

Business Planning, Scenario Planning

... with the Systems Changes Learning Circle

David Ing

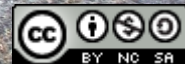
<http://systemschanges.com>

Earth Tech – Climate Ventures

Toronto, Ontario

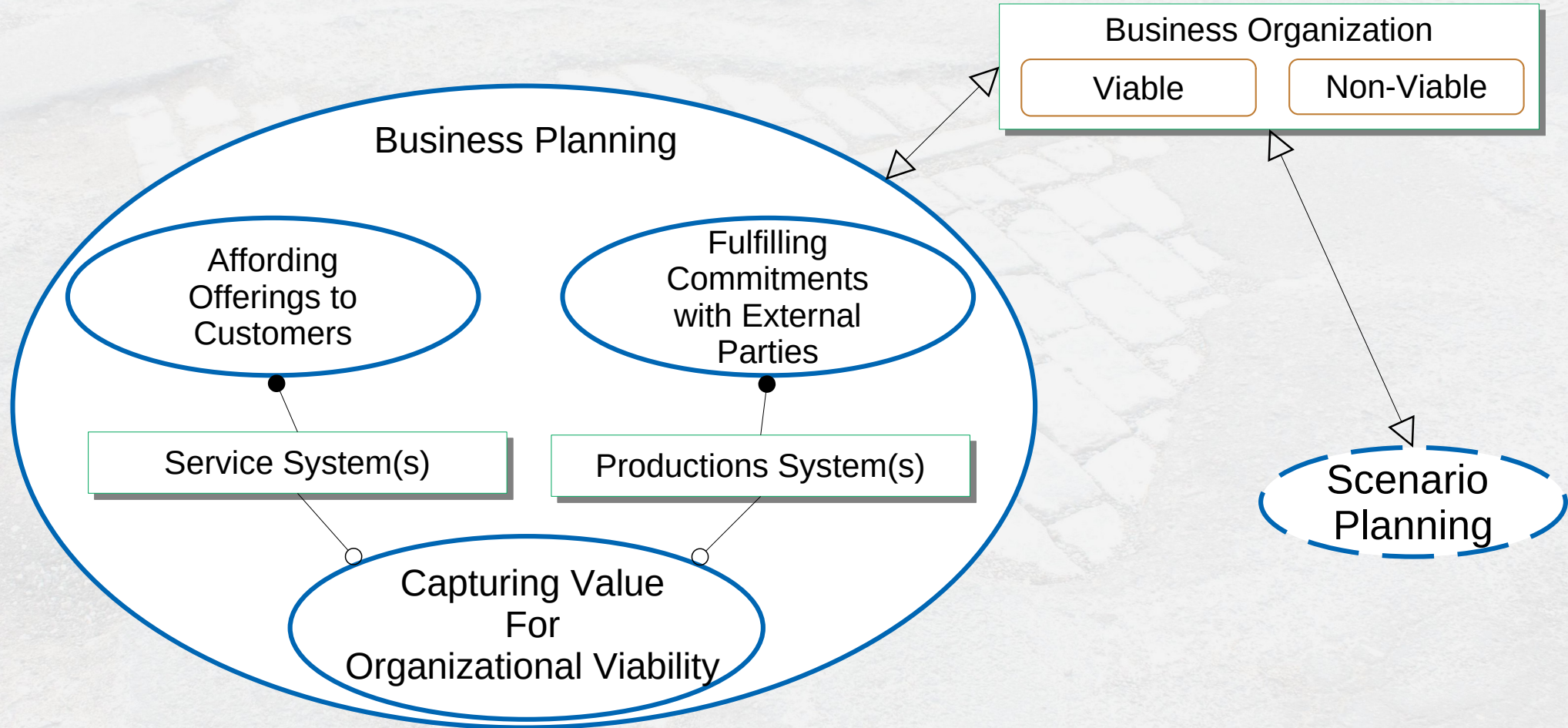
April 2020

Image CC-BY Mike Cassano (2009) *Most Interesting Pothole*



David Ing, 2020

Service systems and production systems have to capture value

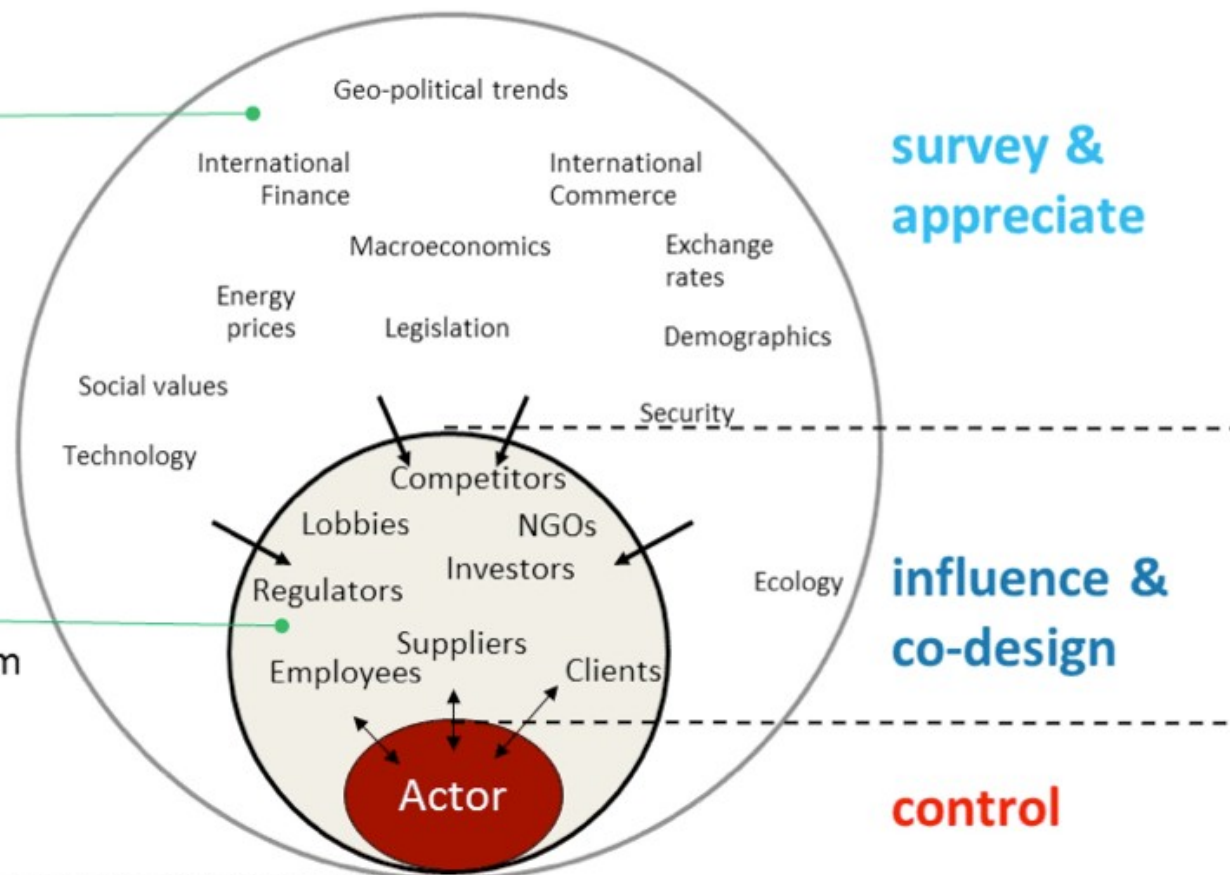


Oxford Scenario Planning Approach

Contextual and Transactional Environment

Contextual Environment
(factors beyond learner influence)

Transactional Environment
(actors with whom the learner interacts)

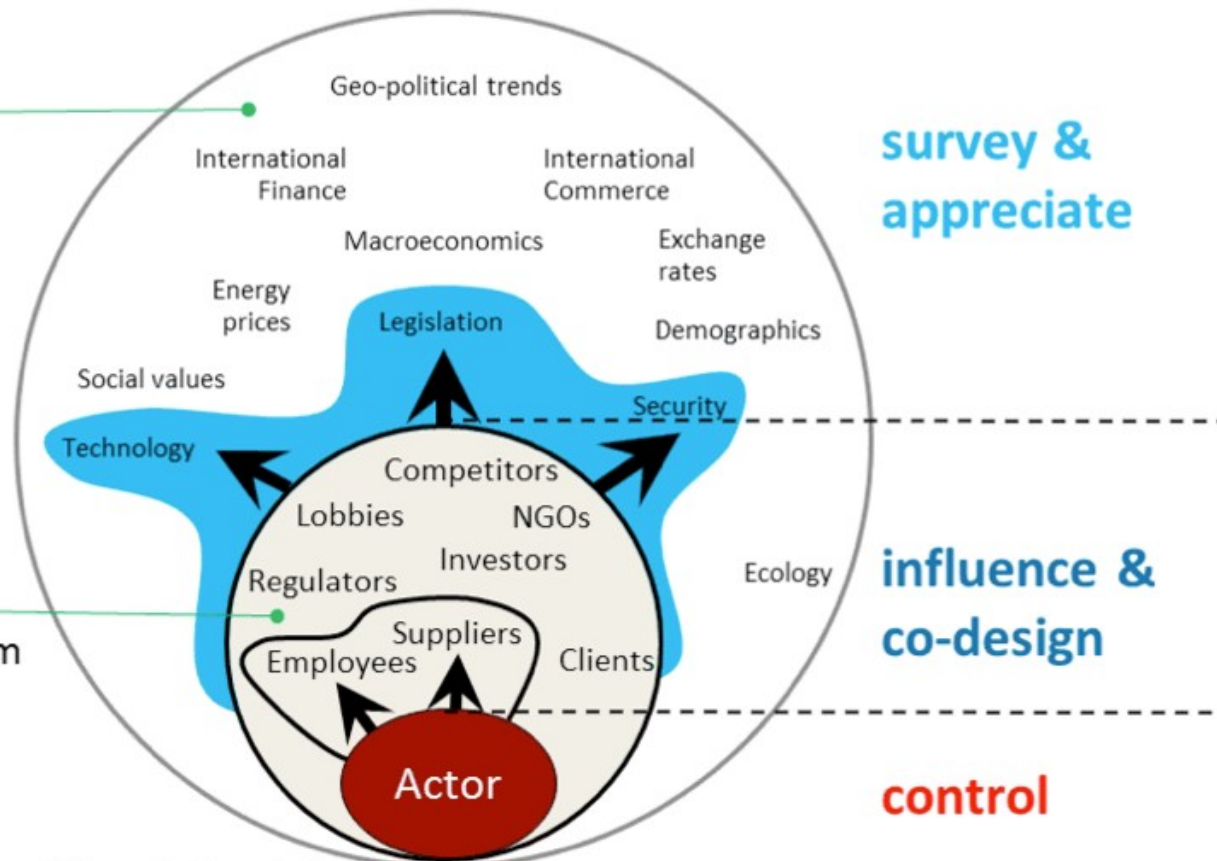


Oxford Scenario Planning Approach

Contextual and Transactional Environment

Contextual Environment
(factors beyond learner influence)

Transactional Environment
(actors with whom the learner interacts)





The world remade by COVID-19

Scenarios for resilient leaders | 3-5 years

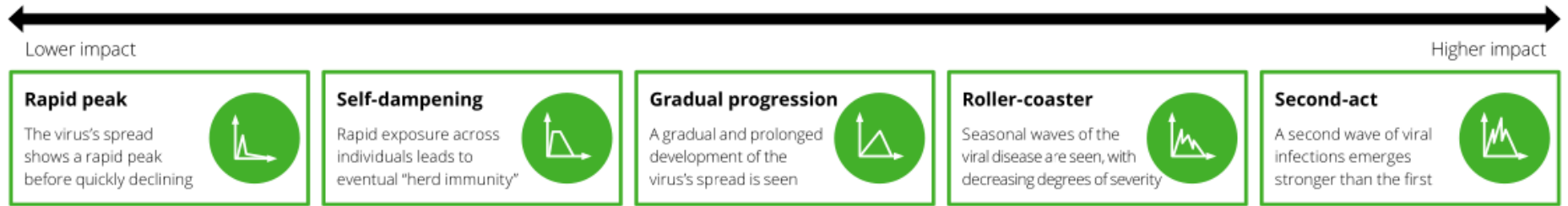
6 April 2020



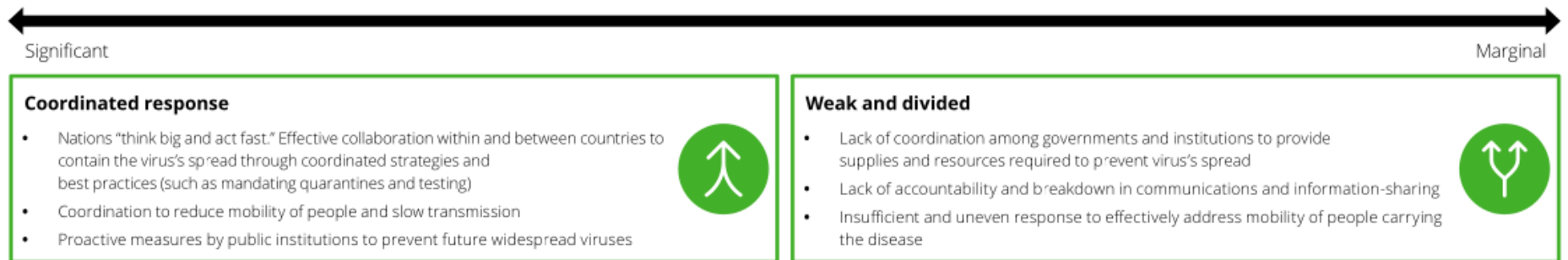
Deloitte.

Two critical uncertainties will drive the overall impact of COVID-19

1 | What is the overall **severity of the pandemic** and pattern of disease progression?

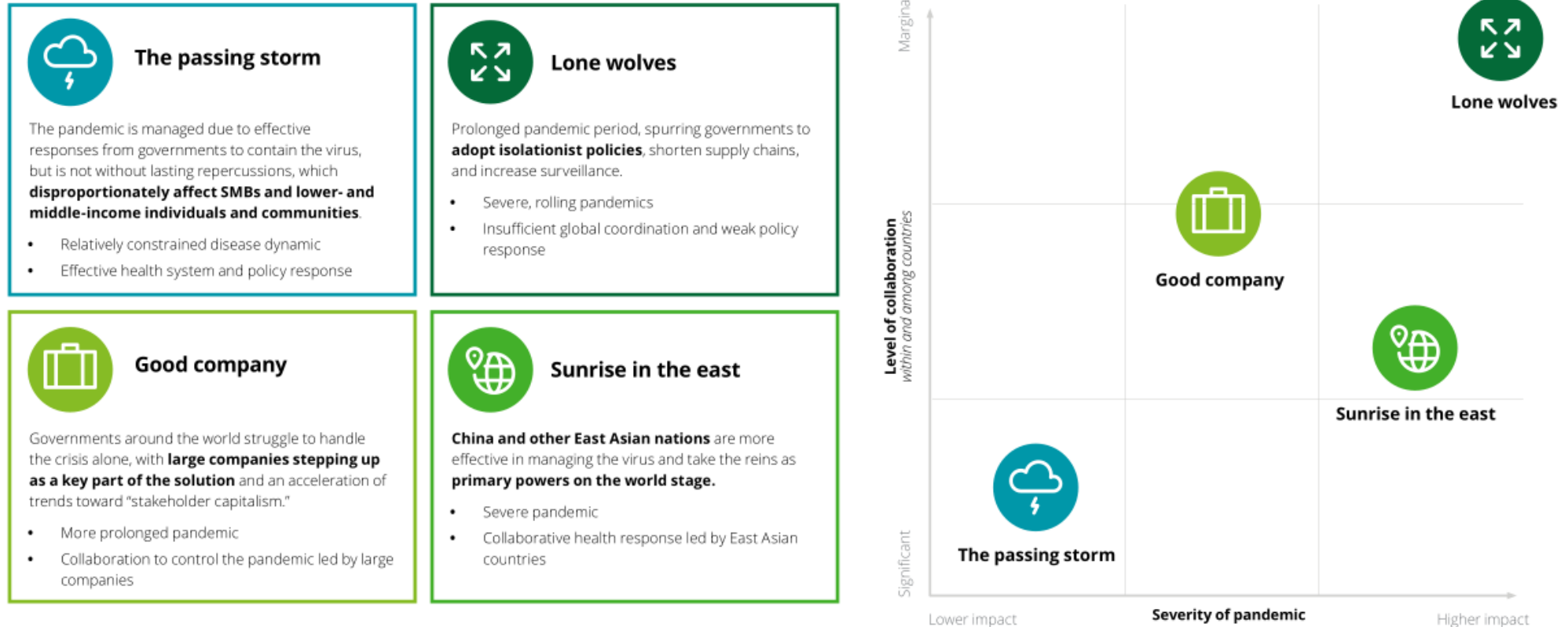


2 | What is the **level of collaboration** within and between countries?

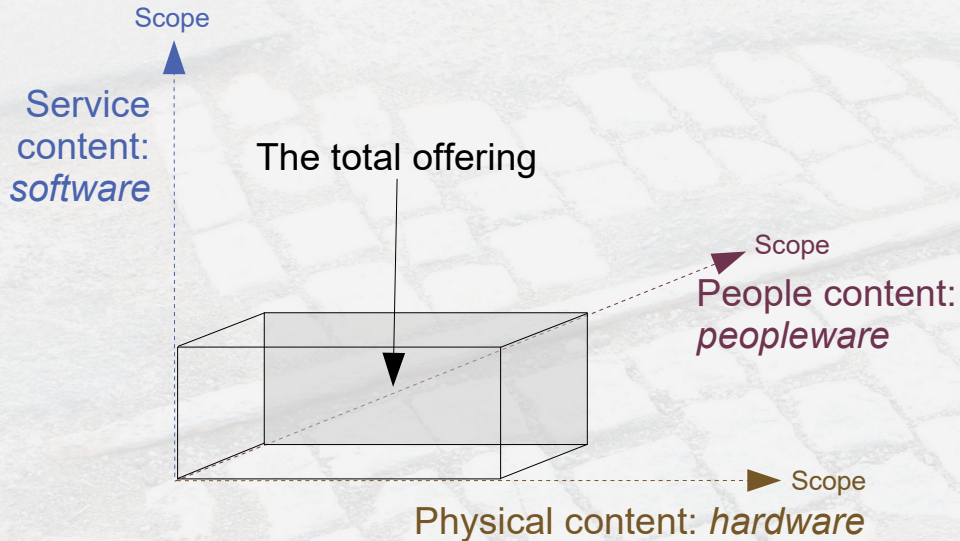


Making sense of the future

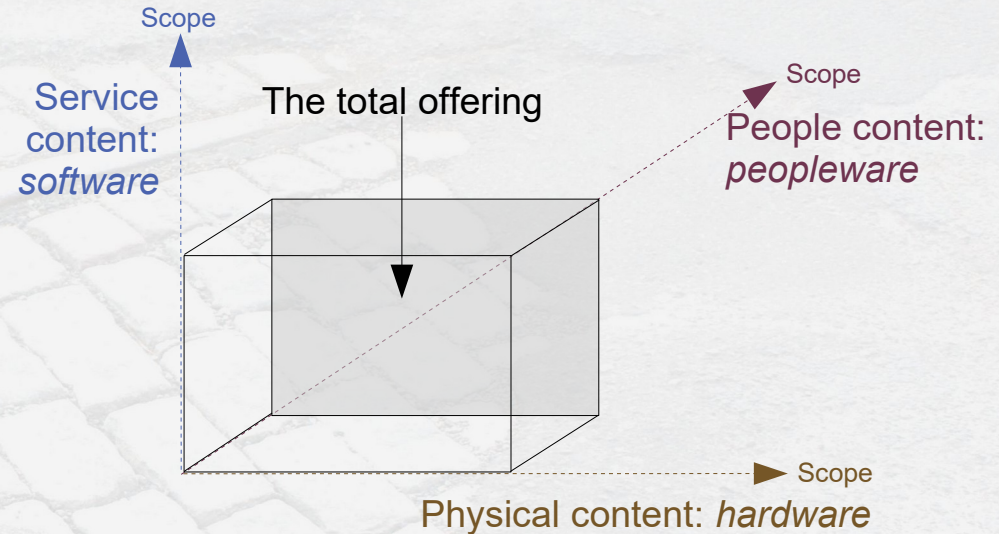
Four distinct scenarios emerge based on current trends and critical uncertainties



Offerings are interactions that provide benefits in the form of (i) physical products, (ii) service and infrastructure, and (iii) interpersonal relationship



General Motors has historically been more **transaction focused**, and long-lasting relationships have not been seen as a worthwhile goal.



Toyota tries to develop **long-term partnerships** with its suppliers

An offering can be an output, an input or a co-creation



Offerings-output production

- Providers fix bundles of offerings from which customers select

Extended from Normann, Richard, and Rafael Ramírez. 1989. "A Theory of the Offering: Toward a Neo-Industrial Business Strategy." In *Strategy Organisation Design, and Human Resource Management*, edited by Charles C. Snow, 111–28. J.A.I. Press; + Kijima, Kyoichi, and Yusuke Arai. 2016. "Value Co-Creation Process and Value Orchestration Platform." In *Global Perspectives on Service Science: Japan*, edited by Kwan, Spohrer, and Sawatani, 137–54, Springer.

Images from Flickr: "Pimp My Ride" CC-BY 2011 Grey World; "Oaks and Spokes Bicycle Repair Repair Station" CC-BY 2015 Kristy Dactyle; "Bettter Bike Share" CC-BY 2015 Better Bike Share Partnership



Offerings-input coproduction

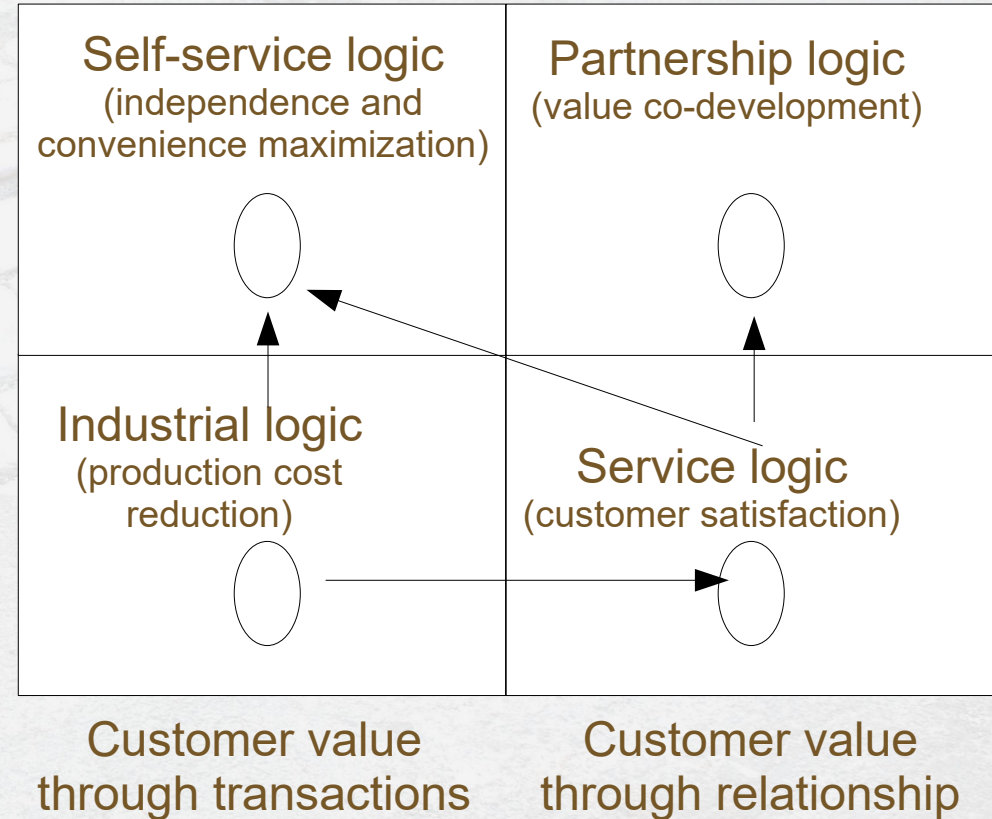
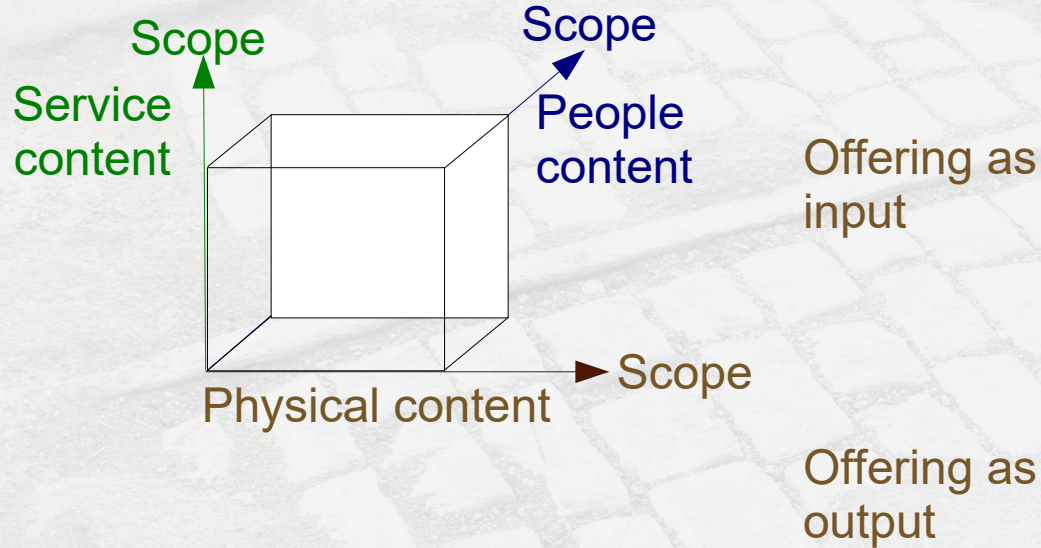
- Customers broaden the range of options through loose coupling



Value-elevating co-creation

- Providers and customer mutually experience, and then improve

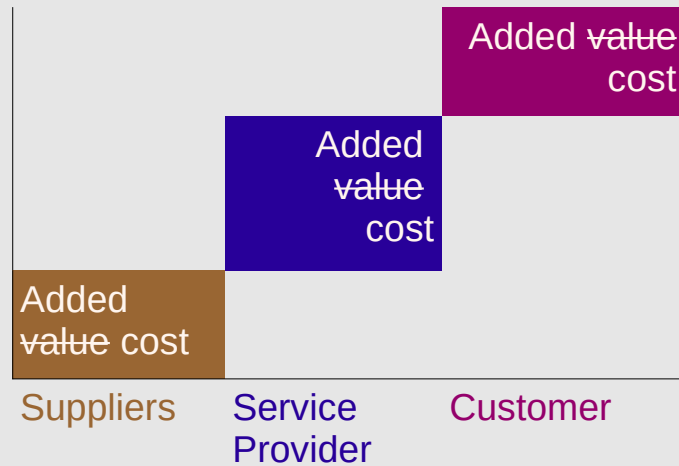
An offering can either be an output of coproduction, or an input to coproduction



Rafael Ramirez and Johan Wallin. *Prime Movers: Define Your Business or Have Someone Define It Against You*, 2000, p. 141.

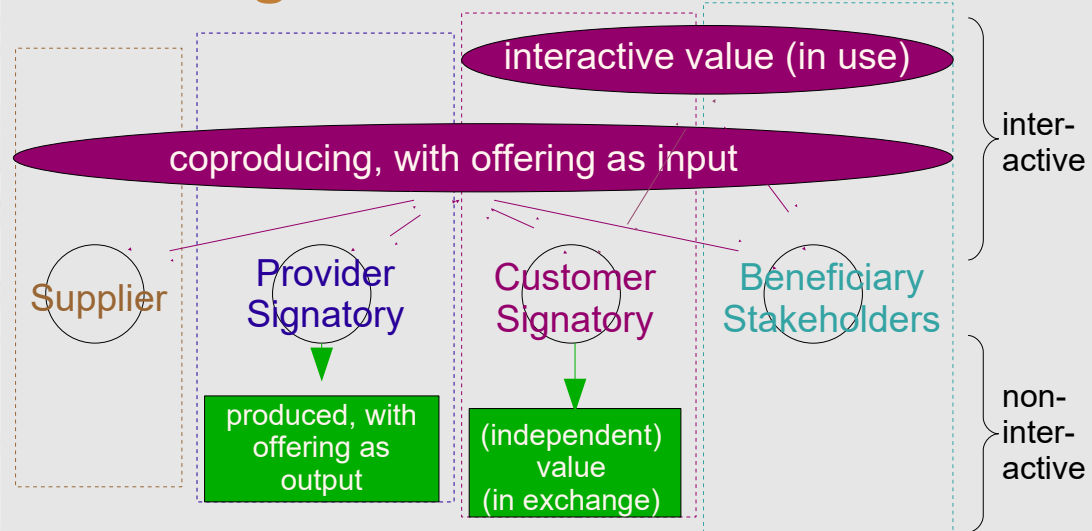
The theory of firms on “adding value” has turned to mobilizing interactive *value constellations*

Adding value cost



Our traditional about value ... [says] every company occupies a position on the value chain. Upstream, suppliers provide inputs. The company then adds values to these inputs, before passing them downstream to then next actor in the chain [whether another business or the final consumer].

Enabling interactive value creation



... IKEA's strategic intent [is] to understand how customers can create their own value and create a business system that allows them to do it better. IKEA's goal is not to *relieve* customers of doing certain things but to *mobilize* them to do easily certain things they have never done before. Put another way, IKEA invents value by enabling customers' own value-creating activities. ... Wealth is [the ability] to realize your own ideas.

Source: Richard Normann and Rafael Ramirez, 1993, "From Value Chain to Value Constellation: Designing Interactive Strategy," Harvard Business Review 71: 65–65. <http://hbr.org/1993/07/designing-interactive-strategy>



Image CC-BY Mike Cassano (2009) *Most Interesting Pothole*