Using Scenario Planning to Prepare for Pandemics

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As you may know, some of my work surrounds scenario planning. Primarily, that work surrounds [strategizing for climate change](http://www.nardiahaigh.com), but scenario planning is a versatile strategic planning method for navigating uncertainty. Others in [this forum](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars) have provided excellent suggestions about what to do now. My focus is to help organizations come out of COVID-19 with a new level of preparedness for pandemics.

One thing we know is that, as a society at least, we will survive and learn to live with COVID-19. We know this because we survived and learned to live with Avian Flu, Swine Flu, SARS, MERS, Ebola, Zika, West Nile Virus, HIV/AIDS, SARS, and more. This is not to diminish the awful death tolls or the disruption to everyone’s lives that communities have experienced with past pandemics, and are experiencing with COVID-19. What it tells us is the next pandemic is not a matter of if, but when and how. Below are several things organizations can do to prepare.

# Merge Risk Management and Strategic Planning into Scenario Planning

A pandemic would not normally feature in a strategic plan, but it would potentially be included in a risk management plan and a scenario plan. To build resilience for pandemics, organizations can do two things. First, replace the 3- or 5-year standard strategic plan within a longer-term scenario-based plan that develops multiple scenarios about how the future might unfold. Mid-range strategic plans are important for informing decision-makers of what may emerge during their tenure, but they focus primarily on extrapolating known trends and competition. I strongly suggest planning for 10 years, minimum, and looking over the horizon for trends that might shape future scenarios (more on this below). Second, I strongly suggest incorporating risk management plans into the scenario planning process, or at least ensuring the processes communicate with each other. As part of the planning, engaging with pandemics in a socially responsible way is critical.

# Considering What Trends Contribute to Pandemics

The source of many pandemics is consumption of, trading of, or contact with animals carrying the contagion. [Bats can be a source of coronaviruses](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6356540/) such as COVID-19, as can [cattle and camels](https://www.cdc.gov/coronavirus/2019-ncov/prepare/animals.html); but pigs, chickens and other animals have also been sources of pandemics, as have been humans. The ability to contain outbreaks depends on the actions of governments, organizations, and people to work with this reality. Trends that organizations can monitor to understand the degree to which they could be exposed to a pandemic include:

1. Reports of outbreaks by the [World Health Organization](https://www.who.int/), and their proximity to customers, suppliers, and employees;
2. The degree to which governmental public health agencies (e.g. the CDC) are funded at federal, state, and local levels;
3. The availability of unemployment benefits and socialized healthcare, which can indicate the degree to which communities can be affected;
4. The preparedness of local healthcare organizations for any large-scale emergency;
5. Local, state, and federal directives and action plans currently for responding to a pandemic, and trends in industry and organizational preparedness.

# **Responding in Socially Responsible Ways**

Within a scenario plan, there are several things that public or private-sector organizations can do to prepare responsibly to pandemics.

## Understanding the Degree to Which Capabilities are Transferable

Organizations that can repurpose their assets will stand a better chance of surviving, and some might uncover important opportunities. A few examples include major Italian fashion house Prada using its garment manufacturing capabilities to produce [overalls and masks](https://www.latimes.com/lifestyle/story/2020-03-24/fashion-brands-face-masks-medical-surgical-gowns-coronavirus), many dine-in-only restaurants providing take-out, and Tesla [manufacturing ventilators](https://www.newsweek.com/elon-musk-ventilators-medtronic-tesla-giga-new-york-production-coronavirus-covid19-1494369).

## Building Redundancy into the Supply Chain

Organizations are only as strong as their weakest link, and in our globalized world, the supply chain can be a significant source of weakness. It is at times like this we are reminded that it pays to know where suppliers are located and to work towards a geographically dispersed network of suppliers.

## Building Cash Reserves

Building even a small reserve of cash that is kept in accounts from which it can be easily withdrawn will help organizations continue in some manner while a pandemic is occurring, and can help with other issues too.

## Working with Employees

Perhaps the most important stakeholders in a pandemic are employees. Working with employees can help organizations build a great deal of resilience. For instance, providing employees with sick leave and health benefits (even if not mandated) will mean they are far less likely to come to work sick and contagious. Beyond this, enabling people to work from home is helping many organizations survive amid COVID-19, and given more time to prepare this should mean ensuring employees have the right training, supplies, software, hardware, support, and flexibility.

## Communicating with Stakeholders along the Way

Finally, organizations should engage stakeholders to build scenarios and plan around them. Better scenario planning does not hide unwanted scenarios and responses, but surfaces them through discussion to build organizational resilience.

# Preparedness under Uncertainty

Scenario planning does not aim to predict the future, but rather helps us be more prepared for whatever might unfold. As eminent scenario planner Peter Schwartz said, “The world may be uncertain and unpredictable but that’s no excuse for being unprepared.” In the service of keeping this post brief, I haven’t covered the method in detail here, but an overview of it is [available online](https://www.nardiahaigh.com/tools-for-the-book-900600.html) for anyone who would like to know more.