



MAURER CONSULTING GROUP
BUSINESS STRATEGIES FOR THE DESIGN INDUSTRY

Why Environmental Scanning and Scenario Planning Are Important



As everyone prepares for, or finalizes their planning for the coming year, I hope your process involves environmental scanning and future scenarios. These tools should act as the basis for building a solid foundation for your organization's strategic plan. Without those elements, most plans remain just more of the same, based on old information. Leaving them out of your process will leave little room for your firm to expand and grow in new and exciting directions.

Without knowing what is happening in the world around you, how can expect your company grow and expand? Consider all of the changes taking place in society, politics, the economy, technology, and the environment. How will changes or advances in these areas affect the way you do business? Start looking and reading outside of your normal "box" for clues to changes and how they might affect the future... your future.

Environmental Scanning Is Critical

What is going on around in the world surrounding your business? Instead of just reading typical trade magazines, make a point to read publications and research that focus on these important spheres of influence: sociosphere, econosphere, technosphere, politisphere and envirosphere. An understanding of changes occurring in society, the economy, technological advances, the political world and the environment provide a perspective of things that can either help, or challenge your business. Knowing about them ahead of time allows you to prepare for the challenges or figure out how to take advantage of new benefits that arise.

Next Step: Scenario Planning

With the information gleaned from your environmental scanning, take things one step further. Consider how these changes might affect the future success of your business. Look at the 'what if' of the changes and new trends you see emerging. *"What if this change happens? Will it work for or against my business? How will it affect our business? How will it affect our customers? How should we plan for this possible situation? What do we need to be ready to respond? Can we make these trends work for us?"*

Develop scenarios around the information you find and explore possibilities you could face in the not so distant future. Ask the "What if?" and "How can 'X' affect our business?" questions at least five times per scenario to develop a plan to successfully deal with the various situations. Getting a feel for how things might look in the future and how you can be ready for unexpected changes can put you light years ahead of your competition.

Environmental Scanning and Scenario Planning Are Not Crystal Balls

There is no absolute predictor of what the future holds. If there were, someone would have become very wealthy packaging and selling it, or simply controlling it. There is no crystal ball or astrological chart that can predict what is going to come along. If there were, everyone would have been better prepared for the rash of natural disasters that have occurred around the world in recent years, the long economic downturn and the rapid rise, then fall, in fuel prices. These are the kinds of things it helps to think about and prepare for before they occur.

Discussions with small business owners revealed how few companies had done any planning ahead of time to be able to react quickly to horrific disasters and situations. Only a few acted quickly, adding surcharges to help cover increased fuel costs. Others simply waited to see what might happen. Few, if any, could have predicted the number and scope of these disasters two or three years in advance.

Those who practice the development of future scenarios could surely develop plans and policies to cover the event of sharp increases in the cost of fuel and other oil-based materials. It really doesn't matter what causes significant price hikes in materials or equipment, or why the economy slows down quickly.

So many situations can take everyone by surprise. With strategies developed based on potential outside influences, any company can be better prepared for future challenges and opportunities. Developing strategies you can quickly adapt to new situations can help you find more customers, new suppliers or distribution channels should outside changes occur will put you ahead of competitors.

If this all sounds like it might be beyond your comprehension, don't worry. We can help you get started.

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Maurer Consulting Group is a strategies firm helping clients evaluate and formulate strategies for success. For a conversation with Terri L Maurer about your firm and how we can get you focused on growth and success, call **330.666.0802** or send an email to Terri at: tlmaurer@maurerconsultinggroup.com