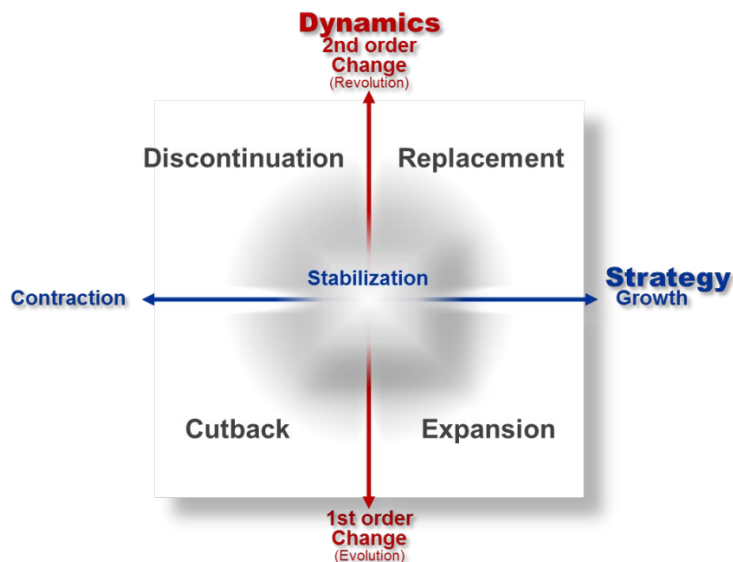


## Change portfolio

The change portfolio serves as visualization of changes. It enables the positioning of individual scenarios as well as to control completeness of the scenario planning. It is primarily used for strategy development and change management.

The two dimensions describe change dynamics and change strategy. The crossover of the two axes represents the 'absolute zero point' of change.



- **Change dynamics**

From the center ('absolute zero point') are expanding the 1st order changes downwards and 2nd order changes upwards.

1st order changes are continuous improvements, which produce small changes in small steps. These are modifications, which increase the efficacy and efficiency („doing the right thing right“) as well as to realize other improvements. Depending upon the strategy these are cutback or expansion activities. These evolutionary developments create large, sustainable changes over a long period of time, e.g. the change of the communication behavior by the Internet (society).

Changes of the 2nd order are drastic changes, which arise suddenly. These are changes that replace the existing conditions, by discontinuing something, replacing it with a copied idea or a radical, sometimes unrealistic innovation. Depending upon strategy this can be discontinuation or replacement of existing conditions. Within a short time this revolutionary disruption creates large changes with high risk, e.g. the development of the MP3-Formats in the 80s/90s and the associated changes in the music consumer behavior (society).

- **Change strategy**

At the 'absolute zero point' stabilization strategies are located. To the left extend contraction and to the right growth strategies.

Stabilization strategies pursue the goal to maintain the current conditions and to work against any change. Stabilization is predominantly used in crisis situations, e.g. if respected Thai king Bhumipol Adulyadej sends messages for the stabilization of the political situation to the people.

Contraction strategies pursue the strategy „less is more“. Depending on change dynamics it is cutback or even discontinuation of existing conditions. It involves for example product range, world-wide production locations or personnel, e.g. the concentration of the traditional vehicle business of Mercedes since the 90s.



Felt is not recognized; recognized is not thematized; thematized is not drafted; drafted is not formulated; formulated is not perceived; perceived is not understood; understood is not agreed; agreed is not done; done is not known.

Growth strategies pursue expansion strategies. Depending upon change dynamics it can be expansion or even replacement. This might involve market shares, revenue, site extensions, globalization, or even purchase of additional enterprises, e.g. the different IPOs of the company Apple, which created a market share from over 92% in the USA 2010.