

## Utility and Drawbacks of Scenario Planning in Taiwan and China

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"Scenario planning" has contributions to discover potential problems and to draw pictures regarding possible futures. I've learned this from teaching experiences during the past of 28 years, in serving as a faculty member, and of 18 years serving as a consultant and a trainer in over 1500 cross national, large-sized, and small and medium-sized companies in Taiwan and China.

Whenever a discussion or a speech related to future trends and future strategies, classes in my university and companies alike, I try and use "Scenario planning". However, I can't confirm that all of such activities are successful though in my normal life experience I find it works. As well, I have found it has drawbacks and limitations sometimes.

### Scenario Planning in Taiwanese Life Insurance Companies

I used to conduct training for management in one of the top five Taiwanese life insurance companies by using "Scenario Planning" to try to explore their core value as well as their possible developmental strategy in the future. Before above activities, I spent some times to search for and grasp the background, capabilities, and performance of this company; then, plan the issues, problematiques, and ways of discussion. During the procedure, they are separated into groups and there are seven members in each group. Members who currently served as the top level managers representing group leaders are not allowed in the group to make sure that no one feels pressure from hierarchy. I ask them to think every possible ignored factors and thought and opinion that being seen as impossible occurred. The beginning is the most difficult stage.

The reasons are that, first, they are stuck in their past experience; second, they may ask top managers to provide opinions; and third, they will refuse their own innovative opinions unconsciously. Thus, scenario planning works better in a peer to peer structure. I always play as a promoter and provocateur to encourage them to keep thinking and to compliment their ideas without telling them what is wrong or right; moreover, I ask them to put new ideas upon their thinking. After continuous encouragement, they finally open their mind and conduct later discussions freely. As I mentioned before, I try and be a guide and a promoter. Last, they finally come out with the future possible development of life insurance industry. They found that some problems which being ignored are that of being seen as impossible occurred; in addition, in such open-minded discussion, they share personal opinions, thinking, and information that benefit for developing future images, with each

other. Importantly, they thought that it is an interesting and meaningful approach to explore and discover potential problems and future trend and can be seen as a kind of organization learning.

Such "Scenario Planning" workshops have been used as well in Taiwanese financial industry, automobile industry, and Taiwanese traditional manufacturing industry in China (most of participants are Chinese managers and engineers); and the ending are quite similar.

In classes of university, "Scenario Planning" I try to construct school vision based on students' opinions. I found that there are so many unique opinions and findings toward school possible environmental trends, opportunities, threats, in the future, and future positioning from students. Both students and I learn a lot from such activities.

### **Drawbacks in Disobeying Reality**

Although above are successful cases, seemingly "Scenario Planning" as the most workable tool for facing future environments in decision making may disobey reality. The reasons are as followed:

First, it needs time to prepare and manipulate. In companies, several days at least and all participant involved are required. Such excludes pre-information and issues preparing. In classes, twelve hours at least and students must spend time to gather information and to discuss their own opinions are required.

Second, it needs skillful encouragement. The performance of motivation from a guide is a critical factor. The key point of motivation is to get rid of their experience based thinking style and to open their mind to think. The above is difficult to conduct and time and skills are needed.

Third, the integration and utilization of information needs to fit the issues. Some information is incomplete and that are difficult to tell which is meaningful as well as how to integrate and to use information for those participant who are not good at "Scenario Planning".

Fourth, the result discovered is not always useful. A certain future, an effective decision making, and a useful strategy are needed for most of enterprises. "Scenario Planning" can offer alternative scenarios but, it doesn't represent that the result can immediately used in making profit. For decision makers, they may become more confused and hesitated because they have no idea how to command subordinates and to make orders. Entrepreneurs must develop their future strategy further.

Based on the above, "Scenario Planning" is useful in discovering potential problems and the possible development of futures. It also promotes organizational learning; it, nevertheless, is not the only one way to solve future problems.

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