

25 SCENARIO THINKING FOR HANDLING RISK



1h 30m



PLENUM AND
SMALL GROUPS

DESCRIPTION

Sometimes your best defense against risk is your imagination: imagining how risky scenarios might develop and how these developments will affect your organization can help you prepare concrete action plans to mitigate the risk.

This method guides you through one such imaginative process, and provides a framework for designing concrete actions for handling and reducing risk in your organization.



PREPARATION

Complete **Method Cards**: Risk Analysis for Assessing Threats to Your Organization (24).



MATERIALS

- Writing Materials



TOOLS

- **Method Cards:**
 - Risk Analysis for Assessing Threats to Your Organization (24)
 - Defining and Identifying Risk (28)
- **Worksheets:**
 - Scenario Matrix (14)
 - Risk Assessment Framework (13)
- **Background Papers:**
 - Scenario Matrix Example: Part 1 (19)
 - Scenario Matrix Example: Part 2 (20)



SUMMIT



OUTLOOK



RISK AND RESILIENCE

STEP 1 IN PLENUM:

Continue analysis of the same risky scenario which you identified in **Risk Analysis for Assessing Threats to your Organization (24)**. Go back to the **STEEP Analysis** which you created, and from all the factors which you already listed identify two most influential factors which will drive and affect the positive or negative outcome of your risky scenario. These are called “Driving Factors”. Think about each of these factors as having only two possible results, either negative or positive, and use these as axis labels in **Scenario Matrix (14)** ■■■ For help setting up the matrix, see the **Scenario Matrix Example: Part 1(19)** ■■■ [30 MIN]

STEP 2 IN FOUR SMALL GROUPS:

Each group analyzes one quadrant of the **Scenario Matrix** and then gives it a headline title that captures the essence of that situation. For help filling out the Scenario Matrix, see **Scenario Matrix Example: Part 2 (20)** ■■■ Try to answer the following questions with as much detail as possible: [30 MIN]

- What would this situation look like?
- How would this situation affect your organization?
- What would your organization have to do to prepare for and respond to this situation?
- How likely is this situation to occur?

STEP 3 IN PLENUM:

Each group presents their situation, and recommendations to the whole group, and collects feedback. Decide together what actions you will take to handle each situation. One person should volunteer to keep documentation. [20 MIN]

STEP 4 Once each small group has presented, find volunteers who will be responsible for continuing to scan the horizon for risks, implementing the recommendations of the small groups for risk situations which are likely to occur, and updating the team on a regular basis about the organization’s risk situation. This group will be called your “Crow’s Nest” group. Depending on your needs, it is also possible to create a Crow’s Nest group for each category of risk (see **Defining and Identifying Risks (28)**) or for the most urgent types of risks. [10 MIN]

NOTE:

Making these matrixes helps to address and plan for all critical risks which were identified in the **Risk Assessment Framework (13)** ■■■ As you work more and more with the Scenario Matrix, thinking in this framework will become easier and faster. It is recommended to have periodic risk assessments throughout the year.