

Creating Futures

Scenario Planning as a Strategic Management Tool

By Pr. Michel Godet

(www.cnam.fr/lips/)

Preface by Joseph F.Coates

Economica Brookings diffusion
february 2001, 280 pages , \$26,95

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Preface by Joseph.F. COATES

If clarity is a virtue, Michel Godet is a saint. Two features of Professor Godet's career show through clearly in his new tour de force. First, as a university professor, he admires and practices clarity, consistency, and intellectual integrity. As a consultant practitioner - one of the most eminent in France - he brings to his treatment of scenario planning as a strategic management tool, a degree of practicality and flexibility which is admirable. His attitude and precepts if adopted would greatly

benefit all of those who could be successful in the use of scenarios as a planning tool and in strategic management.

The anglophones have too long dominated the world of forecasting and its applications to planning. Godet has been a primary actor in turning that tide and bringing the French experience to an anglophone audience with great force. As one might expect, there are cultural differences, but little that is fundamentally different when one looks past the differences in nomenclature and the difference in relative emphasis.

On the other hand, Godet makes a central point that what must be emphasized throughout formal planning is rigor and rationality. He notes that "The situation appears all the worse given the sad state of affairs in the United States where rational or formalistic techniques have been passed over for essentially intuitive approaches". There is no doubt that he has hit a resonant, if perhaps a low base, chord there. There is far too much attitude, judgment, expert and lay sentiment entering into futures studies in general in the anglophone world, especially the US and UK. Reflecting that situation is the underuse of formal techniques and quantification

Godet highlights the fact that by being less rational or what I prefer to think of as less systematic, the vocabulary becomes garbled, the terms confused, and the processes muddy. Godet's approach and prescriptions would carry us a great way toward rationalizing and clarifying our approaches to the future. Being rational and rigorous does not so much imply greater time and cost, but a fuller commitment to complete a examination of assumptions and possibilities.

His concentration on scenario based planning will satisfy many executives craving for clearer insights into the future and a more solidly based spectrum of alternative outcomes in terms of the choices that they must make. As a book and to some extent as a textbook, this work is beautifully organized. It begins with a smooth easy review of general factors and concerns. It moves into a crescendo of detail and end with three outstanding chapters of case material. The cases are in enough procedural and substantive detail to convince the reader, at least this reader, that the processes Godet lays out and the technique that he describes will work in industry, aluminum and electric utilities, the military, the private sector, insurance companies, and in regional planning. His most extensive example is BASF facing agro-food and environmental challenges.

His approach is easy to take because of the grace, style, wit and humor with which he presents his model. After his easy beginning he moves on to key concepts in looking to the future, including a general look at "la prospective". He then moves into a popular topic - why experts so often get it wrong. He then wages a brief war on clichés, to emphasize how paralytic they can be in organizational thinking. With that clearing of the stage, he moves on to how to be rigorous in scenario planning, defining specific conditions, and the tools that are essential to ensuring rigor. This

core of his approach is two chapters, followed by the case material. Readers enjoy, learn and profit from Godet's work.

Michel GODET

CREATING FUTURES

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ECONOMICA

The future remains open to us, to be written or created collectively. This powerful statement flies in the face of traditional notions of prediction and forecasting. However, it is central to the approach presented in Professor Michel Godet's latest book: **Creating Futures**, Scenario Planning as a Strategic Management Tool. Michel Godet maintains that, with the right tools and attitudes, people can learn how to create futures. Hence the title of his book, which sends a positive message to managers caught up in the day-to-day routine of business.

Five key ideas, presented in Chapter 1, structure Creating Futures:

- The world changes, but the problems are the same;
- We tend to overestimate technological change ;
- Simple tools are suitable for complex problems;
- We should ask the right questions and quash conventional thinking;
- We must move from anticipation to action through appropriation.

Several concepts (scenarios, environments, hypotheses) and methods (structural and morphological analysis, scenario building) are presented with lively examples and followed up with illustrative and informative case studies. Case studies include Information Technology in Europe, AXA Insurance, EDF (the French electrical utility) Individual Combat Weapon (French military), the third Parisian Airport issue, BASF and the agri-business environmental challenge.

Yet at some point, every reader wonders ´ why do the experts get it wrong? . In fact this is the title of Chapter 2, which reviews historical errors (Columbus' voyage, oil prices) and their causes (inertia, self-fulfilling prophecies, misinformation) and provides answers. One answer is rigor as much as possible.

The author firmly believes that we should develop our knowledge while drawing upon the experience of others. Why persist in reinventing the wheel when we have a rich methodological heritage in systems theory or morphological analysis? In this handbook for professionals, conventional wisdom is challenged, while rigor is reinstated.

Is there room for imagination and creativity in foresight? This book encourages everyone, from recent MBA graduate to corporate executive, to ask questions. Asking questions about the future is a creative act in itself that stimulates the imagination.

Fundamental information about any corporation's future may be gleaned from an individual's or a company's past/present with the following five queries: Who am I? What can happen? What can I do? What will I do? How will I do it?

These questions dovetail with five attitudes towards the future : Passive, reactive, preactive, proactive and ´ anticipactive ^a (a combination of the above).

Godet's rigor is definitely not rigor mortis. He constantly challenges conventional wisdom and encourages readers to chase down clichés ranging from the value of computers in classrooms to the impact of global warming.

Over the past three decades, clichés about Japan, globalization and technology have multiplied like fruit flies. Godet reveals how the Japan Inc. model was a Western invention or interpretation and that we have little evidence to prove environmental phenomena stem from human activity. Overall in Godet's approach, rigor is rebellious not sanctimonious.

But how can we be rigorous with scenario planning? Chapter 4, asks that same question and describes the five conditions necessary to instill rigor, namely

relevance, coherence, feasibility, importance and transparency. Without these conditions, any futures tool remains academic. Appropriation of the tools and process is essential to an effective futures-thinking initiative.

Known as an engaging facilitator, Godet stresses the value of the workshop format (Chapter 5) in any planning program. His approach encourages readers to adopt a hands-on attitude. In fact, the author contends that the human factor, especially appropriation of techniques or tools is vital, if we are to create futures together rather than look for some lost map of our collective destiny.

Cv in brief

Professor at Cnam in Paris (the National Conservatory for Arts and industries) where he holds the chair of "prospective industrielle", Michel GODET, born in 1948, is also member of the editorial board of most eminent journals in the field : Futures, Technological Forecasting and Social Change, Foresight, Futuribles..

In the past few years he has also worked as a strategic management consultant for large companies such as BASF, Renault, Elf, Péchiney, EDF, Sollac, Chanel, Bongrain, Lafarge, AXA and for local authorities and national bodies (Defence, Research, Education) and international organisations (UNESCO, NATO, EC). From 1979 to 1981 he worked as a civil servant at the European Commission. In 1974, he joined SEMA, one of the major European consulting groups, and became director of Sema-prospective, a department of the company.

Author of 14 books and about 200 papers. Most of them have been translated into several languages (English, Spanish, Italian and Portuguese). His last book in English : "From anticipation to Action" ,1994, prefaced by J. Coates was published by Unesco. The previous one in English "Scenarios and Strategic Management "was published in 1987 by Butterworth and prefaced by Igor Ansoff.