

EXERCISE SHEET: How to create scenarios quickly and effectively

Prepared for the Future for Local Government Review Workshop 27 October 2021

Note: There are many ways to create scenarios. Below is an overview of the matrix method (also called the 2x2 matrix technique). It can be completed in a relatively short time frame with few resources. Obviously, the more data and knowledge you can bring to the process the better, or, alternatively, you can add more detail to the scenario later. The 'fast and furious' scenarios – those that can be completed quickly and enable you to move to other scenarios – can lead to better knowledge about the future. The goal is not to create good scenarios; the goal is to increase your knowledge about the future and, ideally, be able to communicate that knowledge succinctly and with a higher level of confidence than you had before you undertook the scenario process.

1. Define the purpose of the scenarios. This helps you to select, make decisions about and revisit topics as you progress through the process below.

The aim of the workshop is to create four outcomes:

1. Future issues and opportunities which are identified and ranked
2. Four scenarios that describe possible futures for Aotearoa
3. Narratives to bring the scenarios to life (to support further engagement informed by foresight)
4. An understanding of the implications for local governance and their communities

2. Write up a list of primary and secondary global drivers of change, and a list of wild cards e.g. impact (high magnitude) versus likelihood (probability)

Select two global drivers and perhaps a wild card (or two); see sample below.

Note: These should relate to the purpose in 1 above, and ideally represent the 'highest impact' and the 'greatest likelihood' that you are trying to study, e.g. democracy (what is working/not working) versus climate change (adaption high/adaption low).

Sample cards from the ForesightNZ playing cards (see [here](#)).



3. Create a tension so that you can develop four different contrasting stories about the future.

Note: These are neither projections or intended to be comprehensive. Rather, they are extreme possibilities so that you can create authentic futures and explore the landscape (by standing on a few possible mountains).

4. Write up the essence of each of the scenarios in the matrix, creating a narrative of up to 200 words for each.

5. Examine the implications of each scenario for New Zealand.

E.g. in terms of community wellbeing, economy etc.

6. Examine the implications for local government.

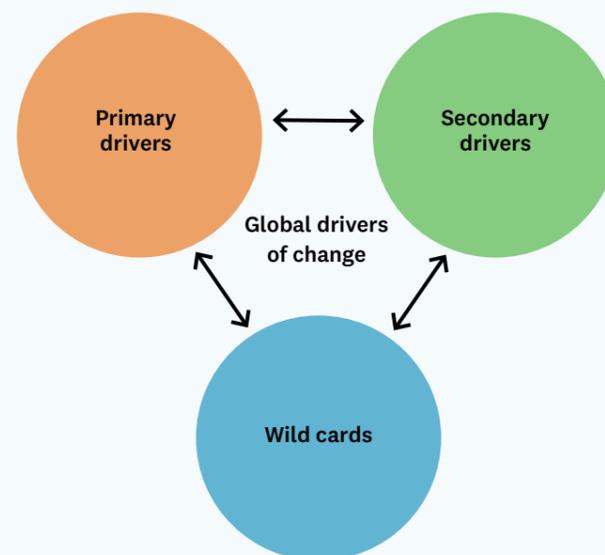
7. Examine the implications for each of the five priority questions:

Priority questions – excerpt from the interim report *Ārewa ake te Kaupapa: Raising the platform* (see [here](#)):

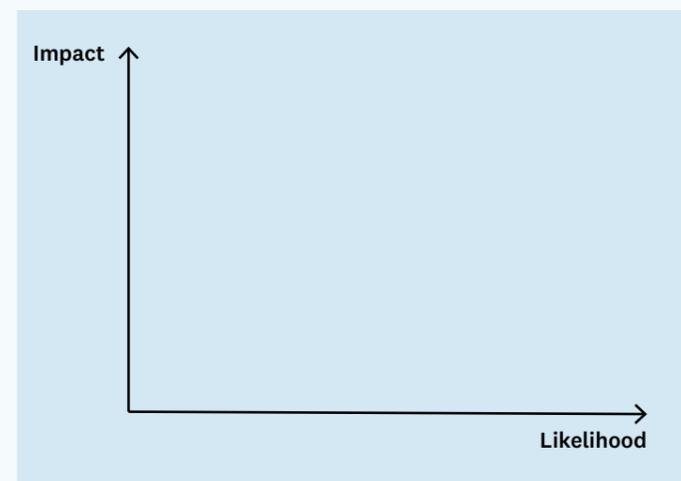
1. How can the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?
2. What are the future functions, roles and essential features of New Zealand's system of local government?
3. How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?
4. What needs to change so local government and its leaders can best reflect and respond to the communities they serve?
5. What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?

Examples

1. Issue identification



2. Impact versus likelihood



3. Four scenarios

Excerpt from McGuinness Institute's *Project 2058 Report 6: Four Possible Futures for New Zealand in 2058* (p. 4).

Table 2 The Essence of the Four Scenarios

	The world does manage its strengths, weaknesses, opportunities and threats	The world does not manage its strengths, weaknesses, opportunities and threats
New Zealand does manage its strengths, weaknesses, opportunities and threats	Scenario 1: Power to the People Concepts such as global unity and balance are no longer myths. Intolerance is a thing of the past, as diverse cultures coexist peacefully, all partaking in one global community. Sustainability, once a determined lifestyle choice, is now the norm. The climate change and peak oil crises are under control as the world embraces innovative, sustainable technologies and systems. The New Zealand public is educated, diverse and informed, choosing to stay in New Zealand where infrastructure is of an excellent standard and the lifestyle is unmatched. The burning question for New Zealanders in 2058 is: How do we maintain peace and prosperity?	Scenario 2: An Island Paradise – but Back to the Jungle Everyone wants a piece of what we have got, and despite our desirable lifestyle, there is increasing tension with the outside world that requires constant management. To stand up to this pressure, New Zealand has cultivated a resilient national identity and robust infrastructure, and has been among the first countries to make some tough decisions. There is particular pressure on our resources and immigration policy, and as we fend off those countries once considered to be superpowers, we look for allies in countries that are similarly positioned. The burning question for New Zealanders in 2058 is: How do we protect what we have?
New Zealand does not manage its strengths, weaknesses, opportunities and threats	Scenario 3: Missed the Global Bus Our isolation is more pronounced than ever, as we lag behind politically, economically and in the management of our resources and environment. To make up for these shortfalls, our government grasps at unsuccessful 'quick fixes', fuelling rather than rectifying the nation's downward spiral. Corruption, diminished cultural identity, an increase in slums and local terrorism have forced many educated New Zealanders elsewhere. The burning questions for New Zealanders in 2058 are: What happened? What can we do?	Scenario 4: All Over Rover It is the end of the world as we know it. As each country embarks on a policy that is characterised by short-term goals designed to meet the self-interest of a few, the only international interaction is conflict-based and is fuelled by fear, an arms race and nuclear proliferation. As climate change, resource shortages, biodiversity depletion, population growth and inequality escalate, these global problems spiral out of control. The burning question for New Zealanders in 2058 is: Do we have another 50 years?

Definitions

Global drivers of change: Forces that shape the future.

Impact: The possible outcomes of an event that occurs in the future. Impact is also frequently referred to as magnitude or consequences.

Likelihood: The probability that an event will occur in the future (often related to a specific time frame).

Scenario: A possible future state, often described in narrative form. Scenarios are developed to inform decision-makers.

They are not intended to be projections.

Primary driver: First-level event that creates change.

Secondary driver: Event that occurs in response to a primary driver and then becomes a force in its own right.

Wild cards: These are low-probability, high-magnitude events that bring about change (e.g. pandemics, natural disasters, terrorist attacks).

A collaboration between:

rogerdennis

MCGUINNESS INSTITUTE
TE HONONGA WAKA