Scenario Play Thinking

Idea In Short

A plan that looks sound on paper often meets a competitor who does not behave as expected. Scenario play thinking tests plans by acting them out. Teams take the parts of their own company, rivals, customers, and regulators, then make moves and counter-moves in a structured exercise. Business wargaming grew from military practice and is now used to turn data about markets into usable intelligence and to stress test strategies before launch. The method works because people argue differently when they must play the other side. This article explains how a scenario play session runs, who should take which role, what it can and cannot tell you, and how to turn the lessons into action.

A regional bank plans to cut fees on small business accounts to win share. In a half-day exercise, one team plays the bank, one plays the largest rival, one plays a fintech start-up, and one plays business customers. The rival matches the fee cut within a week and adds a loyalty offer. The bank's team sees that the plan only works if it is ready for that response, and it redesigns the launch.

What scenario play is

Scenario play is a structured way to test thinking by acting. Emerald Insight's article on business wargaming defines it as a role-playing simulation of a dynamic business situation that involves a series of teams, each assigned to assume the identity of an entity with a stake in the situation.1

The same article says wargames offer benefits at two points in strategic planning. At the outset, they convert information about markets, channels, and competitors into actionable intelligence. After a basic plan exists, they can test whether the plan is robust enough to succeed under any realistic combination of events.

Wikipedia describes business war gaming as an adaptation of the art of simulating moves

and counter-moves in a commercial setting, and notes it is of particular value when the competitive environment is changing, because it lets decision makers consider proactively how different players might react.2

Roots in military practice

The method comes from the armed forces. A strategy+business article, originally published by Booz and Company, notes that commercial wargaming draws on military wargames to simulate battlefield conditions, and applies the approach to a set of business conditions that challenge executives to design strategies that can evolve with changing circumstances.3

The article describes a typical setup. In a corporate war game, senior managers play their own company and a select group of competitors, while a control team plays all the other entities that affect the industry.

The control team matters. It represents regulators, suppliers, customers, and events, and it decides how moves play out. Without it, the game becomes a contest between two teams in a vacuum.

How it differs from scenario planning

Scenario planning tells stories about plausible futures. Scenario play places people inside those futures and asks them to decide. The difference sounds subtle, and the effects are large.

A McKinsey Quarterly article on playing war games to win says that scenario planning can help when uncertainty is too great for a game, and that war games suit decisions where competitors and stakeholders will react to your move. In one case it describes, executives played through two days of simulations in which teams representing competitors and stakeholders role-played against a company team, and they came away understanding that a strong competitor could change the outcome.4

Scholars of scenario thinking argue that it can serve as a heuristic device for overcoming cognitive biases and making better strategic decisions, though they also challenge its usefulness for strategic management and refine that claim.5

Choosing the question

A game needs a sharp question. McKinsey describes an aerospace and defense company that first considered a tactical game about shifts in the defense budget and then chose a more strategic one: how to win market share given budget pressures and competitor moves.

Test the question with three checks. Will the answer change a real decision? Do other parties' reactions matter to the answer? Is the decision important enough to justify the time of senior people?

If the answers are no, use another tool. Idea generation workshops and simple analysis can handle narrower questions at lower cost.

Casting the players

Choose people who can think like the parties they play. Include people who know the rival, such as former employees, sales staff who meet the competitor in bids, and analysts who track it.

Mix levels and functions. A team of only executives may miss operational limits, and a team of only analysts may miss political ones. When the goal is alignment around a decision, McKinsey suggests including the leaders of all functions involved in execution.

Rotate roles where possible. Asking your own strategists to play the rival forces them to see your plan as a threat, and it often produces the harshest and most useful tests.

Running a session

Start with a briefing. Describe the situation, the rules, and each team's objectives, resources, and constraints. Give each team a short profile of the party it plays, based on real facts.

Run rounds. In each round, teams decide on moves, such as price changes, launches, partnerships, or lobbying. The control team announces results and new events. Teams respond in the next round.

Keep the pace fast. Time limits force teams to commit to choices, and they mimic real pressure. Record each move and the reasoning that led to it, since the reasoning is the data you will analyze later.

The debrief

The debrief is where learning happens. Ask each team what it tried to do, what it expected, and what surprised it. Compare moves across rounds, and look for patterns, such as a rival response that appeared in every run.

Translate findings into actions. Which assumptions in the plan broke? Which early signals would show that the rival is moving? What moves should you prepare now?

Write a short summary with three parts: the questions tested, the main insights, and the decisions or experiments that follow. Share it with those who must act.

Using data in the game

Wargames can become theater when people simply talk. Bring facts. A McKinsey discussion on war gaming for finance leaders warns that the exercise is too often treated as a qualitative session in which people pontificate about the market, and it stresses bringing data to the exercise.

Give teams cost curves, pricing histories, capacity figures, and customer segment data. Let them test whether a move is feasible, and how it would affect margin and share.

Include the numbers in the debrief. A move that looks clever may destroy value once costs are counted, and the game is a safe place to find that out.

Scaling the idea down

You do not need a two-day event. A small team can run a ninety-minute version for a pricing change, a product launch, or a negotiation. Assign two or three roles, give each a one-page brief, and play two rounds.

Even a single person can use a lighter form. Write the move you plan, then write the reply of

the party most affected, in the first person, as if you were them. Repeat for the next reply. The exercise often shows a response you had not considered.

A hypothetical example

Imagine a hypothetical regional airline planning to add a new route that a larger carrier currently serves. Management runs a one-day game. One team plays the airline, one plays the larger carrier, one plays the airport authority, and a control team plays fuel prices and demand.

The larger carrier team responds with deep discounts and extra flights in the first month. The airline team realizes that its plan assumed no response. It revises the plan to start with fewer flights, secure airport slots, and build corporate accounts first. The case is invented, but it shows how acting out rival moves can improve a plan before real money is committed.

Cautions

Do not treat a game result as a forecast. A game shows what could happen with these players and these choices. Other outcomes remain possible.

Beware of weak role play. If teams play rivals as passive or foolish, the game flatters your plan. Brief players with real facts, and reward realism.

Finally, watch for groupthink. Senior voices can steer teams toward the expected answer. Use separate rooms, anonymous input, and a facilitator who challenges easy conclusions.

- 1Business wargaming: simulations guide crucial strategy decisions
- 2Business war games
- 3Dynamic competitive simulation: wargaming as a strategic tool
- 4Playing war games to win
- 5Scenario thinking, Cambridge Elements

Summary

Scenario play thinking means acting out hypothetical futures by role-playing the players who will shape them. The exercise converts market data into insight about how rivals and stakeholders may react, and it tests whether a plan holds up under realistic moves and counter-moves. Success depends on a clear strategic question, a mix of players, a control team that represents the wider environment, and an honest debrief. The method has limits, since players may act unlike the real parties, and a game outcome is a possibility and not a prediction. Pick one decision with a competitive element, assign teams to play the others, and run a two-hour first round.