Scenario Planning

Mikayla Exton

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Scenario planning looks beyond day-to-day or project-level risks and focuses on long-term risks to the success of a business. Our natural thinking tends to underestimate how trends and changes accumulate to create a future that is likely very different from today. Scenario planning helps overcome this by building four distinct futures - not to predict exactly what will happen, but to reveal a business's strengths, weaknesses, and resilience across a range of possibilities.

When unexpected events occur - such as the emergence of Covid-19 in February 2020 - businesses that have explored multiple scenarios are often better prepared, even if the event itself wasn't anticipated.

Building the Futures

01 - Identify Drivers of Change
Identify a list of major uncertainties over time - called drivers of change. Some examples are:
– The state of the economy;
– The regulatory environment;
– Housing & Urban Development Policy;
– Talent / workforce availability;
– Who can design / the role of the Architect;
– Global factors (supply chain, geopolitics).

02 - Select Two Key Drivers
Choose two very different drivers, and define two polar extremes for each. Push these extremes beyond current or even likely situations, although they should remain plausible.

Drive of Change 1: Who can design / the role of the Architect:
– Extreme 1: A protected profession - all projects require a registered architect.
– Extreme 2: Open access - anyone can design, supported by new technologies.

Driver of Change 2: Housing & Urban Development Policy
– Extreme 1: Strong intensification - government mandates rapid high-density transformation.
– Extreme 2: Weak policy - low-density status quo remains, no requirement for intensification.

03 - Build the Matrix
Use the extremes to form four quadrants of a matrix (shown on the next page), each representing a distinct future where two extremes occur at once. It's good to embed an assumed change (eg. increased technology use) across all scenarios.

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	Strong Intensification Policy Government actively supports urban densification	**Weak Policy** Low-density development persists, limited innovation
Open Access to Design Anyone can design, inc. developers, homeowners, tech tools	**Scenario 1: Crowdsourced Urbanism** The government drives urban transformation, but design is open to non-architects. **Opportunities:** Differentiate by offering expertise in complex sites, compliance, and sustainability; form alliances with developers or tech providers to stay involved. **Risks:** Loss of straightforward residential work to cheaper competitors; pressure to lower fees; reduced control over design quality.	**Scenario 2: DIY Sprawl** Weak policy combined with open access results in piecemeal, cost-driven housing growth. **Opportunities:** Focus on higher-value bespoke projects or specialist sectors (heritage, high-end homes) where expertise is valued, or pre-designed housing packages. **Risks:** Reduced overall demand for architectural services; clients default to low-cost solutions; difficulty justifying fees.
Protected Profession Only trained architects design	**Scenario 3: Architect-Led Transformation** Intensification policies require architect-led delivery, positioning the practice at the heart of urban change. **Opportunities:** Secure a strong pipeline of significant projects; grow reputation and capabilities in urban housing; influence policy through expertise. **Risks:** Capacity stretched thin; higher exposure to liability from large, complex developments; pressure to scale operations quickly.	**Scenario 4: Sheltered Decline** The profession is protected, but low policy ambition means few transformative projects. **Opportunities:** Strengthen client relationships, focus on bespoke or specialised work; use quieter periods to invest in staff development or innovation. **Risks:** Slow business growth; difficulty retaining top talent; potential for complacency within the practice.

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Scenario Assessment

After creating the four scenarios, assess each one:

– How prepared is the practice for this future?
– What opportunities and risks emerge?
– Which scenarios are most and least likely?
– Do any scenarios reveal blind spots for the practice?
– Which trends or uncertainties could most disrupt how we work in 5–10 years?
– How would our current business model perform in each of the four scenarios?
– What actions can we take now to increase resilience and capture opportunities in multiple futures?

Example:
Even if Scenario 3: Architect-Led Transformation (protected profession + strong intensification policy) feels unlikely, it's still valuable to explore what that future would require. Other drivers - such as intensive rebuilding after a natural disaster - could create similar conditions where architects are heavily relied upon for their expertise.

On the other hand, Scenario 2: DIY Sprawl appears far closer to current reality, with many of its opportunities and risks already shaping practice today. This scenario prompts important questions: How can architects maintain relevance and clearly demonstrate value compared to group-home builders - or, in time, AI-designed homes?

Scenario planning connects future possibilities with today's strategy. By exploring multiple futures, practices avoid the trap of planning for just one assumed outcome, and create space for new ideas to emerge. Even if it doesn't lead to immediate changes, the process strengthens long-term resilience by revealing blind spots, testing strategies in diverse conditions, and identifying actions that can better position a practice for tomorrow's challenges.

The information in this report is drawn from the *Integrating Risk into Strategic Decision Making* course, attended by Mikayla Exton at the Judge Business School, University of Cambridge. Mikayla participated in this programme through the NZACS Scholarship (2024), which supports employees and principals of member firms to develop their expertise in commercial and risk management. Mikayla was also supported by her workplace - Shaw & Shaw Architects - where she works as a registered architect.

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NZACS is keen to encourage ongoing conversations about risk in the architectural industry. If you have questions about any of the topics covered, or would like to discuss the report or the scholarship further, please reach out to Mikayla or NZACS - we welcome the opportunity to continue the dialogue.