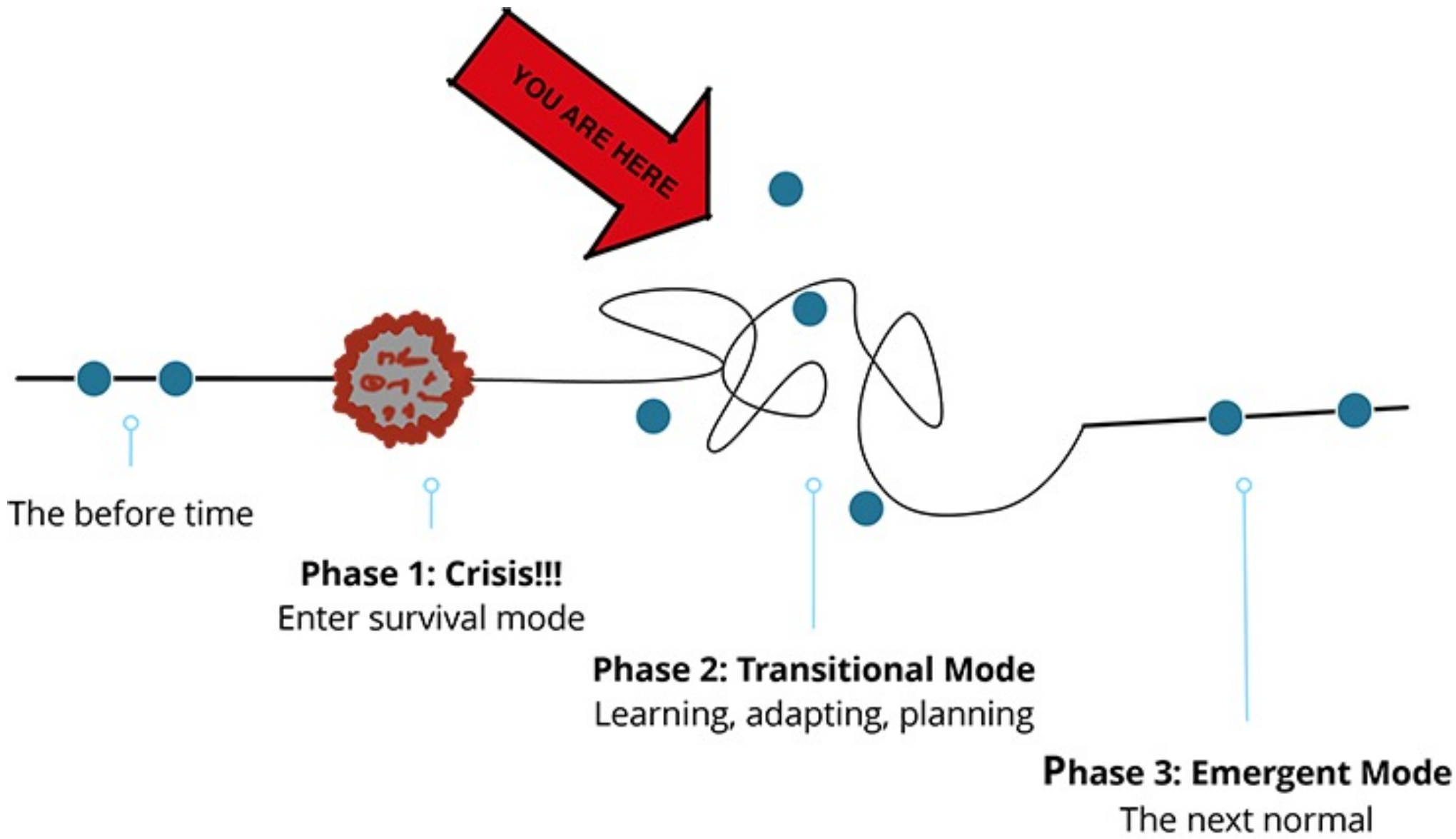
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Agenda

- What is scenario planning?
- Scenario planning in 5 steps
- Scenario planning exercises





The before time

Phase 1: Crisis!!!
Enter survival mode

Phase 2: Transitional Mode
Learning, adapting, planning

Phase 3: Emergent Mode
The next normal

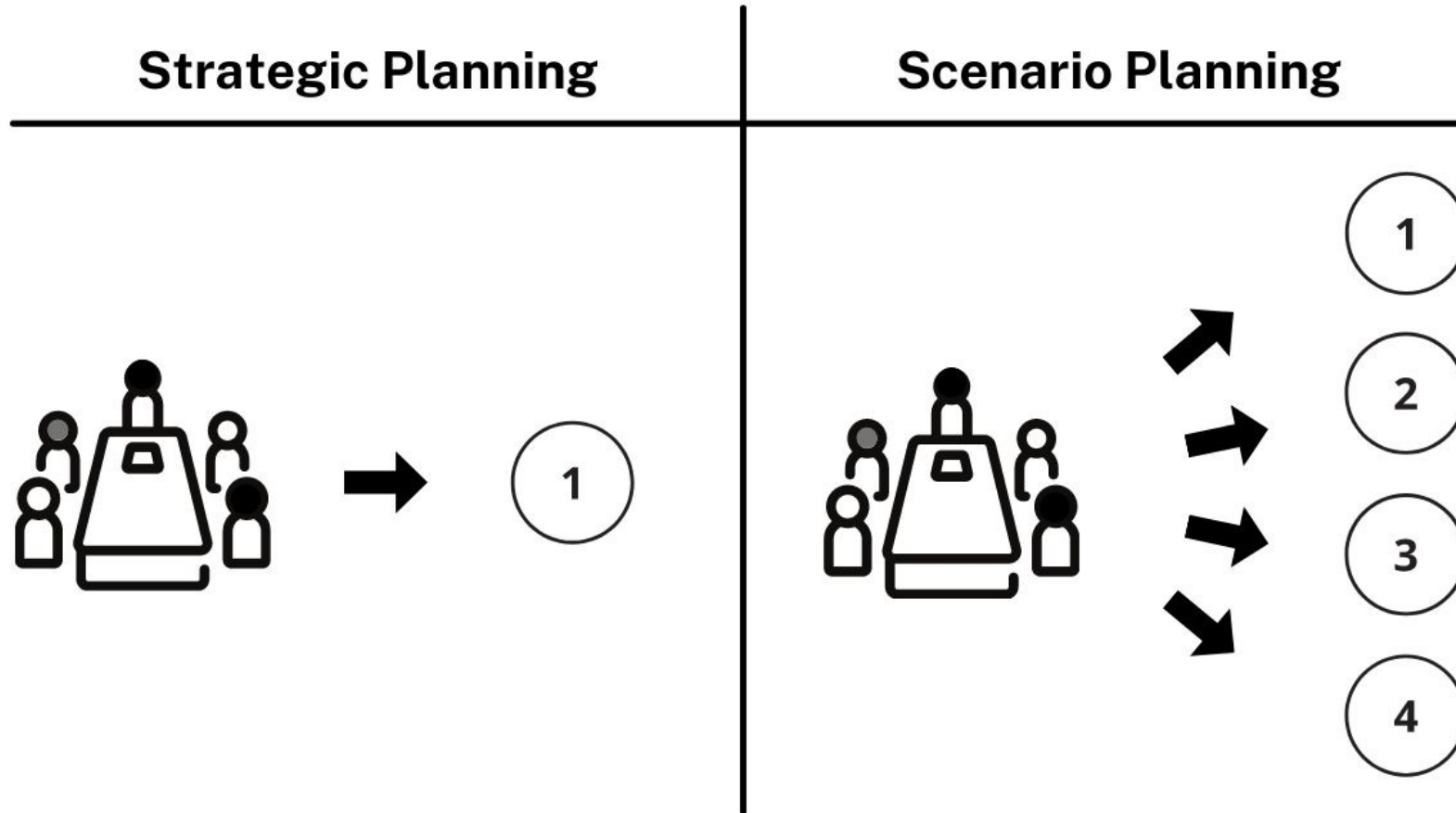


What is scenario planning?

- A process to develop a portfolio of futures
 - Especially helpful when there is great uncertainty
 - Opens your eyes to what the future might be
 - Helps you be nimble and flexible, yet proactive
- Scenario planning is not a way to predict the future . . . But rather an orderly way of thinking and making decisions



Strategic Planning vs Scenario Planning



What do we end up with?



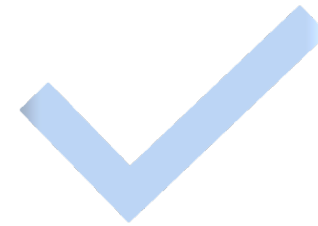
Scenarios map a plausible range of stories:

External conditions

Multiple hypotheses

Imaginative, but plausible

Holistic



A plan of action for each scenario



Scenario planning is not

- A fully developed budget
- A way to accurately predict the future
- A way to benchmark success
- Rather it is a way to create a roadmap for how your organization will respond to a variety of futures



Scenario Planning in 5 steps

1. Orient
2. Explore
3. Synthesize
4. Choose/Act
5. Monitor

First three are divergent (generate insights) and last two are convergent (drive actions)



1. Orient

- Identify your organization's deeply held beliefs
- What is your organization's level of readiness to change?
- What are the most critical questions to answer during the scenario planning process?
- Typical activities:
 - Internal interviews
 - Review existing reports and planning documents



2. Explore

- Immerse staff and board leaders in identifying and understanding the forces that have the potential to dramatically change the course of our industry / your organization, including but not limited to:
 1. Social
 2. Technology
 3. Economy
 4. Environment
 5. Political
- Activities include interviews with outside experts, reading relevant research & reports, educational workshops



3. Synthesize

- Turn the learning you've done into stories about the future:
 - Identify the two most critical uncertainties
 - Create a four future matrix
 - Develop the story of each scenario and how it would impact your organization
- Activities include creative work sessions, writing and editing, and reviews with key stakeholders to get buy-in
- Result is creation of a document that explains the overall logic of and high level differences between the scenarios, and detailed stories of each scenario.



4. Choose / Act

- Develop and stress test proposed strategy for each scenario
- The actions that show up in most of the scenarios are the “sure bets”
- The actions that are in less likely scenarios become side bets



5. Monitor

- Identify early signposts and indicator as to which scenario is becoming “the one”
- Establish a process for evaluating weather to activate any of the side bets.
- Monitor the ongoing relevance of the scenarios



Exercise # 1: Identify the Uncertainties

- What are the biggest uncertainties / changes facing your Nation?
 - Political
 - Economic
 - Demographic
 - Infrastructure / technology
 - Environmental
 - Other areas?
- Take 3 minutes to think about it, discuss, and choose top 2 - 3



Example: 4 Possible Futures

# 1	# 2
Progressive Tribal Council elected	Progressive Tribal Council elected
Capital Available Doubles	Capital Available stays the same
#3	#4
Status quo Tribal Council Elected	Status quo Tribal Council Elected
Capital Available Doubles	Capital Available stays the same



Exercise # 2:

- Develop a story based on one scenario – choose the one you think is the most likely.
- You are a writer for your organization’s newsletter: What are the biggest headlines of the stories that will be written between now and September 30, 2023? Jot down the headline and date.



Final question:

- What do you see as the pros and cons of scenario planning?



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