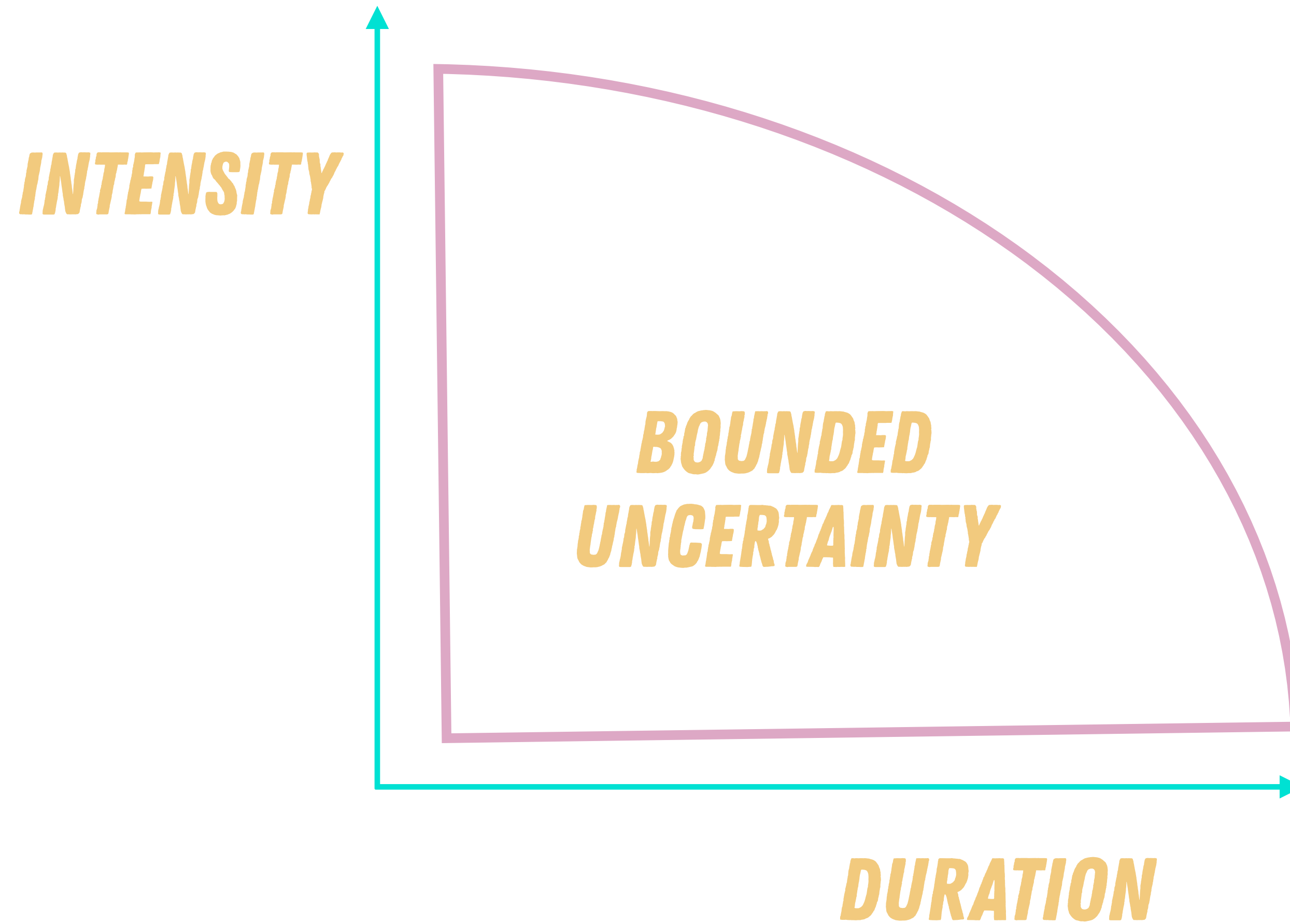


A black and white halftone illustration of a person in a suit, shown from the chest up in profile, holding a pen to their chin in a thoughtful pose. The background features a target symbol on the left and a faint grid pattern. The overall style is a fine-line halftone print.

***STRATEGY HELPS TURN
UNCERTAINTY INTO RISK***

WE CAN HELP WITH UNCERTAINTY BY APPLYING OUR OWN BOUNDARIES.



THIS IS WHAT WE CALL 'SCENARIO PLANNING'



COVID STRATEGY SCENARIO PLANNING WORKSHEET

TRIAGE	DIAGNOSIS	SCENARIOS	considerations & analysis									
<p><i>What emergency actions must we take to care for our employees & customers?</i></p>	<p><i>Business: supply and demand volatility, short and medium term, operations</i></p>	<p><i>Remember: Boundarize uncertainty by using available resources to weight each scenario with the likelihood you think it will happen</i></p>			___ months							
			<p><i>What brand actions could usefully contribute?</i></p>	<p><i>Brand: what role should it play now and soon?</i></p>	<p>PERCENTAGE LIKELIHOOD</p> <p>_____</p> <p>3 MO 6 MO 18 MO</p>	<p>survival</p> <p><i>How long can we survive with the current resources available to us? How long can we go without making money?</i></p>	<p>___ months</p>					
								<p><i>How will cash flow be managed?</i></p>	<p><i>Bottom Line: What is the cash runway?</i></p>	<p>LOCKDOWN DISRUPTION</p> <p><i>Move forward with analyzing your two most likely scenarios</i></p>	<p>competitive positioning</p> <p><i>What's our position compared to competitors?</i></p> <p><i>How might our competitors act? (Are there any clues from how they've acted before?)</i></p>	<p>___ months</p>
COMMITMENTS		actions for approval										
FIRM	FLEXIBLE	PULL	PAUSE	PIVOT	PUSH							



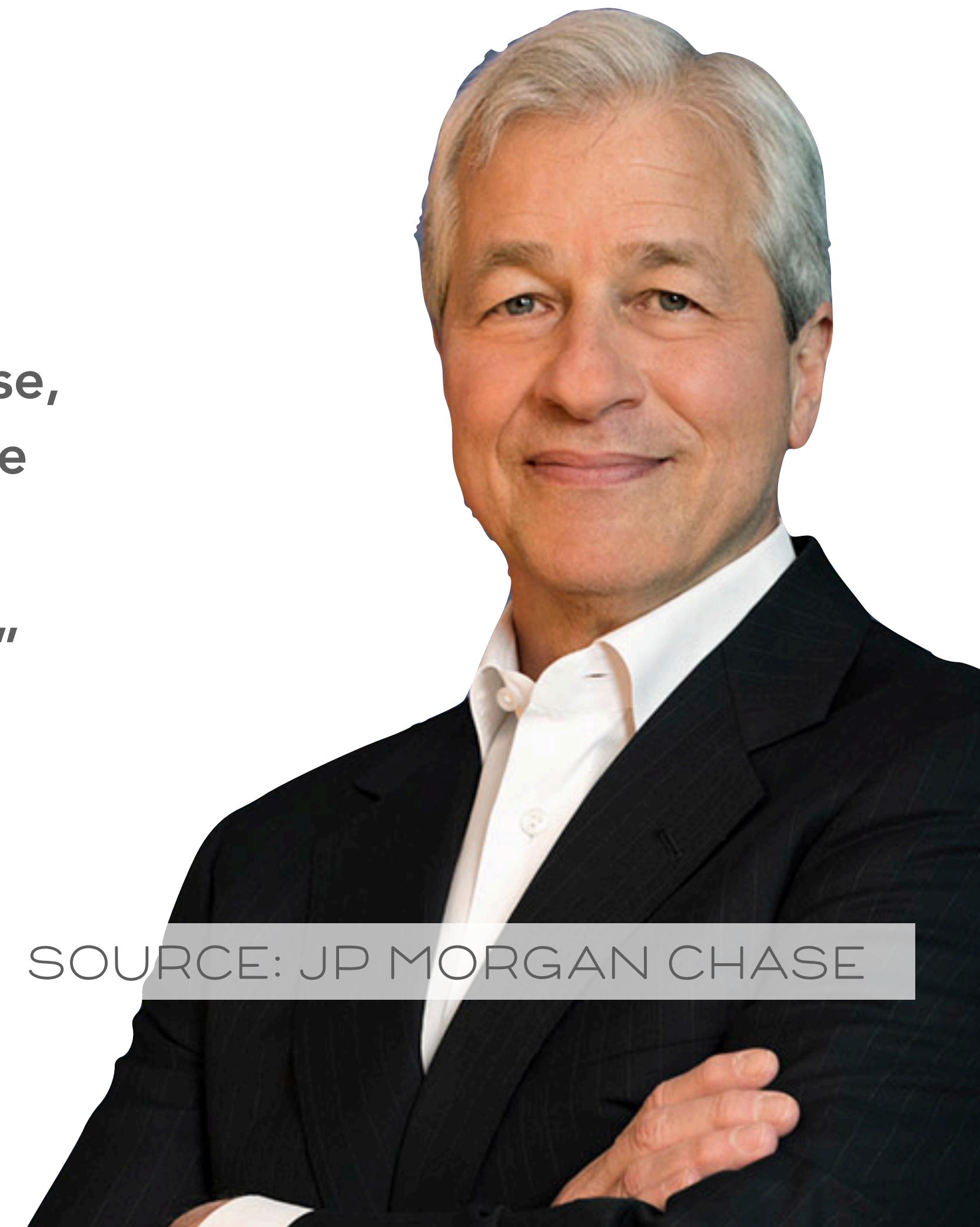
BUT... IT'S NOT APRIL ANYMORE; IT'S SEPTEMBER

FINANCE

Jamie Dimon's warning for the U.S. economy — nobody knows what comes next

- "If you look at the **base case**, an **adverse case**, an **extremely adverse case**, they're all possible and we're just guessing at the probabilities of those things; that's all we're doing
- "We simply don't know and, by the way, we're wasting time guessing."
- Jamie Dimon, CEO of Chase, biggest bank in USA

SOURCE: JP MORGAN CHASE





2021 PLANNING IS DUE TO BEGIN; SO WHAT DO WE DO??

2020 WAS AN UNCERTAIN YEAR, IN WHICH MOST PLANS HAD TO CHANGE — PROBABLY MORE THAN ONCE.



Bill Gates thinks the COVID-19 pandemic won't be over until the end of 2021, even for the world's richest countries

SPOILER ALERT: YOU CAN REASONABLY EXPECT THE SAME IN 2021.

***THINGS AREN'T ANY CLEARER...
SO, WHAT NOW?***



PART TWO

THE OPPORTUNITY





YOU MAY HAVE HEARD THAT THE CHINESE WORD FOR CRISIS HAS
A HIDDEN MEANING INSIDE

危机

“danger”

“opportunity”

“THE CHINESE WORD FOR CRISIS CARRIES TWO
ELEMENTS: DANGER AND OPPORTUNITY.”





IT'S A WIDESPREAD PUBLIC MISPERCEPTION (IN THE ENGLISH-SPEAKING WORLD)

危机

The first character wēi (危) does indeed mean "dangerous" or "precarious", but the second, character jī (机; 機) does not mean "opportunity" in isolation, but something more like "**change point**".

The confusion likely arises from the fact that the character for jī is a component of the Chinese word for "opportunity", jīhuì.





"Chaos breeds geniuses.
It offers something to be a genius about."

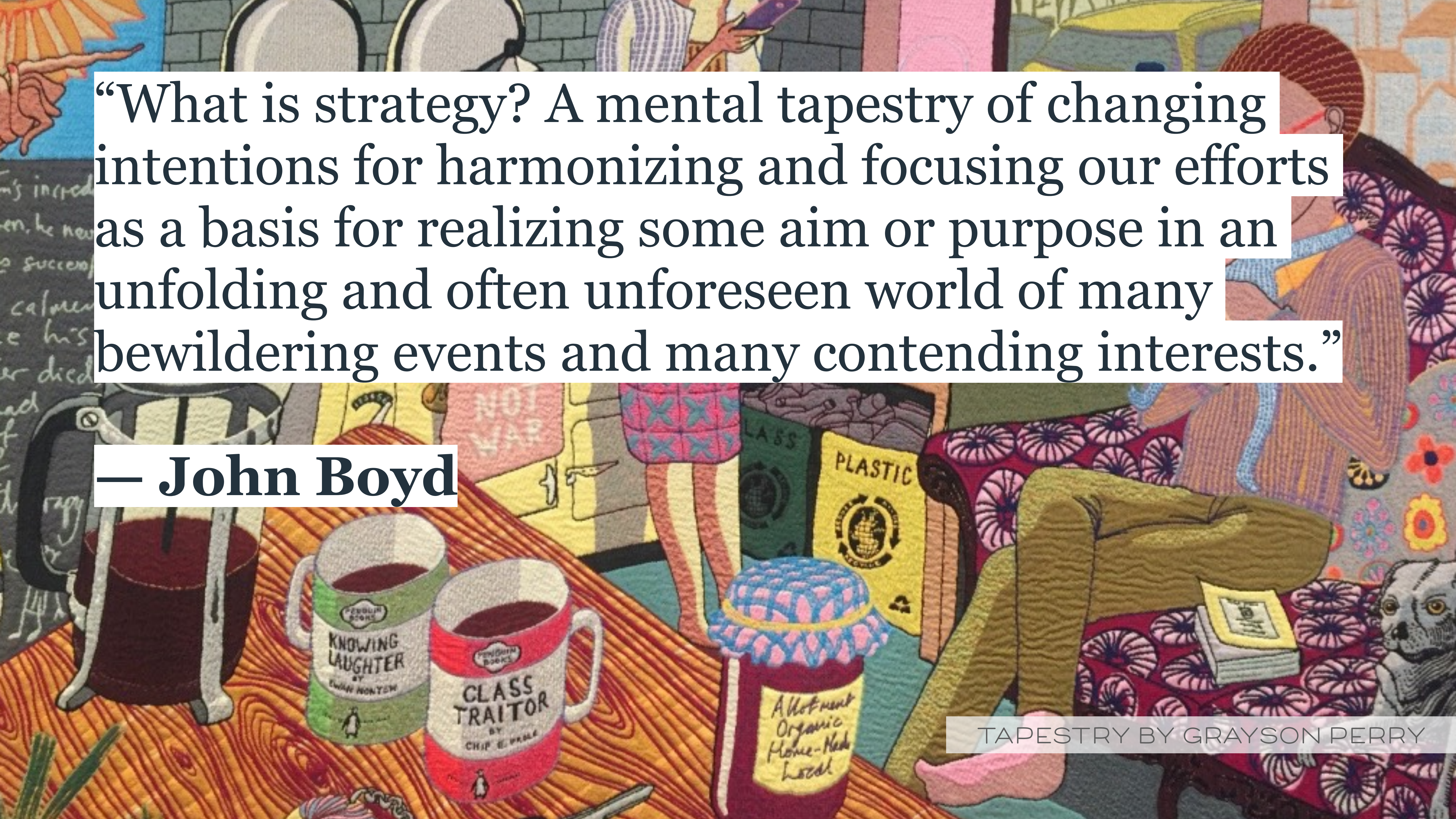
— **B. F. Skinner**



PART THREE

STRATEGY FOR UNCERTAINTY





“What is strategy? A mental tapestry of changing intentions for harmonizing and focusing our efforts as a basis for realizing some aim or purpose in an unfolding and often unforeseen world of many bewildering events and many contending interests.”

— **John Boyd**

TAPESTRY BY GRAYSON PERRY



THERE ARE TWO WAYS TO MANAGE UNCERTAINTY

ONE

by decreasing the amount
of perceived risk

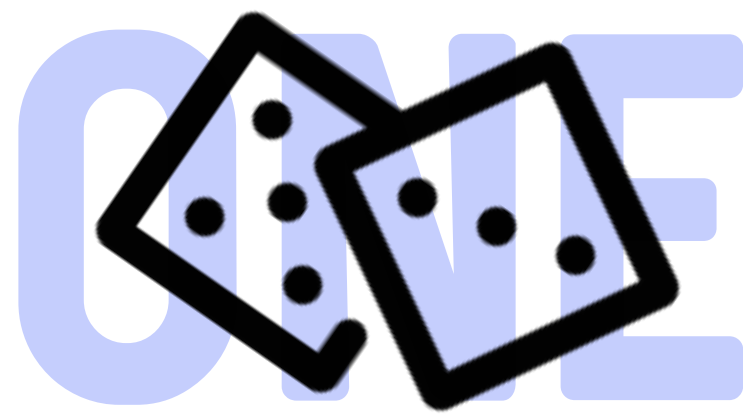
TWO

by increasing our tolerance for
and resilience to uncertainty.



THERE ARE DIFFERENT KINDS OF UNCERTAINTY

**Expected
Uncertainty**



Stable Model

**Unexpected
Uncertainty**



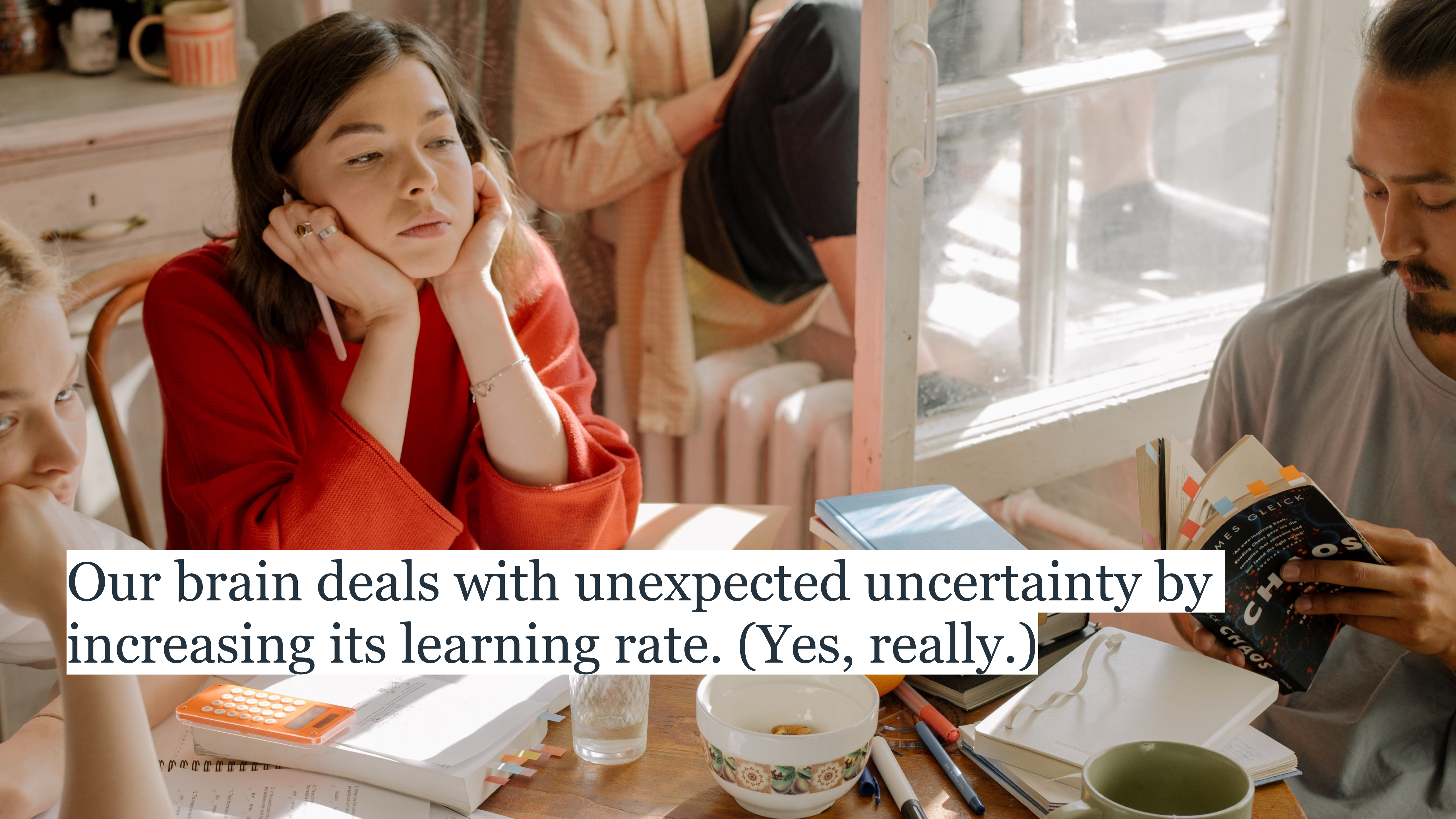
Model Changes

Volatility

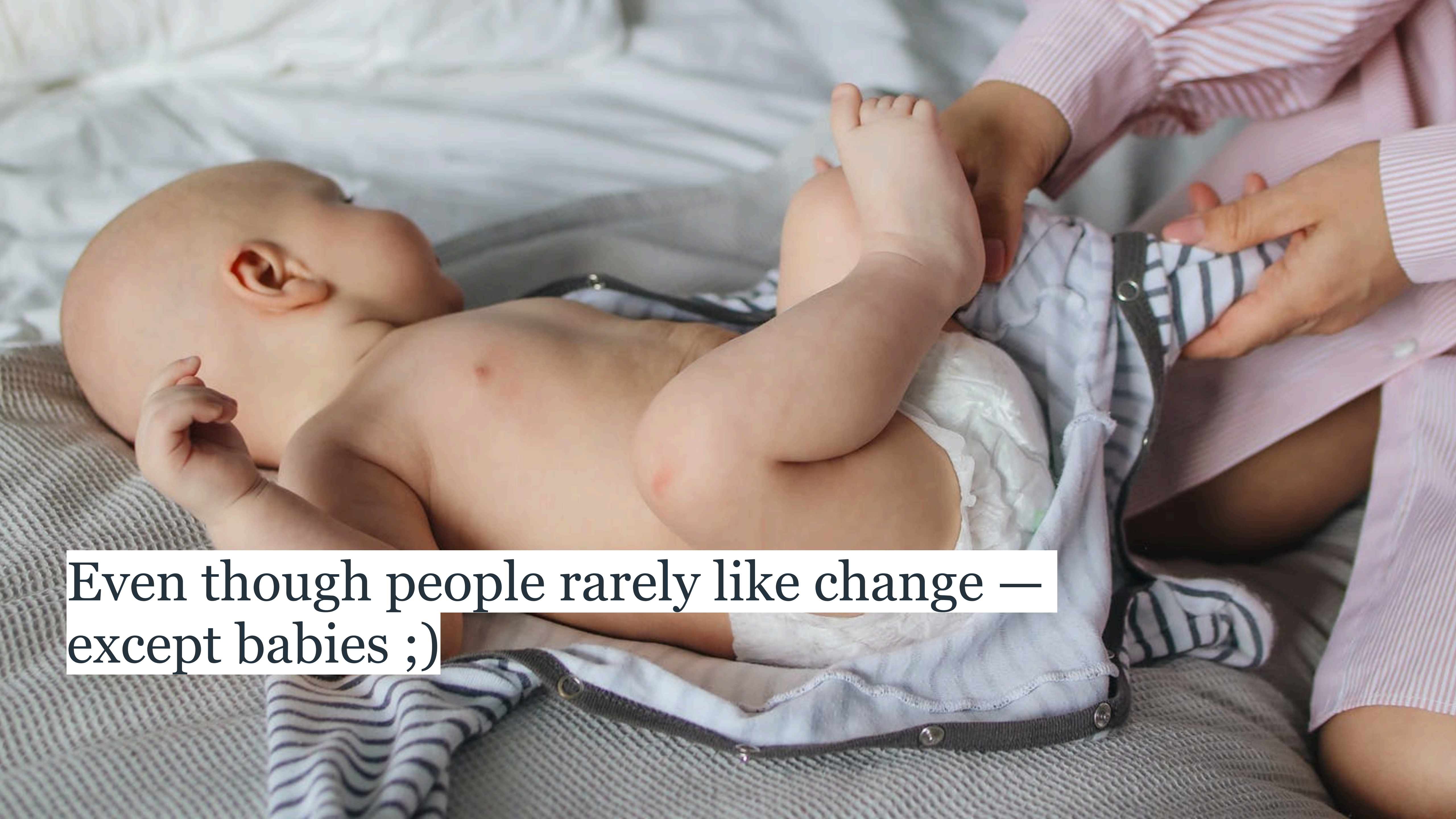


Erratically





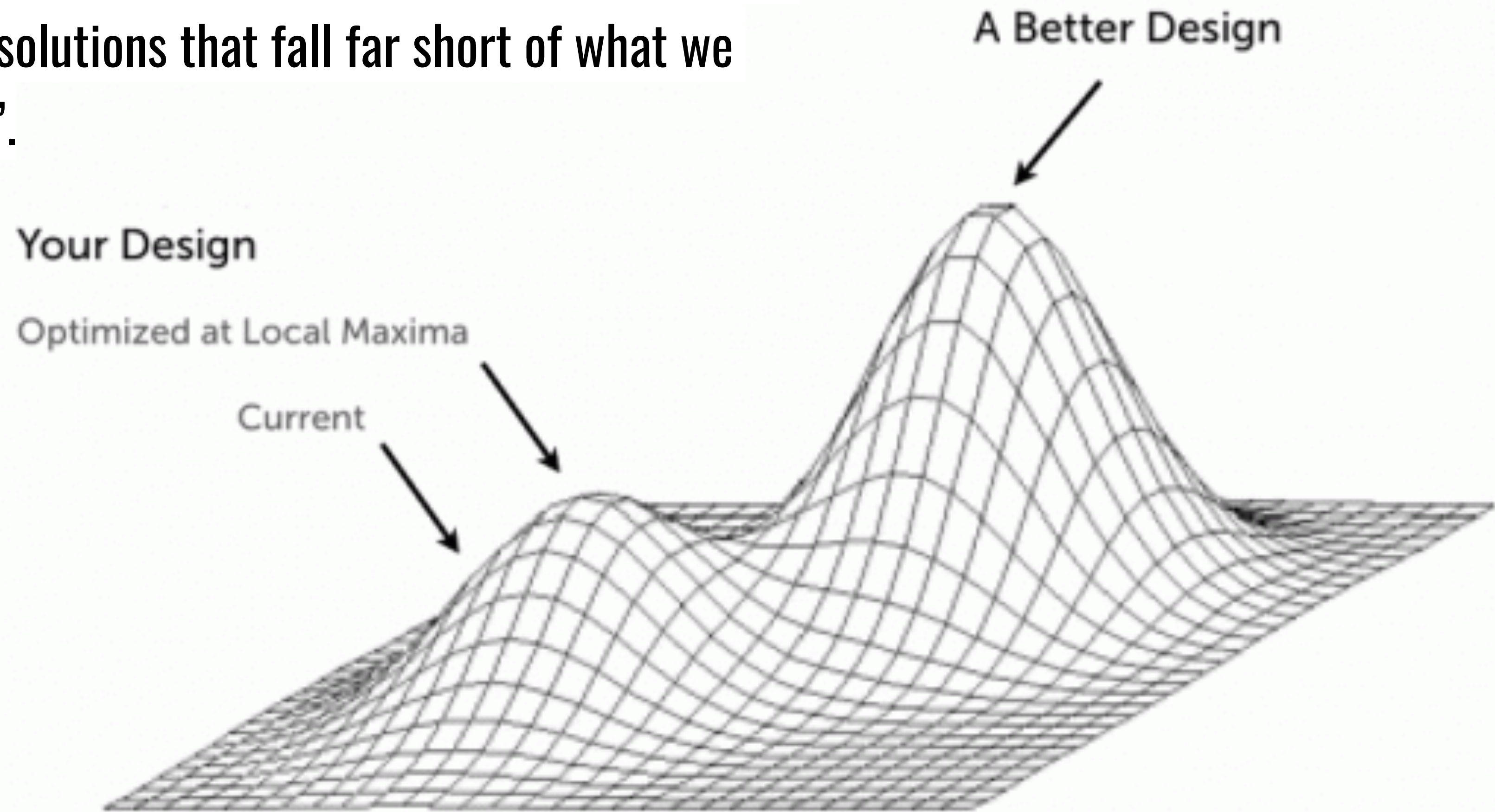
Our brain deals with unexpected uncertainty by increasing its learning rate. (Yes, really.)



Even though people rarely like change —
except babies ;))

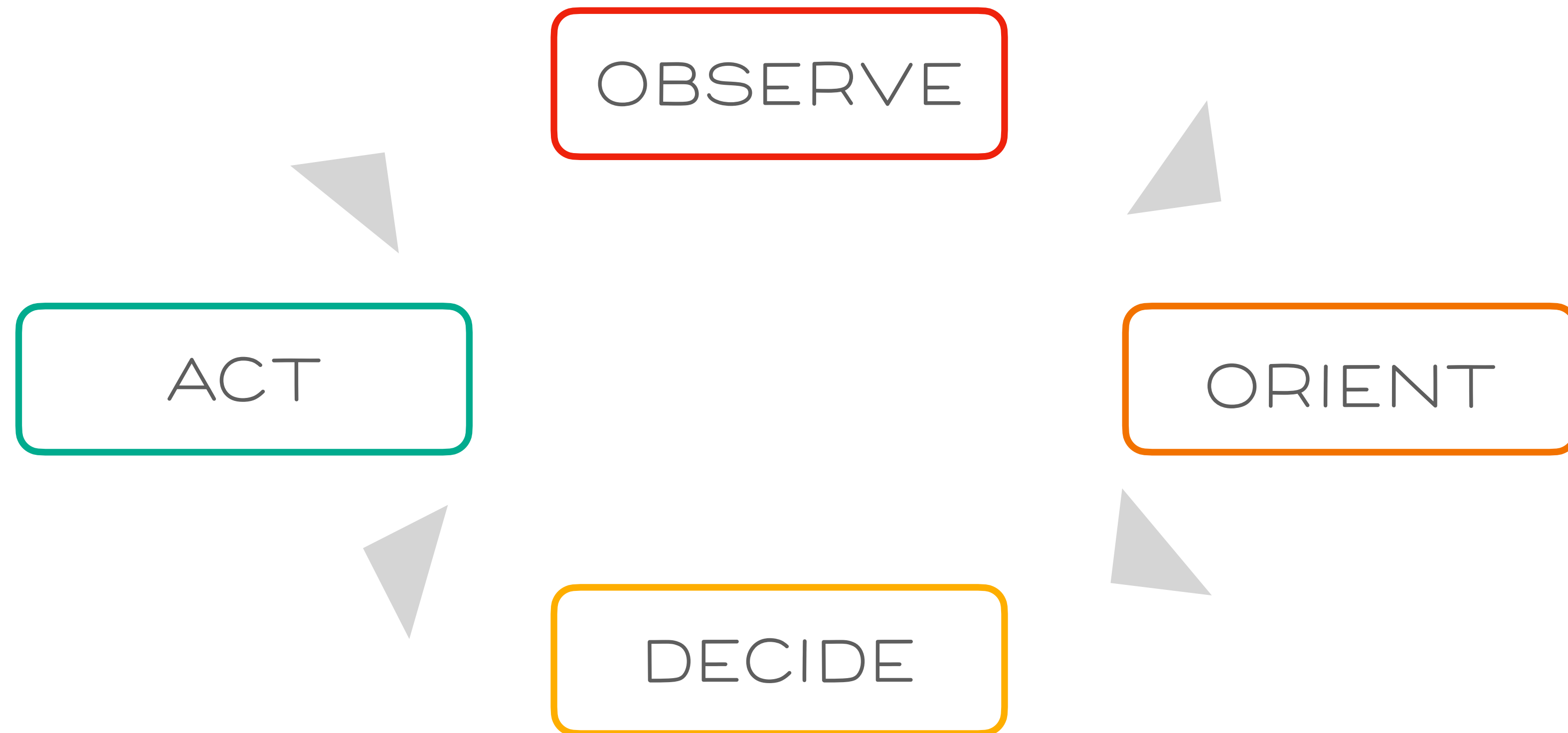
Unexpected uncertainty can be very beneficial for organisms like us.

This is just the sort of uncertainty that can **help us break out of bad habits** and **escape 'local minima'** – good enough solutions that fall far short of what we might achieve by 'pushing on through'.





THE OODA LOOP IS MILITARY STRATEGY FOR RAPID DECISIONS





THERE ARE TWO KINDS OF ACTIONS

EPISTEMIC

knowledge-seeking

PRAGMATIC

problem-solving



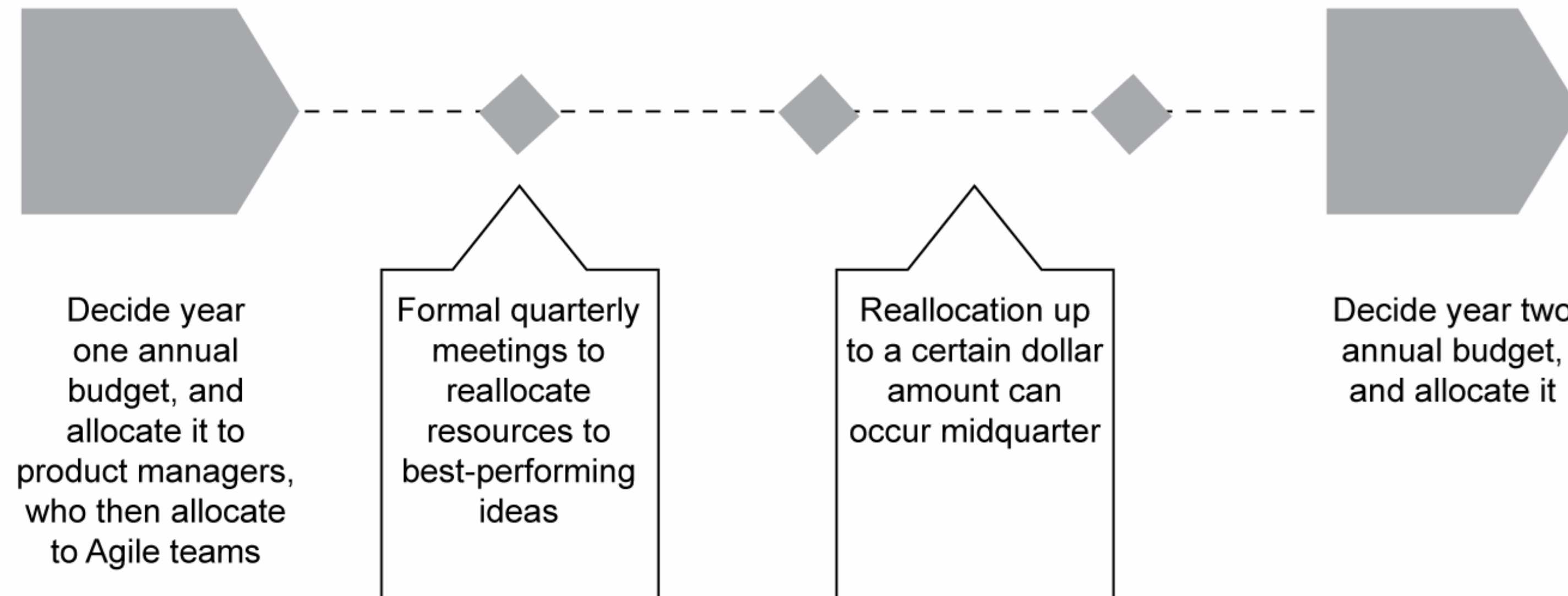
IT'S TIME TO BE MORE AGILE IN BOTH BUDGETING & PLANNING

Year zero

Year one

Sept Oct Nov Dec

Jan Feb Mar April May June July Aug Sept Oct Nov Dec



Google successfully employs aspects of a **venture capitalist approach to funding.**

“In addition to making **quarterly allocations** to the initiatives making the best progress on their annual goals, leaders **set aside pools of funds for** (good) **ideas that bubble up between quarterly budget meetings.**”

[HTTPS://WWW.BAIN.COM/INSIGHTS/HOW-TO-PLAN-AND-BUDGET-FOR-AGILE-AT-SCALE/](https://www.bain.com/insights/how-to-plan-and-budget-for-agile-at-scale/)

Source: Bain & Company

