

# Transformative Scenario Planning

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*WORKING TOGETHER TO CHANGE THE FUTURE*

Adam Kahane

*A Reos Partners Publication*



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## Preface



**E**ACH OF US MUST CHOOSE, in each situation, how we will approach the future. Sometimes we choose to accept what is happening around us and try to adapt ourselves to it. Other times we choose to challenge what is happening and try to change it. This is the choice that Reinhold Niebuhr pointed to in his much-loved maxim: “Lord grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference.”

If we choose to try to change the future, then we must choose how. More often than not, we choose to push. We have an idea of the way we think things ought to be, and we marshal our resources—arguments, authority, supporters, money, weapons—to try to make it so. But often when we push, others push back, and we end up frustrated, exhausted, and stuck. Over and over we encounter such stuck situations, in all kinds of social systems: families, teams, communities, organizations, nations.

This book is for people who have chosen to try to change the future and have realized that they cannot do so unilaterally. They may be trying to change the future of their city or their country or the world; they may be focusing on health or education or the economy or the environment; they may be acting from a position in business or government or civil society. This book is for these people, who are looking for a way to work together—

not only with friends and colleagues but also with strangers and opponents—and so to be able to get unstuck and move forward and create change.

I first got a glimpse of such a new way of working with the future twenty years ago, during the transition away from apartheid in South Africa. I was unexpectedly plunged into working with a team of leaders from all parts of South African society—black and white, left and right, opposition and establishment—who were trying to construct a better future for their country. I saw, in what they were doing and how they were doing it, a brief and clear image of this new way—like a nighttime landscape momentarily illuminated by a flash of lightning. I knew that I had seen something important, but I didn't quite know what it was or where it had come from or how it worked. I have spent the past twenty years working on understanding what I saw. This book reports what I have learned.

Over these past two decades, my colleagues and I have worked with hundreds of teams of people who are working together to change the future. These teams have tackled some of the most important and difficult challenges of our time: health care, economic development, child nutrition, judicial reform, social inclusion, food security, and climate change, across the Americas, Europe, the Middle East, Africa, Asia, and Australia. They have included politicians, peasants, activists, artists, academics, businesspeople, trade unionists, civil servants, and leaders of community, youth, indigenous, and religious organizations. Some of these teams have been local and others global; some have worked together for days and others for years; some have succeeded in changing their situation and others have failed.

Through these experiences, I have learned that it *is* possible for people who are in a situation they want to change—people who need each other in order to get unstuck and move forward but who don't understand or agree with or trust one another—to work together cooperatively and creatively to effect that change. And I have learned the what and why and how of this approach.

My colleagues and I call this new way of working *transformative scenario planning*. Its purpose is to enable those of us who are trying to change the future collaboratively to *transform*, rather than adapt to, the situation we are part of. It involves a transformation of the situation—like a caterpillar into a butterfly—rather than only an incremental or temporary change. We bring this about through transforming our own thoughts and actions and our relationships with others. Transformative scenario planning centers on constructing *scenarios* of possible futures for our situation, but it takes the well-established adaptive scenario planning methodology and turns it on its head—so that we construct scenarios not only to understand the future but also to influence it.<sup>1</sup> And it involves *planning*, not in the sense of writing down and following a plan, but in the sense of engaging in a disciplined process of thinking ahead together and then altering our actions accordingly.

Transformative scenario planning offers us a new way to work together to change the future. This new way is simple, but it is not easy or straightforward or guaranteed. It requires learning how to make a specific series of steps, but also, perhaps more important, making a profound and subtle shift in how we approach one another and the situations of which we are part. Above all, it requires practicing: learning by doing. This book outlines this new way and invites you into the doing.

# 1

## An Invention Born of Necessity

**O**N A LOVELY FRIDAY AFTERNOON in September 1991, I arrived at the Mont Fleur conference center in the mountains of the wine country outside of Cape Town. I was excited to be there and curious about what was going to happen. I didn't yet realize what a significant weekend it would turn out to be.

### THE SCENARIO PLANNING METHODOLOGY MEETS THE SOUTH AFRICAN TRANSFORMATION

The year before, in February 1990, South African president F. W. de Klerk had unexpectedly announced that he would release Nelson Mandela from 27 years in prison, legalize Mandela's African National Congress (ANC) and the other opposition parties, and begin talks on a political transition. Back in 1948, a white minority government had imposed the apartheid system of racial segregation and oppression on the black majority, and the 1970s and 1980s had seen waves of bloody confrontation between the government and its opponents. The apartheid system, labeled by the United Nations a "crime against humanity," was the object of worldwide condemnation, protests, and sanctions.



Now de Klerk's announcement had launched an unprecedented and unpredictable process of national transformation. Every month saw breakthroughs and breakdowns: declarations and demands from politicians, community activists, church leaders, and businesspeople; mass demonstrations by popular movements and attempts by the police and military to reassert control; and all manner of negotiating meetings, large and small, formal and informal, open and secret.

South Africans were excited, worried, and confused. Although they knew that things could not remain as they had been, they disagreed vehemently and sometimes violently over what the future should look like. Nobody knew whether or how this transformation could happen peacefully.

Professors Pieter le Roux and Vincent Maphai, from the ANC-aligned University of the Western Cape, thought that it could be useful to bring together a diverse group of emerging national leaders to discuss alternative models for the transformation. They had the idea that the scenario planning methodology that had been pioneered by the multinational oil company Royal Dutch Shell, which involved systematically constructing a set of multiple stories of possible futures, could be an effective way to do this. At the time, I was working in Shell's scenario planning department at the company's head office in London. Le Roux asked me to lead the meetings of his group, and I agreed enthusiastically. This is how I came to arrive at Mont Fleur on that lovely Friday afternoon.

My job at Shell was as the head of the team that produced scenarios about possible futures for the global political, economic, social, and environmental context of the company. Shell executives used our scenarios, together with ones about what could happen in energy markets, to understand what was going on in their unpredictable business environment and so to develop more robust corporate strategies and plans. The company had used this *adaptive scenario planning* methodology since 1972, when a brilliant French planning manager named Pierre Wack

constructed a set of stories that included the possibility of an unprecedented interruption in global oil supplies. When such a crisis did in fact occur in 1973, the company's swift recognition of and response to this industry-transforming event helped it to rise from being the weakest of the "Seven Sisters" of the international oil industry to being one of the strongest. The Shell scenario department continued to develop this methodology, and over the years that followed, it helped the company to anticipate and adapt to the second oil crisis in 1979, the collapse of oil markets in 1986, the fall of the Soviet Union, the rise of Islamic radicalism, and the increasing pressure on companies to take account of environmental and social issues.<sup>1</sup>

I joined Shell in 1988 because I wanted to learn about this sophisticated approach to working with the future. My job was to try to understand what was going on in the world, and to do this I was to go anywhere and talk to anyone I needed to. I learned the Shell scenario methodology from two masters: Ged Davis, an English mining engineer, and Kees van der Heijden, a Dutch economist who had codified the approach that Wack invented. In 1990, van der Heijden was succeeded by Joseph Jaworski, a Texan lawyer who had founded the American Leadership Forum, a community leadership development program that was operating in six US cities. Jaworski thought that Shell should use its scenarios not only to study and adapt to the future but also to exercise its leadership to help shape the future. This challenged the fundamental premise that our scenarios needed to be neutral and objective, and it led to lots of arguments in our department. I was torn between these two positions.

Wack had retired from Shell in 1980 and started to work as a consultant to Clem Sunter, the head of scenario planning for Anglo American, the largest mining company in South Africa. Sunter's team produced two scenarios of possible futures for the country as an input to the company's strategizing: a "High Road" of negotiation leading to a political settlement and a "Low Road" of confrontation leading to a civil war and a waste-

land.<sup>2</sup> In 1986, Anglo American made these scenarios public, and Sunter presented them to hundreds of audiences around the country, including de Klerk and his cabinet, and Mandela, at that time still in prison. These scenarios played an important role in opening up the thinking of the white population to the need for the country to change.

Then in 1990, de Klerk, influenced in part by Sunter's work, made his unexpected announcement. In February 1991 (before le Roux contacted me), I went to South Africa for the first time for some Shell meetings. On that trip I heard a joke that crystallized the seemingly insurmountable challenges that South Africans faced, as well as the impossible promise of all their efforts to address these challenges together. "Faced with our country's overwhelming problems," the joke went, "we have only two options: a practical option and a miraculous option. The practical option would be for all of us to get down on our knees and pray for a band of angels to come down from heaven and solve our problems for us. The miraculous option would be for us to talk and work together and to find a way forward together." South Africans needed ways to implement this miraculous option.

#### THE MONT FLEUR SCENARIO EXERCISE

Necessity is the mother of invention, and so it was the extraordinary needs of South Africa in 1991 that gave birth to the first transformative scenario planning project.<sup>3</sup> Le Roux and Maphai's initial idea was to produce a set of scenarios that would offer an opposition answer to the establishment scenarios that Wack and Sunter had prepared at Anglo American and to a subsequent scenario project that Wack had worked on with Old Mutual, the country's largest financial services group. The initial name of the Mont Fleur project was "An Alternative Scenario Planning Exercise of the Left."

When le Roux asked my advice about how to put together a team to construct these scenarios, I suggested that he include

some “awkward sods”: people who could prod the team to look at the South African situation from challenging alternative perspectives. What le Roux and his coorganizers at the university did then was not to compose the team the way we did at Shell—of staff from their own organization—but instead to include current and potential leaders from across the whole of the emerging South African social-political-economic system. The organizers’ key inventive insight was that such a diverse and prominent team would be able to understand the whole of the complex South African situation and also would be credible in presenting their conclusions to the whole of the country. So the organizers recruited 22 insightful and influential people: politicians, businesspeople, trade unionists, academics, and community activists; black and white; from the left and right; from the opposition and the establishment. It was an extraordinary group. Some of the participants had sacrificed a lot—in prison or exile or underground—in long-running battles over the future of the country; many of them didn’t know or agree with or trust many of the others; all of them were strong minded and strong willed. I arrived at Mont Fleur looking forward to meeting them but doubtful about whether they would be able to work together or agree on much.

I was astounded by what I found. The team was happy and energized to be together. The Afrikaans word *apartheid* means “separation,” and most of them had never had the opportunity to be together in such a stimulating and relaxed gathering. They talked together fluidly and creatively, around the big square of tables in the conference room, in small working groups scattered throughout the building, on walks on the mountain, on benches in the flowered garden, and over good meals with local wine. They asked questions of each other and explained themselves and argued and made jokes. They agreed on many things. I was delighted.

The scenario method asks people to talk not about what they predict *will* happen or what they believe *should* happen but only about what they think *could* happen. At Mont Fleur, this subtle

shift in orientation opened up dramatically new conversations. The team initially came up with 30 stories of possible futures for South Africa. They enjoyed thinking up stories (some of which they concluded were plausible) that were antithetical to their organizations' official narratives, and also stories (some of which they concluded were implausible) that were in line with these narratives. Trevor Manuel, the head of the ANC's Department of Economic Policy, suggested a story of Chilean-type "Growth through Repression," a play on words of the ANC's slogan of "Growth through Redistribution." Mosebyane Malatsi, head of economics of the radical Pan-Africanist Congress (PAC)—one of their slogans was "One Settler [white person], One Bullet"—told a wishful story about the Chinese People's Liberation Army coming to the rescue of the opposition's armed forces and helping them to defeat the South African government; but as soon as he told it, he realized that it could not happen, so he sat down, and this scenario was never mentioned again.

Howard Gabriels, an employee of the Friedrich Ebert Stiftung (the German social democratic foundation that was the primary funder of the project) and a former official of the socialist National Union of Mineworkers, later reflected on the openness of this first round of storytelling:

The first frightening thing was to look into the future without blinkers on. At the time there was a euphoria about the future of the country, yet a lot of those stories were like "Tomorrow morning you will open the newspaper and read that Nelson Mandela was assassinated" and what happens after that. Thinking about the future in that way was extremely frightening. All of a sudden you are no longer in your comfort zone. You are looking into the future and you begin to argue the capitalist case and the free market case and the social democracy case. Suddenly the capitalist starts arguing the communist case. And all those given paradigms begin to fall away.<sup>4</sup>

Johann Liebenberg was a white Afrikaner executive of the Chamber of Mines. Mining was the country's most important industry, its operations intertwined with the apartheid system of economic and social control. So in this opposition-dominated team, Liebenberg represented the arch-establishment. He had been Gabriels's adversary in acrimonious and violent mining industry negotiations and strikes. Gabriels later recalled with amazement:

In 1987, we took 340,000 workers out on strike, 15 workers were killed, and more than 300 workers got terribly injured, and when I say injured, I do not only mean little scratches. He was the enemy, and here I was, sitting with this guy in the room when those bruises are still raw. I think that Mont Fleur allowed him to see the world from my point of view and allowed me to see the world from his.<sup>5</sup>

In one small group discussion, Liebenberg was recording on a flip chart while Malatsi of the PAC was speaking. Liebenberg was calmly summarizing what Malatsi was saying: "Let me see if I've got this right: 'The illegitimate, racist regime in Pretoria . . .'" Liebenberg was able to hear and articulate the provocative perspective of his sworn enemy.

One afternoon, Liebenberg went for a walk with Tito Mboweni, Manuel's deputy at the ANC. Liebenberg later reported warmly:

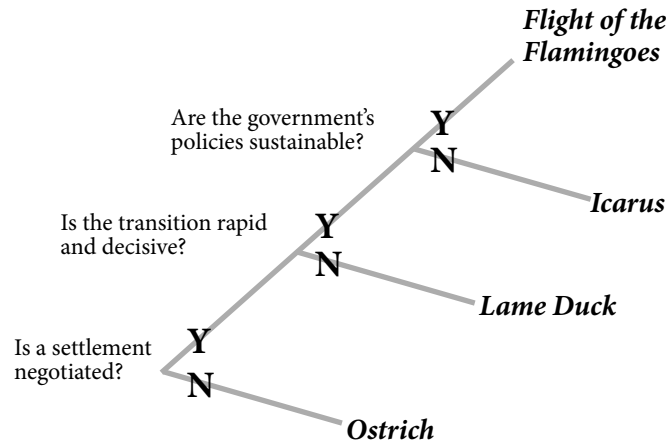
You went for a long walk after the day's work with Tito Mboweni on a mountain path and you just talked. Tito was the last sort of person I would have talked to a year before that: very articulate, very bright. We did not meet blacks like that normally; I don't know where they were all buried. The only other blacks of that caliber that I had met were the trade unionists sitting opposite me in adversarial roles. This was new for me, especially how open-minded they were. These were not

people who simply said: “Look, this is how it is going to be when we take over one day.” They were prepared to say: “Hey, how *would* it be? Let’s discuss it.”<sup>6</sup>

I had never seen or even heard of such a good-hearted and constructive encounter about such momentous matters among such long-time adversaries. I wouldn’t have thought it was possible, but here I was, seeing it with my own eyes.

In the following six months, the team and I returned to Mont Fleur for two more weekend workshops. They eventually agreed on four stories about what could happen in the country—stories they thought could stimulate useful debate about what needed to be done. “Ostrich” was a story of the white minority government that stuck its head in the sand and refused to negotiate with its opponents. “Lame Duck” was a story of a negotiated settlement that constrained the new democratic government and left it unable to deal with the country’s challenges. “Icarus” was a story of an unconstrained democratic government that ignored fiscal limits and crashed the economy. “Flight of the Flamingos” was a story of a society that put the building blocks in place to develop gradually and together.<sup>7</sup>

One of the team members created a simple diagram to show how the scenarios were related to one another. The three forks in the road were three decisions that South African political leaders (who would be influenced by people such as the members of the Mont Fleur team) would have to make over the months ahead. The first three scenarios were prophetic warnings about what could happen in South Africa if the wrong decisions were made. The fourth scenario was a vision of a better future for the country if all three of these errors were avoided. When they started their work together, this politically heterogeneous team had not intended to agree on a shared vision, and now they were surprised to have done so. But both the content of the “Flight of the Flamingos” scenario and the fact that this team had agreed on it served as a hopeful message to a country that was uncertain and divided about its future.



*The Mont Fleur Scenarios, South Africa, 1992*

The team wrote a 16-page summary of their work that was published as an insert in the country's most important weekly newspaper. Lindy Wilson, a respected filmmaker, prepared a 30-minute video about this work (she is the one who suggested using bird names), which included drawings by Jonathan Shapiro, the country's best-known editorial cartoonist. The team then used these materials to present their findings to more than 100 political, business, and nongovernmental organizations around the country.

#### THE IMPACT OF MONT FLEUR

The Mont Fleur project made a surprisingly significant impact on me. I fell in love with this collaborative and creative approach to working with the future, which I had never imagined was possible; with this exciting and inspiring moment in South African history, which amazed the whole world; and with Dorothy Boesak, the coordinator of the project. By the time the project ended in 1993, I had resigned from Shell to pursue this new way of working, moved from London to Cape



Town, and married Dorothy. My future was now intertwined with South Africa's.

The project also made a surprisingly significant impact on South Africa. In the years after I immigrated to South Africa, I worked on projects with many of the country's leaders and paid close attention to what was happening there. The contribution of Mont Fleur to what unfolded in South Africa, although not dramatic or decisive, seemed straightforward and important. The team's experience of their intensive intellectual and social encounter with their diverse teammates shifted their thinking about what was necessary and possible in the country and, relatedly, their empathy for and trust in one another. This consequently shifted the actions they took, and these actions shifted what happened in the country.

Of these four scenarios, the one that had the biggest impact was "Icarus." The title of the story referred to the Greek mythical figure who was so exhilarated by his ability to fly using feathers stuck together with wax that he flew too close to the sun, which melted the wax and plunged him into the sea. In his book on Mont Fleur and the two prior South African corporate-sponsored scenario exercises, economist Nick Segal summarized the warning of "Icarus" about the dangers of macroeconomic populism as follows:

A popularly elected government goes on a social spending spree accompanied by price and exchange controls and other measures in order to ensure success. For a while this yields positive results, but before long budgetary and balance of payment constraints start biting, and inflation, currency depreciation and other adverse factors emerge. The ensuing crisis eventually results in a return to authoritarianism, with the intended beneficiaries of the programme landing up worse off than before.<sup>8</sup>

This scenario directly challenged the economic orthodoxy of the ANC, which in the early 1990s was under strong pressure

from its constituents to be ready, once in government, to borrow and spend money in order to redress apartheid inequities. When members of the scenario team, supported by Mboweni and Manuel, presented their work to the party's National Executive Committee, which included both Nelson Mandela (president of the ANC) and Joe Slovo (chairperson of the South African Communist Party), it was Slovo, citing the failure of socialist programs in the Soviet Union and elsewhere, who argued that "Icarus" needed to be taken seriously.

When le Roux and Malatsi presented "Icarus" to the National Executive Committee of the Pan-Africanist Congress—which up to that point had refused to abandon its armed struggle and participate in the upcoming elections—Malatsi was forthright about the danger he saw in his own party's positions: "This is a scenario of the calamity that will befall South Africa if our opponents, the ANC, come to power. And if they don't do it, we will push them into it." With this sharply self-critical statement, he was arguing that his party's declared economic policy would harm the country and also its own popularity.

One of the committee members then asked Malatsi why the team had not included a scenario of a successful revolution. He replied: "I have tried my best, comrades, but given the realities in the world today, I cannot see how we can tell a convincing story of how a successful revolution could take place within the next ten years. If any of you can tell such a story so that it carries conviction, I will try to have the team incorporate it." Later, le Roux recalled that none of the members of the committee could do so, "and I think this failure to be able to explain how they could bring about the revolution to which they were committed in a reasonable time period was crucial to the subsequent shifts in their position. It is not only the scenarios one accepts but also those that one rejects that have an impact."<sup>9</sup>

This conversation about the scenarios was followed by a full-day strategic debate in the committee. Later the PAC gave up their arms, joined the electoral contest, and changed their economic policy. Malatsi said: "If you look at the policies of the PAC

prior to our policy conference in September 1993, there was no room for changes. If you look at our policy after that, we had to revise the land policy; we had to revise quite a number of things. They were directly or indirectly influenced by Mont Fleur.”<sup>10</sup>

These and many other debates—some arising directly out of Mont Fleur, some not—altered the political consensus in the opposition and in the country. (President de Klerk defended his policies by saying “I am not an ostrich.”<sup>11</sup>) When the ANC government came to power in 1994, one of the most significant surprises about the policies it implemented was its consistently strict fiscal discipline. Veteran journalist Allister Sparks referred to this fundamental change in ANC economic policy as “The Great U-Turn.”<sup>12</sup> In 1999, when Mboweni became the country’s first black Reserve Bank governor (a position he held for ten years), he reassured local and international bankers by saying: “We are not Icarus; there is no need to fear that we will fly too close to the sun.” In 2000, Manuel, by then the country’s first black minister of finance (a position he held for 13 years), said: “It’s not a straight line from Mont Fleur to our current policy. It meanders through, but there’s a fair amount in all that going back to Mont Fleur. I could close my eyes now and give you those scenarios just like *this*. I’ve internalized them, and if you have internalized something, then you probably carry it for life.”<sup>13</sup>

The economic discipline of the new government enabled the annual real rate of growth of the South African economy to jump from 1 percent over 1984–1994 to 3 percent over 1994–2004. In 2010, Clem Sunter observed how well South Africa had navigated not only its transition to democracy but also the later global recession: “So take a bow, all you who were involved in the Mont Fleur initiative. You may have changed our history at a critical juncture.”<sup>14</sup>

The Mont Fleur team’s messages about the country’s future were simple and compelling. Not everyone agreed with these messages: some commentators thought that the team’s analysis was superficial, and many on the left thought that the conclusion

about fiscal conservatism was incorrect. Nevertheless, the team succeeded in placing a crucial hypothesis and proposal about post-apartheid economic strategy on the national agenda. This proposal won the day, in part because it seemed to make sense in the context of the prevailing global economic consensus and in part because Manuel and Mboweni exercised so much influence on the economic decision making of the new government for so long. So the team's work made a difference to what happened in the country.

Mont Fleur not only contributed to but also exemplified the process through which South Africans brought about their national transformation. The essence of the Mont Fleur process—a group of leaders from across a system talking through what was happening, could happen, and needed to happen in their system, and then acting on what they learned—was employed in the hundreds of negotiating forums (most of them not using the scenario methodology as such) on every transitional issue from educational reform to urban planning to the new constitution. This was the way of working that produced the joke I had heard about the practical option and the miraculous option. South Africans succeeded in finding a way forward together. They succeeded in implementing “the miraculous option.”

Neither the Mont Fleur project in particular nor the South African transition in general was perfect or complete. Many issues and actors were left out, many ideas and actions were bitterly contested, and many new dynamics and difficulties arose later on. Transforming a complex social system like South Africa is never easy or foolproof or permanent. But Mont Fleur contributed to creating peaceful forward movement in a society that was violently stuck. Rob Davies, a member of the team and later minister of trade and industry, said: “The Mont Fleur process outlined the way forward of those for us who were committed to finding a way forward.”<sup>15</sup>

## 2

### A New Way to Work with the Future

*W*HEN THE MONT FLEUR SCENARIO EXERCISE ended in 1992, I was left inspired and also uncertain. It was clear to me that the exercise had contributed to creating change in South Africa, but it was not clear to me whether or how this way of working could be used in other contexts. In which type of situation could transformative scenario planning be useful? To be useful, which outputs did it have to produce and which inputs did it require? And to produce these outputs, which steps were essential?

These questions set me off on an exploration that I have now been on for 20 years. After I moved to South Africa in 1993, I sought out opportunities there and elsewhere to work with people who were trying to address tough challenges. I found colleagues, and together we worked on many different projects, on different challenges, of different scales, in different countries, with different actors, using different methodologies. These experiences gave me many opportunities for trial and many opportunities for error, and so many opportunities for learning. Gradually I found answers to my questions.

## WHEN TO USE TRANSFORMATIVE SCENARIO PLANNING

The South African context that gave birth to the Mont Fleur Scenario Exercise turns out to have been a particular example of a general type of situation. Transformative scenario planning can be useful to people who find themselves in a situation that has the following three characteristics.

First, these people see the situation they are in as unacceptable, unstable, or unsustainable. Their situation may have been this way for some time, or it may be becoming this way now, or it may possibly become this way in the future. They may feel frightened or excited or confused. In any event, these people cannot or are not willing to carry on as before, or to adapt to or flee from what is happening. They think that they have no choice but to try to transform their situation. The participants in the Mont Fleur project, for example, viewed apartheid as unacceptable, unstable, and unsustainable, and saw the just-opened political negotiations as offering them an opportunity to contribute to changing it. Another, hypothetical, example might be people in a community who think that the conditions in their schools are unacceptable and want to change them.

Second, these people cannot transform their situation on their own or by working only with their friends and colleagues. Even if they want to, they are unable to impose or force through a transformation. The larger social-political-economic system (the sector or community or country) within which they and their situation are embedded is too complex—it has too many actors, too many interdependencies, too much unpredictability—to be grasped or shifted by any one person or organization or sector, even one with lots of ideas and resources and authority.<sup>1</sup> These people therefore need to find some way to work together with actors from across the whole system.

South Africans who wanted to transform the apartheid situation had been trying for decades to force this transformation,

through mass protests, international sanctions, and armed resistance. But these efforts had not succeeded. Mont Fleur and the other multistakeholder processes of the early 1990s (which the previous forceful efforts had precipitated) provided South Africans with a new way to work with other actors from across the system. In the community example, changing the conditions in the schools might require the involvement not just of concerned citizens and school administrators but also of teachers, parents, students, and others.

Third, these people cannot transform their situation directly. The actors who need to work together to make the transformation are too polarized to be able to approach this work head-on. They agree neither on what the solution is nor even on what the problem is. At best, they agree that they face a situation they all find problematic, although in different respects and for different reasons.<sup>2</sup> Any attempt to implement a solution directly would therefore only increase resistance and rigidity. So the transformation must be approached indirectly, through first building shared understandings, relationships, and intentions.

The actors who came together in Mont Fleur all agreed that apartheid was irretrievably problematic and needed to be dismantled, but they came in with deep differences in their diagnoses of the ways in which it was problematic and their prescriptions for how it should be transformed. The scenario process enabled them to create common ground. In the community example, the administrators, teachers, parents, and students might have a long history of unproductive disagreements that means they cannot simply sit down and start to take action together.

Transformative scenario planning is, then, a way for people to work with complex problematic situations that they want to transform but cannot transform unilaterally or directly. This way of working with the future can be used to deal with such situations at all scales: local, sectoral, regional, national, or global. (The stories in this book are all national because this is the scale at which I have done most of my work and that I know best.)

Transformative scenario planning is not a way for actors to adapt to a situation or to force its transformation or to implement an already-formulated proposal or to negotiate between several already-formulated proposals. It is a way for actors to work cooperatively and creatively to get unstuck and to move forward.

### HOW TRANSFORMATIVE SCENARIO PLANNING WORKS

In a transformative scenario planning process, actors transform their problematic situation through transforming themselves, in four ways.

First, they transform their *understandings*. Their scenario stories articulate their collective synthesis of what is happening and could happen in and around the system of which they are part. They see their situation—and, critically important, their own roles in their situation—with fresh eyes. In a polarized or confused or stuck situation, such new, clear, shared understandings enable forward movement.

Second, the actors transform their *relationships*. Through working together in the scenario team, they enlarge their empathy for and trust in other actors on the team and across the system, and their ability and willingness to work together. This strengthening of cross-system relationships is often the most important and enduring output of such projects.

Third, the actors transform their *intentions*. Their transformed understandings and relationships shift how they see what they can and must do to deal with what is happening in their system. They transform their fundamental will.

Fourth, the actors' transformations of their understandings, relationships, and intentions enable them to transform their *actions* and thereby to transform their situation.

The story of Mont Fleur exemplifies this four-part logic. The participants constructed a new way of understanding the political, economic, and social challenges that South Africans were



facing and then created four scenarios as to how South Africans could try to deal with these challenges. The participants constructed new relationships and alliances, especially between leaders of hitherto-separated parties, sectors, and races. And they constructed new intentions as to what they needed to do in their own spheres of influence to try to prevent the “Ostrich,” “Lame Duck,” and “Icarus” scenarios and to bring forth “Flight of the Flamingos.” Over the years that followed, these new understandings, relationships, and intentions enabled the participants and others with whom they engaged to undertake a series of aligned actions that did in fact contribute to their achieving these intentions.

In the community example, a team of concerned citizens, administrators, teachers, parents, and students might construct a set of scenarios (both desirable and undesirable) about what could happen in and around their schools and community. This work together might enable them to understand and trust one another more, and to clarify what they need to do to change the conditions in their schools. Then they might be able to take action, together and separately, to effect these changes.

Transformative scenario planning can generate transformations such as those in these two examples only if three components are in place. Transformative scenario planning is a composite social technology that brings together three already-existing technologies into a new way of working that can generate new results.<sup>3</sup> If any one of these components is missing, this new way of working will not work.

The first component is a *whole-system team* of insightful, influential, and interested actors. These actors constitute a strategic microcosm of the system as a whole: they are not from only one part or camp or faction of the system, and they are not only observers of the system. They all want to address a particular problematic situation and know that they cannot do so alone. They choose to join this team because they think that if they can act together, then they can be more successful.

The second component is a *strong container* within which these actors can transform their understandings, relationships, and intentions.<sup>4</sup> The boundaries of this container are set so that the team feels enough protection and safety, as well as enough pressure and friction, to be able to do their challenging work. Building such a container requires paying attention to multiple dimensions of the space within which the team does their work: the political positioning of the exercise, so that the actors feel able to meet their counterparts from other parts of the system without being seen as having betrayed their own part; the psychosocial conditions of the work, so that the actors feel able to become aware of and challenge (and have challenged) their own thoughts and actions; and the physical locations of the meetings, so that the actors can relax and pay attention to their work without interruption or distraction.

The third component is a *rigorous process*. In a transformative scenario planning process, the actors construct a set of relevant, challenging, plausible, and clear stories about what *could* happen—not about what *will* happen (a forecast) or about what *should* happen (a wish or proposal)—and then act on what they have learned from this construction. The uniqueness of the scenario process is that it is pragmatic and inspirational, rational and intuitive, connected to and challenging of dominant understanding, and immersed in and disconnected from the complexity and conflict of the situation. Furthermore, the future is a more neutral space about which all actors are more equally ignorant.

The transformative scenario planning process that was invented at Mont Fleur originated in the adaptive scenario planning process that had been invented at Shell two decades earlier—but it turns this adaptive process on its head. In an adaptive scenario planning process, the leaders of an organization construct and employ stories about what could happen in the world outside their organization in order to formulate strategies and plans to enable their organization to fit into and survive and

thrive in a range of possible futures. They use adaptive scenario planning to anticipate and adapt to futures that they think they cannot predict and cannot or should not or need not influence.

But adaptive scenario planning is useful only up to a point. Sometimes people find themselves in situations that are too unacceptable or unstable or unsustainable for them to be willing or able to go along with and adapt to. In such situations, they need an approach not simply for anticipating and adapting to the future but also for influencing or transforming it. For example, an adaptive approach to living in a crime-ridden community could involve employing locks or alarms or guards, whereas a transformative approach could involve working with others to reduce the levels of criminality. An adaptive response to climate change could involve building dikes to protect against higher sea levels, whereas a transformative approach could involve working with others to reduce emissions of greenhouse gases. Both approaches are rational, feasible, and legitimate, but they are different and require different kinds of alliances and actions.

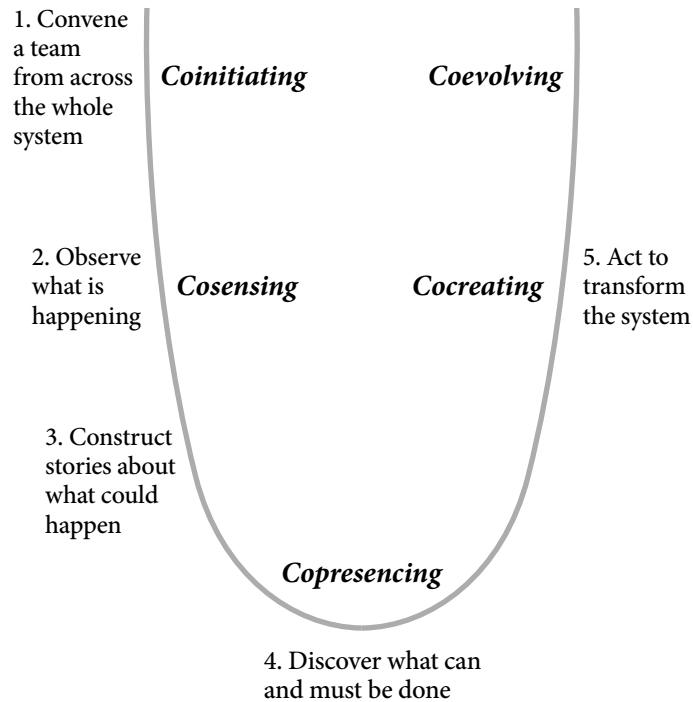
The key difference between adaptive and transformative scenario planning is, then, one of purpose. Adaptive scenario planning uses stories about possible futures to study what could happen, whereas transformative scenario planning assumes that studying the future is insufficient, and so it also uses stories about possible futures to influence what could happen. To achieve these two different purposes, adaptive scenario planning focuses on producing new systemic understandings, whereas transformative scenario planning assumes that new understandings alone are insufficient and so also focuses on producing new cross-system relationships and new system-transforming intentions. And to produce these two different sets of outputs, adaptive scenario planning requires a rigorous process, whereas transformative scenario planning assumes that process alone is insufficient, and so it also requires a whole-system team and a strong container.

Transformative scenario planning enables people to transform their problematic situation through building a strong alliance of actors who deeply understand the situation, one another, and what they need to do.

### THE FIVE STEPS OF TRANSFORMATIVE SCENARIO PLANNING

I have learned how to do transformative scenario planning through 20 years of trial and error. I have observed when these projects fail to get off the ground and when they succeed in launching, when they get stuck and when they flow, and when they collapse and when they keep on going. In this way, I have been able to discern what works and what doesn't and why, and to piece together a simple five-step process. The five steps are as follows: convening a team from across the whole system; observing what is happening; constructing stories about what could happen; discovering what can and must be done; and acting to transform the system. This process is like an old cow path: although it is not the only way forward, it is a way that has, after many alternatives were tried out over many years, proven to provide a reliable route.

These five steps can be framed as an application of the U-Process to the transformation of complex problematic situations.<sup>5</sup> The U-Process is a model of transformation that includes five movements: coinitiating (in transformative scenario planning, this is the convening step), cosensing (the observing and constructing steps), copresencing (the discovering step), and cocreating and coevolving (the acting step). The U-Process is an indirect process—a detour—in that it is a way to get unstuck and move forward to transform a problematic situation through pausing and stepping back from the situation. It is a creative process in that what can and must be done on the right-hand side is not visible from the left-hand side but can only be discovered only along the way. And it is a fractal process in that each step



*The Five Steps of Transformative Scenario Planning*

along the U contains within it a smaller U, so that the actors repeat the five movements from coinitiating to coevolving multiple times.

Transformative scenario planning addresses problematic situations slowly and from the inside out. Over the course of the five steps, the actors gradually transform their understandings, relationships, and intentions, and thereby their actions. Through this process, the transformation ripples out from the individual leaders to the scenario team, the organizations and sectors they lead, and the larger social system.

A transformative scenario planning project can be broad or narrow, large or small, long or short. My experience suggests, however, that for a complex problematic situation to be trans-

formed, certain ideal parameters exist. You can succeed outside of these parameters, but you will find it harder, or you will have to use methods different from the ones outlined in this book.

In the first step, a convening team of 5 to 10 people builds a whole-system scenario team of 25 to 35 leading actors (including the conveners themselves). Convening or scenario teams that are smaller than these will be unlikely to have the diversity required for whole-system insight and influence. Convening or scenario teams that are larger than these will find it difficult to develop the intimacy and engagement that the process requires. There are other methods for working with much larger teams, but these are not compatible with the structured combination of rational and intuitive processes of scenario work.

The scenario team undertakes the second, third, and fourth steps in three or four workshops of three to four days each (with supporting work being done in between the workshops), spread over four to eight months. A process with fewer workshops or workshops that are shorter or closer together will be unlikely to provide enough time for the team to go deep enough (and get lost enough) to transform their understandings, relationships, and intentions. (My partner Bill O'Brien said about the time needed for transformational work: "It takes nine months to make a baby, no matter how many people you put on the job."<sup>6</sup>) A process with more workshops or workshops that are longer or more spread out will find it difficult to maintain the requisite energy and momentum.

Finally, the scenario team, with others, undertakes the fifth step over another four to eight months or longer. A shorter process will be unlikely to provide enough time for the team's actions to transform their situation. But their actions could well ripple out for years, either within the scenario project or beyond its end. A transformative scenario planning project can get a process of systemic transformation started, but the process may take generations to be completed.

Transformative scenario planning is simple, but it is not easy or straightforward or guaranteed. The process is emergent; it almost never unfolds according to plan; and context-specific design and redesign are always required. So the only way to learn this process is to practice it in a variety of situations.

The five steps outlined in the following five chapters therefore constitute not so much a recipe to follow as a set of guideposts to keep in view. For each step, I give two or three diverse examples from my own experience, with a few of the examples spread across several steps. Some of the examples illustrate a team's succeeding in moving forward and some a team's failing or stopping. I focus on my own experiences, many of them in extreme situations, because these point out in bright colors the universal dynamics of these processes that are harder to discern in more ordinary situations, and they also point out from inside and up close dynamics that are harder to discern from outside and far away. I have told some of these stories before, but I use them here to draw out particular methodological lessons. Finally, for each step, I give a generalized set of process instructions. All of these processes are collated in the "Resources" chapter.