



# Working with scenarios – 5 case examples

Ulf Boman, Erik Hergren, Kairos Future  
November 2015

**KAIROS  
FUTURE**



## Case #1: Scenarios for regional development in Halland

Although the scenario technique is best suited to genuinely uncertain and turbulent environmental developments, you can benefit greatly from them also in less turbulent environments, when you face great uncertainty about where you are going.

One such case is Region Halland, when the organization was formed in 2003 by the merger of the County Council of Halland and the six municipalities in the county, on the west coast of Sweden. One of the first tasks for the region was to develop a vision and a comprehensive strategic agenda. But what would it include? To reach this, it was important to have a view of the strategic conditions and challenges in the long term, but also to capture the citizen's and key actors' perception of it.

In close collaboration with Kairos Future, Region Halland developed a vision and a regional development strategy. These were based on scenarios, in a process that involved more than 1000 "Hallanders", both young and old, individuals as well as professional representatives, the public sector and the business community. The result was the regional development strategy called "Best place to live".

The four scenarios were very strong foundations for shaping the vision and building the strategy. By deeply raising awareness of possible futures, Region Halland could prepare for various developments that they themselves could not control. The scenarios gave stability and structure to the strategies. Along with the desired future expressed in the vision, the scenarios gave a long-term basis for the development of Halland.

The final Regional Development Strategy was actively used for many years. The vision has recently been future-proofed against an updated analysis of the environment and was confirmed to remain as a relevant point of direction up to 2030. We argue that a large part of the success was due to the well-founded scenarios.



## Case # 2: Is there a sustainable future for Chile's mining industry?

Chile is the world's largest producer of copper and the mining industry is an integral part of the Chilean economy. Between 10-20 per cent of their GDP (11% in 2013) and just over half of the exports are based on mining operations. In addition to copper, which is the dominant mineral accounting for a third of the world's copper production, Chile also produces gold, silver, molybdenum and other minerals. Historically, the majority of mining activity occurred in northern Chile's desert areas with sparse population and little competition for natural resources.

In recent years, the interest in mining in the central zone of Chile has increased. There are large deposits of mainly copper. But there is also great competition for natural resources – the majority of the population lives in central Chile, a very large part of Chile's agricultural production is located in central Chile and there are other industries that also need land and water. Not least, environmental issues are more important than ever. In short, there are difficult future issues at stake for the Chilean government and the mining industry.

On behalf of Chile's Ministry of Mining, CORFO (Chilean Economic Development Agency) and SONAMI (Chilean National Mining Association), Kairos Future conducted in 2014 a scenario project to investigate the possibilities of sustainable mining operations in central Chile up to 2035.

This scenario project had two objectives: first, to create awareness of possible futures for mining operations in central Chile, and thus lay the foundation for the development strategies, and secondly to create dialogue around these issues among different groups of stakeholders. The process involved both representatives from the government and the mining industry, as well as other industries, academia, NGOs, the media and local residents.



The results are now used for development of new strategies, creating continued dialogue and closer cooperation on the conditions for future mining in the central zone of Chile.

The usefulness of the scenarios in this case is primarily to create a basis for dialogue between the various actors and stakeholders in society and thereby build greater mutual trust and benefit.

Together with one of the mining companies, we are also continuing to take the strategic insights of the scenario work forward in a concrete strategy development process. The main question is what challenges the company faces in the different scenarios, what it takes to be successful when facing these challenges, and what strategic actions are required to create organizational ability to act in the turbulent business environment. Also in this project we have involved large parts of the organization, which is relatively unique in Chile.



## Case #3: The changing market of the IT-company

A few years ago, a Swedish IT company faced major changes in the market. It was partly about technology and system changes, partly about changing customer needs. The IT company was born out of a particular industry and had a steady clientele. Much of their services were based on proprietary IT systems and proprietary technology. But now, customers began to behave in new ways and it was difficult to keep up with the technological developments. They simply needed to develop new strategies, and this required a better understanding of changes in the world.

In a thorough and collaborative process, Kairos Future developed four possible scenarios for the future together with the IT company. In combination with the company's vision and an asset analysis, the scenarios were used as the basis for a fundamental strategy development. In workshops with the entire staff we generated ideas about what was important in order to be successful in the future as well to achieve the vision. The ideas were then revised to robust strategies and "future proofed" against the different scenarios.

In this way, the IT company was able to develop well-founded and anchored strategies, that both the board and the employees stood behind. The scenario process thus laid the foundation for continued success of the IT company.



## Case #4: A new role for district heating in Sweden

Relatively slow processes usually characterize the energy sector with a capital-intensive business and long investment horizons. At the same time, many of the companies in the industry come from a reality that has historically been characterized by engineering in its best sense where the base has been large-scale social important solutions for both the electricity and heating sector. But during the recent period, changes have indicated that we see an energy industry in transition.

The industry organization Swedish District Heating Association saw this coming and felt a strong need to take a comprehensive approach to the future landscape of district heating as product/service. They also asked for a new unifying vision for the industry's member companies as well as overall strategies as they jointly work for to achieve the vision.

We worked in an involving process that engaged hundreds of leading people in Swedish energy companies. The result was very thoughtful and provoking scenarios where even a fifth "joker scenario" was added – a scenario that turned out to illustrate precisely the development that occurred in the years after work was done. With scenarios as foundation we also developed a powerful vision and identified three broad strategies or movements that the industry as a whole must be able to handle to ensure the future of district heating in Sweden.



## Case #5: Future industrial production – Made in Sweden 2030

**Globalization and hyper-competition**, automation and disruptive innovations, human needs and requirements of the industry – the list can be made even longer of all the challenges that the Swedish manufacturing industry face. Research into new production systems and manufacturing processes need to be intensified so that the Swedish industry can cope with the future. In order to prepare for the future, The Swedish Industry Association Teknikföretagen, supported by Vinnova (Sweden's Innovation Agency), runs the strategic innovation program Production 2030, which aims to strengthen Swedish research and innovation with regards to industrial manufacturing.

But what does the world look like in 2030? What factors affect how the Swedish manufacturing industry can be developed? And what are the implications of the future for today's research?

With these questions as guiding principles, Kairos Future have together with six groups of experts in Production 2030 developed four scenarios based on four strategic uncertainties. The scenarios give an indication of how conditions can evolve and what they will look like fifteen years from now for the Swedish manufacturing industry. The scenarios are used as a basis for the development of new research areas and calls for new research programs.



