

Scenario Planning: Four Models for Nonprofits (Part Three)

08.12.20 | Linda J. Rosenthal, JD



It was the middle of March 2020 when life in the United States suddenly changed in the blink of an eye from “normal” to something decidedly different and unmistakably “*not* normal.”

The multi-faceted upheaval affected every individual and every sector of American life. The philanthropy community was hit particularly hard. Not only were the nation’s nonprofits victims of this catastrophic disruption but the general public turned to them – as in past disasters and crises – for emergency aid and services.

Nonprofit clients of Deloitte LLP looked to the accounting giant for advice and assistance in meeting the unexpected challenges from COVID-19. By late April, Deloitte had decided to fund its social-change consultancy, the [Monitor Institute](#), to use this input from its own client base and as well as from others to devise the most effective planning framework and tools for nonprofits and foundations in the throes of this rapidly unfolding – and evolving – crisis.

On July 20, 2020, Deloitte published a 26-page report titled [COVID-19 scenario planning for nonprofit and philanthropic organizations](#) (July 2020). The main section of this study doesn’t begin until page eleven; it’s there where the lead authors present “four provocative pictures of what the future could look like depending on the severity of the crisis and whether we come together as a nation—or come apart.”

In Parts [One](#) and [Two](#) of our multi-part series on this important research, we covered the material in the initial sections which – while not the main focus – present important preliminary explanations and concepts. These include: (a) the specialized scenario-planning method adopted by the research team; (b) the five “prudent assumptions” (difficult new realities) that scenario planners must accept; and (c) the five “critical uncertainties” that nonprofit leaders must understand before beginning

effective crisis planning in these challenging times.

Scenario-Planning: The Four Models

The key part of the Monitor Institute's [report](#) is the presentation of the selected four possible "scenarios" for the nonprofit sector in the United States in the days, weeks, and months ahead. "The goal was to quickly develop a [crisis-planning analytical framework](#) for the nation's nonprofits and foundations to navigate the unprecedented chaos right now and during the next 12-18 months."

There's no magic in the number of scenarios that a planner or group of planners must define and establish as the ground rules for any scenario-planning exercise. "Organizations [could face a society](#) in which people cooperate as they rebuild or one marked by cascading death rates, a collapsed economy, and social chaos." The resilient ones, according to Gabriel Kasper, the Monitor Institute's managing director and co-author of this report, "are those that have a broader array of options and are prepared to shift depending on how the future plays out."

Here, the Monitor research team chose four possibilities:

- 1: Return to "normal"
- 2: Social fabric unraveled
- 3: A nation on the brink
- 4: Rising from the ashes

Visually, they are first presented in a [key graph on page 11](#). The research team "explored two critical uncertainties" they "believe will most significantly shape demands on the social sector over the next 12-18 months: the severity of the crisis—a combination of both health and economic variables (which, although not perfectly intertwined, are likely to be closely correlated)—and the level of social cooperation."

The graph places each of the four selected scenarios across a spectrum of crisscrossing horizontal ("severity of crisis") and vertical ("level of social cooperation") "axes of uncertainty."

These scenarios run counterclockwise on the graph: Number 1 is in the upper-left quadrant, representing a relatively lower amount of crisis along with a higher amount of social cooperation. Curiously – (or perhaps not) – scenario number 4 is in the upper-right quadrant; that is, the juncture of high crisis impact combined with relatively high social cooperation.

It's scenario number 3 – "a nation on the brink" that earns the spot in the lower-right quadrant showing the worst end of each axis: highest crisis and lowest social cooperation. The Monitor Institute research team hypothesized that when things get bad enough by the end of 2021, we'll finally start pulling together as a nation to create a new and better social compact. (That hypothesis, though, is truly a worst-case situation where Americans don't start pulling together meaningfully for another eighteen months. We can hope – and perhaps propose a fifth "scenario" – where we collectively wise up well ahead of that date.)

"Scenarios aren't about what will happen," the lead authors emphasize, instead, "they're provocative pictures of [what could happen](#), designed to provide a new perspective and context to

help guide present-day decisions.”

For each of the four selected scenarios, the research team devotes two full pages in the report with detailed descriptions and analyses of what they imagine could happen.

Scenario-Planning Advice

“Scenarios are stories about what the future may look like, created through a structured process, that aim to help organizations stretch their thinking, challenge their traditional assumptions, and drive better strategic decision-making.”

As we emphasized in Part Two of this series: “The COVID-19 crisis has created a moment of hyper-uncertainty for social sector organizations. No one knows how the future will unfold...” Decision-makers will “... find themselves swamped by having to make organization-defining choices during this extraordinary period of disruption.”

Just before the authors plunge into the lengthy discussion on page 11 of the four selected scenarios, they offer advice on page 9 that acknowledges how nerve-wracking a COVID-19 scenario-planning exercise will likely be for nonprofit and foundation leaders. In this section titled “how to read (and now not to read) the scenarios,” the lead authors emphasize that the “...key challenge right now is on helping organizations move from thought to action in the midst of great uncertainty.”

Among the “do’s” are:

- Do focus on why the scenario might happen and what it would mean for your organization in terms of keeping or tossing current strategies and tactics
- Do consider “what it would feel like to live in each scenario”; imagine “new threats” as well as “new opportunities”
- Do think about how your group would respond and “pivot as necessary”

Among the “don’t’s” are:

- Don’t pick one scenario you like best or think is most likely; that defeats the purpose of the exercise to “look across possible futures” and prepare to “pivot and quickly adapt as circumstances change.”
- Don’t “focus too much” on specific details described in each scenario; “suspend disbelief” a bit and think about “the overall direction and conditions each future creates.”
- Don’t overthink the “details of each axis” so you can’t fully live in the hypothetical circumstances.
- Don’t expect specific answers for your group’s circumstances; during the exercise tweak the details of each scenario to fit “your place, your issues, or your organization.”

Conclusion

During scenario-planning sessions, “... decision-makers can begin to imagine multiple plausible pictures of the future and rehearse how their organizations might respond.” The lead authors offer us a bit of comfort, though, by reminding us that “... even in the best of times, we can’t accurately

anticipate what will come ahead.”

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