

## ***Plan for the Known & Prepare for the Unknown***

### **Speaker:**



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### **Abstract:**

Developing a robust and flexible supply chain strategy is a challenging undertaking that requires a careful assessment of the future business environment in the long run. Significant step changes (i.e. drastic, sudden changes) can alter the fundamental nature of the competition within a short period of time, which may necessitate a very different type of supply chain footprint. Scenario Planning can help companies develop robust and flexible strategies to suit an unpredictable environment in which a forecast driven mindset that locks the decision maker into a single view of the future is not effective. By design, scenarios forces decision makers to consider several diverse plausible futures and prepare its supply chain accordingly. The method emphasizes the detection of early signs of change as such information can lead to powerful and timely actions.

Simulating possible outcomes through scenario planning reveals both the kinds of uncertainty that companies face and potential courses of action. The scenarios can be constructed to explore particular business issues and environments or they can be more generic in nature. A powerful outcome of the exercise is the identification of trends and market developments that the company should be monitoring. More importantly, scenario thinking helps executives challenge their hidden assumptions. A major impediment to competing successfully in the face of uncertainty is that company leaders become tethered to established beliefs and accepted wisdom. It is crucially important that executives look past these hidden assumptions and be open to multiple possibilities rather than just the ones that are rooted in their past experience.