

Strategic scenario planning at CA International

BRIEFINGS

Have you benefitted from the strategic use of scenarios in your organization? We'd like to hear your story.

Throughout history, telling stories has been an effective way to transfer ideas, concepts and knowledge. Here, Robert Neilson and Christopher Wagner explain why scenario planning is the next generation in storytelling.

Most good speeches are a series of stories linked with a consistent thread to illustrate salient points. Audiences identify with stories because they are humanistic representations of real life situations that yield context and meaning. This article aims to follow the “story thread” and relate how one knowledge-intensive global organization uses scenarios to help create a common understanding about an internal knowledge management initiative and strategically plan for the future.

Why scenarios?

Scenarios describe a future state, but they are not firm projections of the future. Scenarios attempt to uncover fundamental assumptions about an organization – its missions and the environment it operates in.

With a rapidly developing knowledge-based global economy, organizations can ill-afford to engage in linear cause-and-effect thinking. Unanticipated events can fundamentally alter the way in which we conduct business and they may even threaten the very existence of the organization and its products and services. The emergence of a plethora of “.com” businesses illustrates the non-linear dynamics of a chaotic marketplace. For example, “bricks and mortar” bookstores have been blindsided by the rapid emergence of

Amazon.com. Amazon.com, in turn, may be blindsided by the emergence of .MP3 downloadable music which allows for direct music retailing via the Internet.

There is clearly a constant need to envision alternate futures that fundamentally challenge the relevance of the organization’s mission, its products and services, and its future operating environment. Scenarios provoke strategic thought by removing obstacles to creative thinking. Scenarios will:

- anticipate future threats and opportunities;
- project multiple futures based on optimistic and pessimistic projections of past events;
- foster strategic thinking and learning;
- facilitate the art of strategic conversation;
- envision a future state;
- challenge or dispel assumptions about the “official” future;
- create a rallying point;
- provide leadership for new initiatives or direction;
- create options for decision-making;
- create frameworks for a shared vision of the future to influence organizational and individual behavior;
- create an internal or external communication channel that transcends organizational boundaries, time and space.

Case study: CA International

Computer Associates International (CA), a multi-billion dollar global software products and services firm, use scenarios to share explicit and tacit knowledge within the firm. The scenario shown in the side box (left) is a normative prescription of a future state. It was written to fit on one page to increase the chances that employees and senior leaders

The CA International scenario

1. Indicates diversity of future CA workforce	On May 19, 2000, <i>Juanita Sanchez</i> ¹ , a consultant working with a global financial services company, is asked by the client for advice on determining the total cost of ownership (TCO) of it's wide area network (WAN). Juanita's knowledge of TCO is limited and the client wants an answer ASAP. She launches a two-pronged attack. First, she accesses CA's KnowledgeNet and searches the topic of “TCO.” <i>A graphic illustration of a knowledge map</i> ² helps her navigate through an abundance of information. She discovers a series of methodologies that have <i>four star ratings</i> ³ by GPS consultants. She clicks on a 90 second voice clip embedded in the KnowledgeNet and listens to a consultant who has experience using a TCO methodology. The audio clip provides Juanita with the tacit knowledge she needs, as well as the phone numbers and e-mails of <i>CA consultants from the U.S., France, and Japan</i> ⁴ who also have experience in this.
2. Strategic use of visualization	
3. Importance of QA	
4. Importance of international practice	
5. CA's technology strengths	Not satisfied with just using the CA KnowledgeNet, she launches a <i>specialized Neugent</i> ⁵ that sources information both internally and externally. The Neugent uses specialized “associative programming” to identify another TCO methodology that determines total cost of ownership with large financial services companies. No one within CA has experience using it, so she virtually consults with colleagues within the TCO <i>community of practice (subject matter experts)</i> ⁶ and presents a compelling solution to her client four days prior to the competition. She recognizes ancillary problems associated with managing the clients WAN and <i>recommends TNG</i> ⁷ as a potential solution that further cuts the total cost of ownership. She wins the contract.
6. Importance of human and intellectual capital	
7. End-to-end accelerated solution	
8. Sharing as normal part of culture	She <i>updates the CA KnowledgeNet</i> ⁸ documenting her experiences as part of her normal business practice. Transparent to users, CA's KnowledgeNet is mined to provide strategic information such as: evolving macro trends for use in <i>CA University curriculum development, agenda setting for CA World, and grist for changes to the Project Managers (PM) Work Bench</i> ⁹ .
9. KNet strategically linked to other CA divisions & resources	

will read it. It tells a story about a day in the life of Juanita Sanchez, a Global Professional Services (GPS) consultant at CA who leverages intellectual resources.

The text shown in italics indicates the specific content in the scenario that illustrates major strategic thrusts at CA as part of its knowledge management initiative. It also provides a pointer where individual and organizational behavior, processes, or technology may have to change. The left-hand column summarizes the major strategic thrusts that extend beyond the knowledge management initiative to complementary initiatives that deal with strategic business issues. The attempt here is to link strategic organizational initiatives in a coherent whole linked together in a plausible short story.

Creating strategic advantage

The scenario example paints a vivid picture of how CA will operate in the future. It illustrates how the company plans to fulfil its business strategy by seamlessly integrating products and services to accelerate processes associated with meeting client's needs. The scenario should:

- indicate diversity of the future CA workforce;
- aid the strategic use of visualization;
- highlight the importance of quality assurance (QA);
- bring entire weight of CA to solve clients needs; importance of international practice;
- capitalize on CA's technology strengths;
- highlight the importance of human and intellectual capital;
- marry services with products – end-to-end accelerated solution;
- make sharing knowledge a normal part of CA organizational culture.

Thinking futuristically

Scenarios require a new way of thinking based on assumptions about what might happen in the future. To do this effectively, critical

analysis of the scenario from a human, process and technology perspective is important. This will provide insight into the potential changes necessary to make the scenario a reality.

The human dimension

The human dimension of the CA scenario envisions the cultural state of play in May, 2000. It assumes that Juanita knows how to manage a client engagement and knows where to start looking for pertinent information within and outside the organization. It also assumes that:

- consultants are willing to share knowledge outside their divisions;
- consultants and internally focused knowledge workers document and contribute best practices;
- communities of practice exist and are working;
- sharing best practices is an ongoing part of the culture or sharing is rewarded in some way.

The process dimension

The process dimension of the CA scenario predicts the processes that will be in place in May, 2000. For example, it assumes that there will be a peer review process to ensure quality of products as well as:

- processes in place to automatically feed best practices into the corporate university curriculum;
- processes in place to archive best practices, ensuring that only "best known" practices to date appear as structural capital.

The technology dimension

The technology dimension of the CA scenario assumes that a robust intranet will exist in May, 2000. It also assumes that:

- sophisticated software (Neugents) quickly find relevant information;
- the intranet has the storage capacity to accommodate voice clips to capture tacit knowledge.

Planning for change

By identifying the assumptions underlying scenarios, knowledge

The top 10 lessons learned

1. Involve senior leadership and front-line staff in developing scenarios.
2. Evaluate ideas on their merits not their source. Use nominal group techniques or groupware to unleash creative non-linear thinking and prevent top-down visions of the future.
3. Tie scenarios to specific business value propositions (knowledge re-use, innovation, customer intimacy). Scenarios should be outcome oriented.
4. Use communities of practice that span multiple functions to create scenarios.
5. Try to tie together human, process, and technology dimensions of KM to paint a vivid picture of a future state. Relate the KM initiative to complementary organizational initiatives.
6. Keep scenarios short – one to two pages maximum.
7. Consider creating a complementary technical scenario that focuses on the technology dimension of KM to illustrate the difficulty of integrating existing systems.
8. Post scenarios to your intranet and extranets – communicate with employees, strategic partners and stakeholders regarding your future direction.
9. Give credit to those who develop scenarios – showcase them on your intranet by including digital pictures of those who contributed.
10. Scenario development is the start of a continuous process and must be frequently revisited.

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management teams can start to identify and plan for changes that will move the organization towards the desired future state. Each of these assumptions has multiple sub-dimensions that will touch or involve people who have vested interests. Consequently, the proverbial onion may have to be peeled back further to ascertain the breadth of changes that affect people, processes and technologies.

Writing scenarios incorporating the major dimensions of knowledge management helps provide a plausible story-like means of internal and external communication, and can help ensure successful implementation of strategic plans.

Further Reading

1. David Snowden, "Three Metaphors, Two Stories, and a Picture" *KM Review*
2. O'Dell and Grayson, *If We Only Knew What We Know* (1998)
3. Davenport and Prusak, *Working Knowledge* (1998)
4. Liam Fahey & Robert Randall, *Learning From the Future* (1998)
5. Gill Ringland, *Scenario Planning* (1998)
6. Kees Van Der Heijden, *Scenarios – The Art of Strategic Conversation* (1996)

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