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Research Article

Scenario Planning of PT. Islands Cipta Kreasi (Contractors' Business) in Reaching Sustainable Business Operations in Indonesia

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Abstract: *This research will explore the strategies needed to face the next 5 years from a contractor company in Indonesia called PT. Cipta Kreasi Islands. PT. Islands Cipta Kreasi is a family business that has been running for 20 years. Research is carried out so that companies can prepare strategies for the next years and have continuous aspirations. Based on the condition of the contracting business in Indonesia, this industry is one that has quite stable development and is continuously experiencing development where the contracting business is a business that is much desired, and construction projects are also increasing in number, not only in large numbers but in line with the development of the times where businesses have contractors who operate through digital media. Data collection will be divided into 2, namely primary and secondary. Primary data was obtained from interviews conducted with stakeholders at PT. Cipta Kreasi Islands. Primary data will be included in the formation of SWOT and scenario planning. Secondary data will use data obtained from scientific journals or books related to the research carried out. Secondary data will be embedded in the analysis carried out, namely PESTEL and Porter's 5 Forces. The result of the research using scenario planning supported by SWOT, PESTEL, and Porter's 5 Forces analysis produces a 2x2 matrix of driving forces that have the highest impact and uncertainty values. These two driving forces, namely the level of competitiveness and project tenders, produce 4 scenarios that will be used to determine the next few years, namely the perfect combo scenario, painful victory, unpleasant views, and always a choice. The results of these 4 scenarios produce specific strategies to use for each scenario and strategies that can be used to handle all scenarios, such as acquiring more loyal customers, portfolio diversification, increasing operational effectiveness and efficiency, and management for employee retention.*

Keywords: *Scenario Planning, SWOT, Porter's 5 Forces, PESTEL, driving forces, 2x2 matrix.*

I. INTRODUCTION

In these past few years, Indonesia has been acknowledged as one of the largest economies in the world. The current president, Jokowi, has predicted that the country will become the world's fourth-largest economy by 2045 (Office of Assistant to Deputy Cabinet Secretary for State Documents & Translation, 2017). The majority part of the economy in Indonesia is moved by the Small and Medium Industries (SMIs) which contributed to the amount of 56.7% to the GDP of Indonesia in 2003. Based on that, micro and small enterprises contributed to around 41.1%, while the medium industries contributed to around 15.6%. Indonesia has been determined for the development of (SMIs), targeting SMIs to play a vital central role in boosting the economy, where SMIs contribute to industrial GDP 54% with an annual growth rate of 12.2%

The industrial sector has many varieties of ventures, such as manufacturing, logistics, agriculture, construction, and more. The construction sector is one of the main contributors to the economy, especially in creating growth for developing countries like Indonesia. In the construction sector, the medium and small-sized also contribute a lot in boosting the industrial GDP. Despite all the challenges, such as digitalization and pandemic like COVID-19, the construction sector has always shown resilience where they managed to hold on and even grow in that kind of era; even the number of construction establishments has grown in Indonesia (Siahaan, 2024).

The contractor business even reached the number of contractors of 77,000 in 2015 (Global Business Guide Indonesia, 2024). This growth presents both opportunities and challenges, especially in this industry, where this shows an increased level of competition, including from international contractors. Additionally, the digitalization of business processes is becoming quite important in the construction business, as said by the Coordinating Minister of Economic Affairs, who emphasized the importance of digital transformation in the construction industry (Cikta, 2023). While some construction businesses have embraced digitalization, many conventional companies like PT. Islands Cipta Kreasi faces the challenge of adapting to it. This research aims to help PT. Islands Cipta Kreasi creates scenario planning to address future challenges and leverage digitalization to sustain and grow their business.

II. LITERATURE REVIEW

A) Scenario Planning

Scenario planning is one of the frameworks that is used to define strategies where it will define some alternative futures. Scenario planning will help create and develop a scenario (Chermack, 2022). Scenario planning itself has a definition, the definition of scenario planning would be the "part of strategic planning which relates to the tools and technologies for managing the uncertainties of the future" (Ringland, 1998). The goal of scenario planning itself would be considering various options that investigate various uncertainties while at the same time improving the organization's readiness for the future (Garvin & Levesque, 2006). In scenario planning, determining the impact can be helped by the participation of business members who have decision-making capabilities because they are directly related to the result of the scenario planning (Chermack et al., 2001). Creating scenario planning is not simple, whereas a good scenario constitutes a few things. Seven criteria constitute a good scenario, especially for strategy purposes (Lindgren & Bandhold, 2003):

1. Decision-making power
   A good scenario needs to provide and give useful information that will help in the decision-making process.
2. Plausibility
   The scenarios that are constructed need to have a realistic possibility.
3. Alternatives
   The scenarios that are created should have some degree of probability even though it does not have to be stated precisely.
4. Consistency
   Every scenario has to be consistent to hold credibility for each scenario created.
5. Differentiation
   The scenarios that will be constructed need to have differences structurally or qualitatively.
6. Memorability
   The scenarios need to be easily recalled and distinguished.
7. Challenge
   The scenarios need to be contradictive with the organization's strategy or thoughts about the future.

In developing a scenario planning, there are basically several types of how a scenario planning is going to be done. Based on Sunitiyoso (2023), these types would be:

1. Adaptive
   Adaptive will learn and create explicitly about the future to create an adaptable strategy for the company to thrive in the future.
2. Strategic reframing
   Understand futures in order to reperceive the current situation and enable intervention in strategic decision-making.
3. Transformative
   To change the situation and affect what might occur in the future, organizations must transform to affect what could happen in the future.
4. Inductive
   Scenario narratives arise from the facts without pre-existing categorization.
5. Deductive
   Creating or pre-imposing critical uncertainties before creating scenarios.

In developing scenario planning, several components need to be done in creating or developing scenario planning, and the components can be seen in Figure 1.

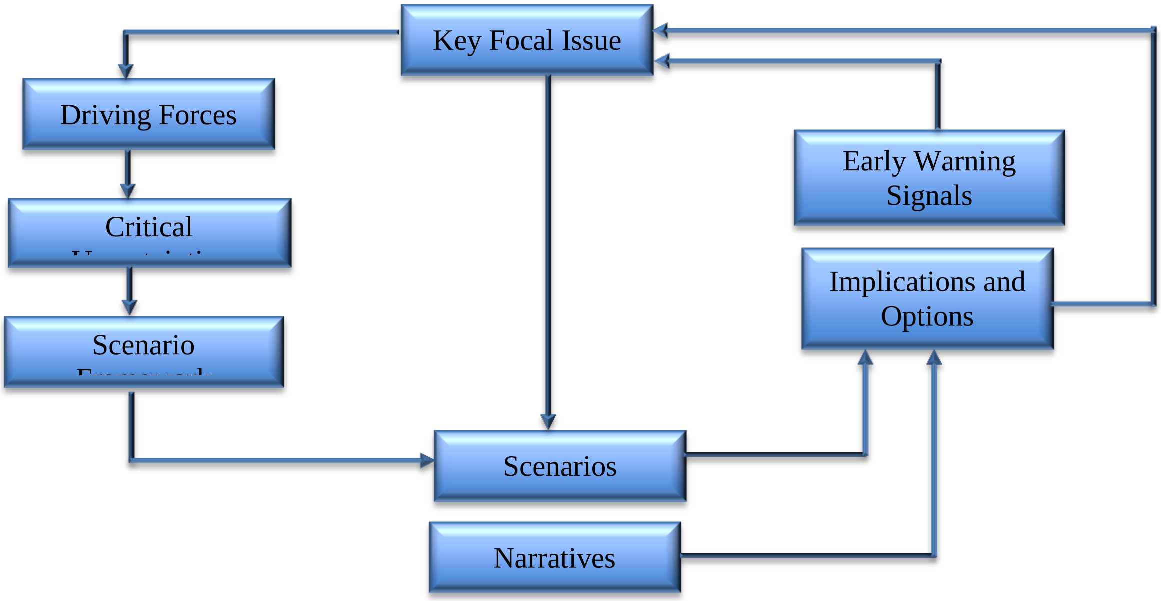

Figure 1: Scenario Planning Components
(Source: Garvin & Levesque, 2006)

Here are the explanations of each scenario planning flow (Syukriadi & Sunitiyoso, 2021).

1. Key Focal Issue
   Key Focal Issue or KFI would be a strategic issue that will become a major problem, stating key focal issues need to have a timeframe.
2. Driving Forces
   Driving forces will determine the forces that drive the key focal issue. This can be determined by using some frameworks such as SWOT for the organizational environment, PESTEL for the contextual environment, and Porter's 5 Forces for the transactional/industrial environment.
3. Critical Uncertainties
   Critical uncertainties are the two most important things that will help define the future towards the key focal issues.
4. Scenario Framework
   The scenario framework would be a 2x2 matrix that will be defined by four different quadrants from the critical uncertainties.
5. Scenarios
   Scenarios will be the result of the different futures from all four quadrants.
6. Narratives
   Narratives or stories are used to explain the scenario through a logical way.
7. Implications & Options
   Implications are things that might happen in the future based on the scenario, and this will help define strategy for the company by identifying the strengths and weaknesses.
8. Early Warning Signals
   Early warning signals are the lead indicators to help the company create actions by knowing which scenarios have a high chance of happening in the future.

For the methodology itself, there are several steps by Garvin & Levesque, 2006. This methodology would consist of 5 steps which are:

1. Orientation
   This part is the prerequisite for the scenario planning, which would be the data collection, such as interviews that are used to determine the key focal issues and challenges.
2. Exploration
   This part is the exploration of research to create an understanding within the team of the critical uncertainties and driving forces, which are the factors of the key focal issue.
3. Scenarios Creation
   This part will create the scenario based on the previous 2 parts that will create a scenario framework and narratives

for each scenario.

4. Options and Consideration
   This plan will be the part of the management to decide which options to pursue based on the scenario creation and which would have created a good impact for the company.
5. Integration
   This part would be the part of the management to implement the scenario and help them in having strategic decision-making for the company. Integration steps could be things such as the implementation of the options by monitoring the environment that is decided by the early warning signals and decision by strategic thinking based on the scenarios.

B) SWOT Analysis

SWOT analysis is one of the marketing tools. SWOT is an acronym for strengths, weaknesses, opportunities, and threats. SWOT has been useful for strategize planning where a company will define their positions according to the SWOT analysis. A SWOT analysis can also be deemed as one of the most powerful tools in the marketing sector, where it can help to maximize a company's profit and performance (Benzaghta et al., 2021). SWOT analysis can help create chances for the company to maximize its strength and pursue opportunities while, at the same time, minimizing or resolving the company's weaknesses and reducing the possibility of threats to happen.

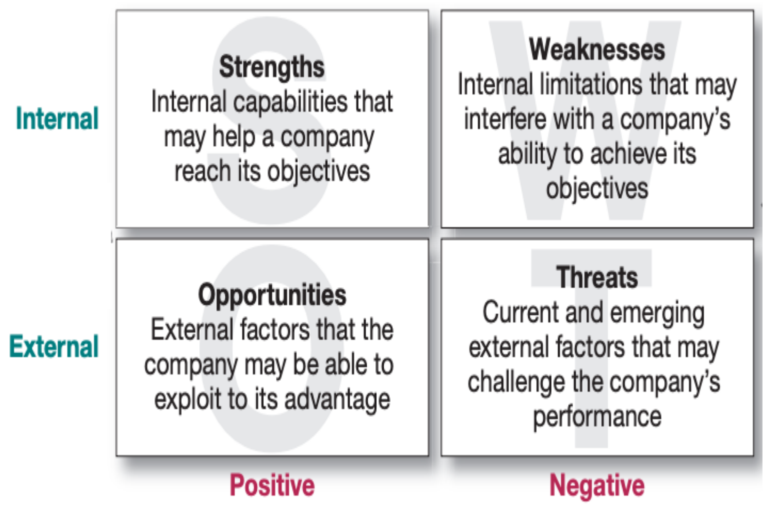

Figure 2: SWOT Analysis
(*Source*: Kotler et al., 2023)

C) Porter's 5 Forces Analysis

Porter's 5 forces analysis is usually used to detect the external analysis for a company. This model usually is used to analyze the industry of the company.

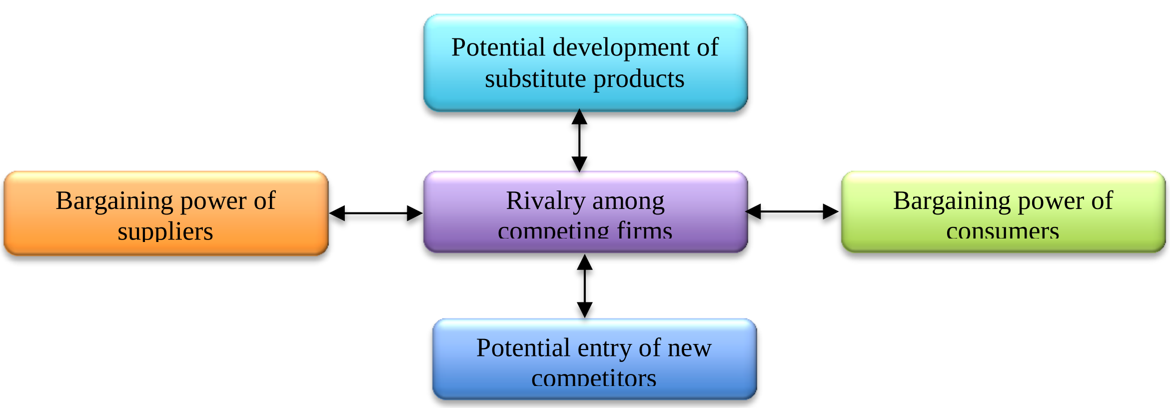

Figure 3: Porter's 5 Forces Model
(Source: David & David, 2017)

1. **Rivalry among competing firms**
   The aspect that has the most impact out of the five is competition between rivals among competing firms. This degree of competition will aid in determining if the company will face challenges operating its business or not. If a corporation can gain a competitive edge over its rivals by employing an effective strategy, it can run its business successfully.
2. **Potential entry of new competitors**
   The potential entry of new competitors demonstrates how challenging it is for a new business to do so. As a result, businesses must establish the necessary measures in case new firms enter their sector. There are barriers that new businesses face when trying to enter a market, and these barriers will help gauge the possibility of new rivals. These barriers will make it difficult for new competitors to enter the market. The current challenges are listed below.
3. **Potential development of substitute product**
   Potential development of substitute products shows the possibility or potential of a product to be replaced with another product that has the same function. These items can be of many different types, such as online news sources that can be accessible online. If a product from a company has an advantage over another product from another company, this might cause change. Low switching costs for customers in relation to the product's purchase could also exert pressure.
4. **Bargaining power of suppliers**
   The bargaining power of suppliers is the influence or bargaining power of suppliers on the business being run. Suppliers have strong bargaining power, particularly if they are involved in the supply of labor, raw materials, etc. A small number of suppliers, high-quality materials offered, and high switching costs for the raw materials required for the operation of the firm are indicators of bargaining strength.
5. **Bargaining power of consumers**
   The bargaining power of consumers is the influence or bargaining power of a consumer on the business being run. Consumers have a lot of bargaining power, especially if their demand is strong enough to influence industry rivalry through their purchase volume. These customers can receive a benefit from a firm in exchange for their loyalty.

D) PESTEL Analysis

PESTEL analysis is one of the frameworks which is used to define the macro-environment of an industry. PESTEL is the acronym for political, economic, social, technology, environment, and law. It is mostly conducted by companies who want to track the business environment (Yusop, 2018). Each point has its own analysis; here is the explanation of each PESTEL point (Yusop, 2018).

1. Political
   Political factors will be the things that would be counted as government intervention in the macro-environment. These factors could cause intervention in the economy, infrastructure decisions, and goods and services produced. Political factors are things such as political instability, taxation policy, corruption level, subsidies, bilateral relationships, tariffs, and non-tariffs.
2. Economic
   Economic factors will be the things that affect the macro-environment economically. Economic factors would be things such as interest rate, exchange rate, inflation, and unemployment rate.
3. Social
   Social factors will be the things that affect the macro-environment in a social way, which are mostly related to demographics and lifestyle. Social factors would be things such as income distribution, the aging population, attitude towards work, money, and others, and disposable income.
4. Technology
   Technology will be the things that affect the macro-environment through the technology, this could be things such as innovation, research, and development of machinery.
5. Environment
   The environment will be the things that affect the macro-environment through the surroundings. Environmental factors could be surrounding things such as weather, waste, rarity of materials, and many more.
6. Legal
   Legal will be the things that legally affect the macro-environment. Legal factors would be things such as any regulation that would affect the industry in the macro-environment.

III. METHODOLOGY

This research will collect only qualitative data. Qualitative data will be collected through in-depth interviews. The method of the interview will be conducted through face-to face interviews with the various stakeholders that are needed for the research. This in-depth interview will cover the whole analysis, which is conducted with the owner of the business, which will help define the analysis, such as the SWOT analysis and the external analysis, such as Porter's 5 forces and also the PESTEL analysis. With this in-depth interview, the researcher can help determine all those frameworks, which will then be analyzed through the data analysis method. The data collection method will also be a non-probability sampling which is a purposive sampling where it will only interview the people who are related to the company (employee/management/competitor of PT. Islands Cipta Kreasi). The specific criteria would be the people who are in the organizational structure where they have direct/indirect influence in making decisions for the company and in the external point of view of the customer, which would help in creating a strategy to improve the business.

Table 1: Data Collection Respondents

Management Level			
No.	Person In Charge (PIC)	Objectives	Data collection method
1	Director of PT. Islands Cipta Kreasi	To collect information regarding the opportunities and challenges that the contractors' businesses have.	Interview
Employee Level			
No.	Person In Charge (PIC)	Objectives	Data collection method
1	Project Manager of PT. Islands Cipta Kreasi	To collect information regarding the opportunities and challenges that the contractors' business has through a general point of view.	Interview
2	Site Manager, Transportation, and General Affairs of PT. Islands Cipta Kreasi	To collect information regarding the opportunities and challenges that the contractors' business has through the operational point of view.	Interview
3	Finance Manager of PT. Islands Cipta Kreasi	To collect information regarding the opportunities and challenges that the contractors' business has through the finance's point of view.	Interview

IV. ANALYSIS OF RESULTS

A) SWOT Analysis

SWOT analysis will help decide the internal and external analysis for the company. Internal analysis will be decided by defining the strengths and weaknesses of the company, while external analysis will be decided by defining the opportunities and threats of the company. Here is the SWOT Analysis of the company.

Table 2: SWOT Analysis

Strength	Opportunities
• Good customer relationships retain many customers. • Quality always meets the requirements of the clients. • Good portfolio of the company with many big clients. • Low price offering because of low overhead cost, which creates winning in the tender competition, which leads to more projects. • Experienced employee with each having their own expertise. • Effective and efficient in the operational process even though the company's employees are doing manual labor work, not with the machine. • Good company management.	• The increasing number of infrastructure in Indonesia and not just in famous urban cities, creates more possibility of getting projects done. • Increasing middle-class income creates a more lavish lifestyle for the people of Indonesia, which also leads to a larger number of stores that can be acquired by winning the tender competition. • The inflation rates of Indonesia are quite stable, which creates stability in labour costs for the company.

Weakness	Threats
• The management does not well set the bureaucracy of the company. • Employee's expertise is not flexible, which creates risk and hinders the project timeline if one employee cannot come to work because of sickness. • Outdated technology of machinery. • Location is not strategic. • The company does not have proper social media to promote its portfolio.	• Fluctuating material prices which may increase the COGS of the company in creating projects. • The increasing number and growth of competitors in the contractor's business make this industry more competitive. • Technological advancement of the machinery which might hinder the project if the client's requirement is for the contractors to have adequate technology in their operational process. • Government regulation, which rules over the contractor's business, creates complications and more money in running the business to abide by the rules.

B) Porter's 5 Forces Analysis

1. Rivalry among competing firms
   First, can be checked by the first point would be the number of competing companies selling the same product. The product is basically custom-ordered furniture and contractors. There are a lot of competing business that offers the same product, which is why a good portfolio aligned with good credibility will help in getting customers. This can also be shown in the tender competition that there are a lot of competitors and up-and-coming new contractors who just got into the industry and offer low prices but rarely win a tender because they do not have any portfolio yet. The other thing that could be checked would be the level of difference between companies, these typess of contractors like PT. Islands Cipta Kreasi tends not to have a specific criterion for their customers, and they will easily accept any projects that make a lot of money; the difference is only in the projects where each project has different specifications in how to be done. The differences between companies are low for this type of medium-sized contractor business. The other point that can be analyzed is barriers in the market, whether it is entry or leave. The barriers to entry and leaving are not that much different. The amount to entry and leave can be considered a medium for creating an enterprise. Because the machines are not a lot and the labor used depends on the number of projects which is why the barriers to entry and the barriers to leaving are not that big but can be considered medium. The level of demand for selling the price of service to the customers will not be affected by the demand; since this business really depends on winning the tender competition to gain a project, the numbers of demand will not affect the price offering for the service that the contractors will give.
2. Potential entry of new competitors
   The customers will have a hard time moving to other contractors for their other projects because they already are working with their current contractors and have already built trust and have a strong brand preference for that contractor. This also works the same as the part of experience in the industry. The customer's trust in their contractors is also because they already know how their contractors they coordinate, how they manage to meet the quality requirements, their experienced, and many more. This creates trust from the customers to their contractors. But this only happened in the majority of the customers, whereas there are still some number of customers who are not small in numbers and don't have one specific contractor that will be retained for quite long; these customers tend to always try to gain the lowest offering price by the contractors since they tend to choose low capital in the project despite having the risk of having an inexperienced contractor which might create lateness and not meeting the requirements. These customers are the majority and can be considered not a very big client for the contractors' business. In this business, access to distribution and raw materials is also easy to access, and anyone can gain access to contractors' materials such as steel, hollow, and more.
3. Potential development of substitute product
   In this contractors' business, there is always a project manager; the project manager is not only based on the contractors' side, but there are also on the customer's side. This might create the possibility if the customers have decided to never use a contractor in creating their stores, whereas the customers can decide to give or create an investment for the project manager from the customer's side to create a team which can handle the same expertise as the contractors' side, even though this will be quite hard, but this is a possibility where the company might do. With this, the switching cost from a contractor to using their own employee might have a bigger investment at first, but in the long run, this could potentially be considered cheaper than using a contractor.
4. Bargaining power of suppliers
   In the case of contractors' business, the difficulty in getting materials is not hard since getting materials such as steel, hollows, and more are easy to access where they can even find it in a material store and not from a supplier even though it will be more expensive, but getting a supplier is also not that hard. Because steel is something that is widely used by

other kinds of businesses and not only the contractors' business, the switching cost from one supplier to another supplier tends to have a low amount of switching cost.

5. Bargaining power of consumers
In the contractors' business, consumers do not have a lot of bargaining power because the offer is made by the contractor's business where each can offer their price, and customers still tend to choose the company with a good portfolio and the offering price that meets the requirements of the customers. The bargaining power of consumers is not that high in the contractors' business, and they only have bargaining power when contractors can not meet the specification requirements that are made by the customers, such as quality, process, and time.

Table 3: Porter's 5 Forces Analysis of the Contractors Business

Porter's 5 Forces	Forces Level			Competitiveness Level		
	Low	Medium	High	Low	Medium	High
Rivalry among competing firms			v			v
Potential entry of new competitors		v			v	
Potential development of substitute product		v			v	
Bargaining power of suppliers	v					v
Bargaining power of consumers	v					v

C) PESTEL

1. Political
Political factors, like government interventions, impact the economy, infrastructure, and production of goods and services. In the contractor business, politics are crucial, especially for government projects. During President Joko Widodo's term (2014-2024), the focus on improving infrastructure created opportunities for contractors (The Economist, 2018). Political stability and government spending on infrastructure, guided by the government leader, influence the contractor's business environment. However, political risks such as corruption are a concern, with cases like Waskita Karya's executive director affecting government projects (Bineskari, 2023). International regulations like the ASEAN Free Trade Area (AFTA) also impact the contractor business by reducing material costs and increasing competition, allowing foreign investments (Putri, 2014).
2. Economical
Economic factors affecting the macro-environment include inflation rates, economic growth, stability, infrastructure investment, and government spending. Indonesia's GDP growth has been strong, with a notable drop in 2020 due to COVID-19 but rebounding to 5.3% in 2022, as shown in Figure 4.

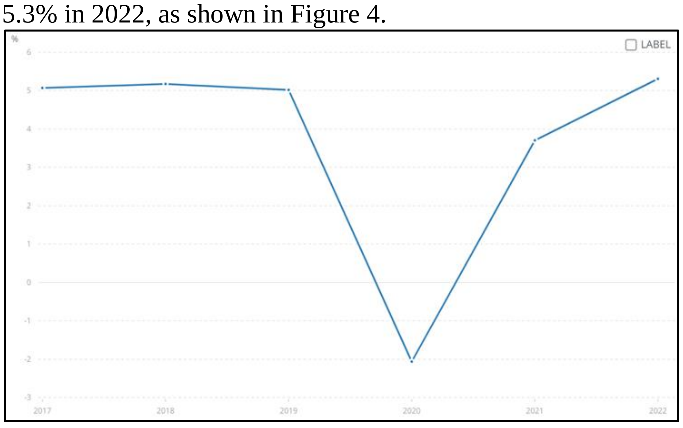

Figure 4: GDP Growth of Indonesia
(*Source*: World Bank, 2022)

Inflation impacts the construction business by affecting labor costs, which have been decreasing recently, as seen in Figure 5.

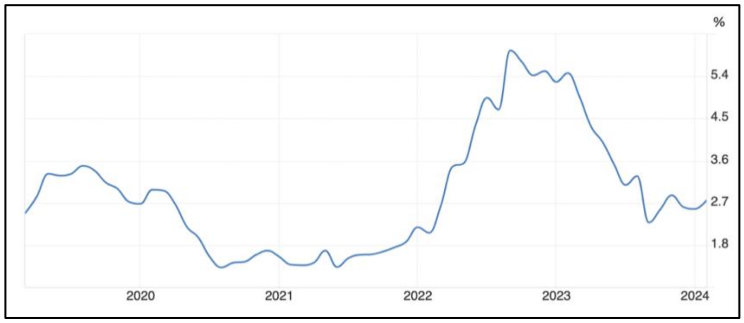

Figure 5: Inflation Rates of Indonesia
(*Source*: Trading Economics, 2024)

Government spending on infrastructure has steadily increased from 2017 to 2024, positively influencing the construction industry, as illustrated in Figure 6.

Government Budget for Infrastructure, in IDR trillion, 2017-2024

Year	2017	2018	2019	2020	2021	2022	2023	2024
Budget	381.2	394	394.1	281.1	417.4	365.8	392	422.7

Figure 6: Growth of Government Budget for Infrastructure
(*Source*: Business Indonesia, 2024)

Stable economic growth and higher government budgets for infrastructure boost construction activities. However, fluctuating material prices, like the 30-40% increase in steel prices, can reduce revenue or increase project costs, affecting contractors' chances of winning tenders (Citra et al., 2023).

3. Social

Social factors impacting the macro-environment include demographics and lifestyle changes. The rising middle-class income in Indonesia leads to more construction opportunities as people adopt more lavish lifestyles. Population growth and urbanization also boost commercial development, opening more opportunities for contractors. Social factors also involve worker well-being and fair labor practices, governed by regulations like Government Regulation 14/2021 on Construction Safety Management Systems (SMKK) (Medina, 2022). This regulation ensures construction safety, health, and sustainability standards are met, improving worker well-being and creating a positive working environment. This portrays the construction business as prioritizing labor safety and well-being, countering its "labor-focused" and dangerous image (Vania et al., 2021).

4. Technological

Technological factors impacting the macro-environment include innovation, research, and technological development. Digitalization is inevitable in the construction business. One key advancement is Building Information Modeling (BIM), which helps design and construct buildings by providing detailed information on every aspect of the project. BIM increases accuracy and aids in construction design. Some contractors also use online platforms to streamline operations. For example, Dekoruma in Indonesia offers contracting services and sells furniture through its website, connecting customers, contractors, designers, and sellers. This technological adoption can significantly impact the construction business, known for its conventional methods, by enhancing efficiency and connectivity.

5. Environment

Environmental factors affecting the macro-environment include weather, pollution, material scarcity, waste, sustainability, and more. These are addressed in Government Regulation 14/2021, which covers security, safety, health, and sustainability standards in the construction industry (Vania et al., 2021). Contractors must meet requirements for sustainability, resource utilization, land, energy, water, materials, human resources, and ecosystem management, known as "Sustainable Construction." This includes waste management, use of recycled resources, risk mitigation related to safety, health, climate change, and disaster, and environmental conservation activities.

6. Legal

Legal factors impacting the macro-environment of the construction industry involve government policies and regulations. Government Regulation 14/2021, a revision of Indonesia's 2007 Construction Law, addresses licensing, labor, compliance, and sustainability in the construction industry (Medina, 2022). It mandates construction businesses to register project experiences with LPJK, classify workers (e.g., architects, mechanical, civil), and comply with foreign worker hiring requirements, including technology transfer to Indonesian workers. The regulation also outlines business licensing, joint operations between contractors, and principles for sustainable construction, such as using recycled resources and improving community welfare. Additionally, Government Regulation 9/2022 simplifies tax compliance for contractors (Koesmoljana, 2022).

D) Scenario Planning

1. Orientation

The first stage will be determining the key focal issue of PT. Islands Cipta Kreasi. The key focal issue for PT. Islands Cipta Kreasi would be "How does the business of PT. Islands Cipta Kreasi will look like in the next 5 years?"

2. Exploration

The second step is exploration, which will help determine the driving forces and critical uncertainties and the most impactful driving forces which are mentioned. The driving forces were determined by the analysis that has been done, which is SWOT, Porter's 5 Forces, PESTEL, and the interview, which is done to gain insights from the management of the company's point of view. The result for the driving forces with the most impact and uncertainty can be seen in Table 4.

Table 4: Most Impactful and Uncertain Driving Forces for PT. Islands Cipta Kreasi

Driving Forces	Score for Impact	Score for Uncertainties	Total
Government Regulation and Policy	3,4	4,2	7,6
Economic Condition	3,2	4	7,2
Society's Lifestyle	3,6	4	7,6
Economic Growth	3,8	4,2	8
Customer Management	5	3,4	8,4
Operational Efficiency & Result	4,2	3	7,2
Level of Competitiveness	**4,8**	**5**	**9,8**
Digitalization	3,2	3,8	7
Company Management	4,8	3,8	8,6
Project Tender	**5**	**4**	**9**
Supplier Management	3	4,4	7,4
Material Price and Scarcity	3	3,4	6,4
Employee's Skills	4,6	4,2	8,8

Based on the table above, the scenario can then be decided by these two factors which would be the project tender and level of competitiveness. These two driving forces have been decided to be the most impactful and most uncertain out of all the driving forces.

3. Scenario Creation

The scenario creation will be based on the driving forces that have been decided from the previous step, which are customer management and level of competitiveness. These two will create the scenarios that will be created on a 2 x 2 matrix.

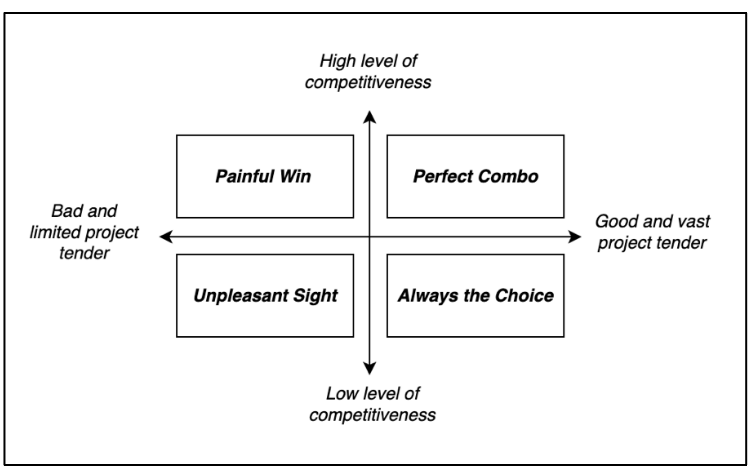

Figure 6: Scenario for PT. Islands Cipta Kreasi

1. ***Perfect Combo***

   Description:

   This is the reason why this scenario is named the "Perfect Combo". This combination consists of two things that can be in a contractor business where somehow both of these factors might mutually benefit each other. A competitive contractors' business will consist of quite a lot of contractors' business in number where most will have several expertise or skills while at at the same time, a good and vast project tenders. This creates competition for each contractor to pursue this tender. This is why both are the perfect combo.

   Narratives:

   In 2029, the contractors' business is booming in Indonesia. Indonesia, which has been trying to increase its GDP per capita and contractors, who always have been the key in shaping the infrastructure and maybe lifestyle of the people, has been on a thrive lately. The number of tall buildings keeps increasing, which mutually increases the number of tenants or shops in the tall buildings/skyscrapers. With the number of tall buildings or infrastructures might increase the GDP per capita of the people in Indonesia, especially with the increase in the demographic of lifestyle for the people, where people tend to have a mid-class lifestyle by going to the mall, shopping, and more. This has been an abundance for the contractors' business because of the increase in infrastructure, which also aligns with an increasing number of good project tenders to pursue. This also somehow creates a moment in the contractors' business where it has an increase in the number of contractors. At the same time, this has created a huge competition for the contractors' business itself. In this competitive business, it managed to create a duty for each contractor to strive for greatness and strive for excellence in their project, where an error can not be allowed at all. Everything must be perfect in order to be "alive" in this level of competitiveness. This will create motivation for everyone to be able to show excellence in their portfolio, to have leverage over other competitors in the contractors' business in gaining customers, and in winning tender competition.

2. ***Painful Win***

   Description:

   "Painful Win" is the correct statement for the contractors' business, where the business has a high level of competitiveness, but the available project tenders are bad and limited. There are a lot of contractors but limited and bad project portfolios which might create some loss in the contractors' business. This is why, even though the level of competition is high, it creates a painful win to win a tender because the contractor has to manage the bad projects, which might cause some loss for the companies to just stay afloat.

   Narratives:

   The perception that a contractor's business is a profitable business is still there, the high level of impression by people to enter the venture of contractors' business creates the number of new contractors' business to keep increasing. But even though there is an increase in the number of new contractors, which at the same time creates a high level of competition, the availability of the project is only the bad and limited ones because customers are starting to think that many of the new contractors have low-quality result in their work. All these new contractors did not have much experience in a project, and at the same time, if they get a project, the project itself will be bad because it is hard and might cause them to lose money and, at the same time, decrease reputation because of the low result quality of the contractors' work. With what happened, there is a high chance that many new competitors might go bankrupt, the opposite of what they thought it could be. There are other possibilities, like even the bad and limited project tenders; the customer will choose the old contractors rather than the new ones because of the credibility, and the contractors themselves might accept it because they are just trying to stay afloat in the contractors' business. The only way for a new contractor to gain project tenders in this high-competition business is to create a very lowball offer for the customer where the profit margin that the company will gain will be very small.

3. ***Unpleasant Sight***

   Description:

   "Unpleasant Sight" is the statement that fits the bad and limited project tender in this low level of competitiveness. In this scenario, competition is quite low, and at the same time, the available project tenders are limited and bad, this might create a way that the projects would not be pursued at all by contractors.

   Narratives:

   The contractors' business has come to a hold, and the infrastructure of Indonesia has not been growing that much in 5 years. This is because the economy in Indonesia is shrinking, the level of income is getting lower for the people, GDP itself is decreasing. This is the reason why the infrastructure has not been growing in Indonesia for the past few years, and this has led to stagnant and decreasing growth of the contractors' business. Even if there are, there are only limited and bad project tenders to be pursued. There is a reason why this is called limited and bad project tenders; in those tenders, the project deals between the customers and the contractors are very minimal where the customers control the price, and the customers have a lot of demand. This might require a large amount of resources and money, resulting in a very minimum amount of profit for the contractors. This creates a very low level of competitiveness in the contractors' business where no one is trying to enter into the contractors' business. The money coming in for the business itself is not much where. Most contractors' business needs to lowball a price offer because if it is not low, it would not even be chosen by the customer. This creates a decreasing trend in the contractors' business.

4. *Always the Choice*

Description:

"Always the Choice" is the correct statement for what happened in the low competitive contractors' business, but it has a good and vast project tender. This will somehow create a scene where only several contractors will be gaining a customer because the "several" contractors' business is the only one that can be considered good.

Narratives:

It is 2029 and the infrastructure of Indonesia keeps growing by some number, but not a lot. This creates an uptrend for the economy where most people have a stable venture or a stabilized job where they would not even try to enter an industry with high barriers to entry and hard to maintain, such as the contractors' business. This creates a stagnant number of contractors, which creates low-level competition where the same contractors just compete with the same competitors all over again, and the level of competitiveness between each is not high. This creates a possibility for the contractors where they get chosen because of the connection or the loyalty of the customers for the project tenders. Nepotism, in this way, has always been one of the most striking factors in the contractors' industry, especially in tender competition. Even though there are these kinds of things in the contractors' business, there are also several contractors' businesses that get picked out of the tender competition not because of nepotism but because of the history between the customer and the contractor or their project portfolio. The customer already has an eye for the contractor, and the contractor themselves always finish the job without having any difficulties for the customer and showing excellence in their job; their history of portfolio together creates a strong bond, which creates low competition between contractors' businesses.

5. *Option Consideration*

The next step would be option consideration, where this will create implications and options for each scenario that is made. Here are the implications and options. Implications and options can be seen in Table 5.

Table 5: Implications and Options for PT. Islands Cipta Kreasi

Scenario	Implications	Options
Perfect Combo	Increasing number of project tenders	Increasing the awareness of the customer regarding the company
	Experienced contractors keep growing their skills and expertise	• Increasing training for the employees to widen their expertise and enlarge the business in gaining more employees to be able to do more project • Create a more diverse portfolio by trying to win a tender competition for a whole new customer
	The increasing number of new and skillful contractors	• Market development with having the possibility of gaining B2C projects • Merging with new businesses to increase awareness and range in doing projects
Painful Win	Lowball price offering keeps showing up in the tender	Lower the price offer while still giving good service in completing the project for the customer
	Bad impression on qualifications of contractors' business	Increasing the standard of excellence that can be given by the company to show that the company's credibility is still good
	Increasing number of bankruptcies for new contractors nor old contractors	Pursue projects carefully to try to stay afloat in the contractor's business
Unpleasant Sight	Reduced number of skilled workforce	Give the employee another benefit besides wages and at the same time still try to maintain their previous wages if the company tries to lower the prices.
	Decreasing or stagnant growth of infrastructure	Pursue a different method of approaching the customers such as digitalization or

		trying to combine or merge with other medium-sized contractors.
	Decreasing or stagnant number of contractors' business	Maintain loyal customers with excellent customer management to stay afloat until the economic level increase
Always the Choice	Repeat order customers	Shows excellence in the project that the company did
	Higher profit	Increasing the range of the target market of the company to increase profitability and gain more repeat order customer
	Hard to gain new customers	Managed repeat order customers well to ensure the customer churn is low

6. ***Integration***

This stage will create the early warning signals for each scenario. After creating the scenario's implications and options, the early warning signals can be determined for each scenario. Early warning signals can be seen in Table 6.

Table 6: Early Warning Signals for PT. Islands Cipta Kreasi

Scenario	Early Warning Signals
Perfect Combo	• Increasing economic level of Indonesia, which can be seen by the increase in GDP and standard income level • Increasing number of infrastructure developments in urban nor rural areas • Upward lifestyle trends and standard of living by the people
Painful Win	• Declining number of projects that were not completed with guaranteed quality • Negative reviews and impressions keep showing up from customers, and most are trying not to hire contractors. • The high number of contractor businesses not being able to win any new projects through tender or reduce income and profitability
Unpleasant Sight	• Low budget for infrastructure by the government • The decreasing or stagnant economic level of Indonesia can be seen by the decrease/stagnation of GDP and no increase in the standard income level. • Increasing difficulty in retaining and recruiting skilled employees, especially employees with expertise
Always the Choice	• The level of customer loyalty to a certain contractor will be high • Price can be constantly changed to accommodate and to create sufficiency between customer and the contractors • The likelihood of emerging new contractors is low, and the number of new contractors itself will be low, which is why the number of contractors will be stagnant

E) Business Strategy

4 scenarios are created that will help determine the future of PT. Islands Cipta Kreasi

1. Perfect Combo

If the current environment for the contractors' business is highly competitive and in a good and vast project portfolio, this increases the need for PT. Islands Cipta Kreasi to pursue more and more project that meets their limitation. PT. Islands Cipta Kreasi needs to pursue harder for any projects that can be done them to increase customer awareness regarding their projects. This can help PT. Islands Cipta Kreasi to show that their competitiveness level is still high and are still pursuing projects and not just having loyal customers.

2. Painful Win

The current environment for the contractors' business is in high level of competitiveness but a bad and limited project portfolio. Within this scenario, PT. Islands Cipta Kreasi can try to just stay afloat in the competition by carefully pursuing only the good ones, even though it is very limited. With this, this can show that PT. Islands Cipta Kreasi is still in the business and, at the same time, managing its good portfolio.

3. Unpleasant Sight

The current environment for the contractors' business is in the low level of competitiveness and bad and limited project tender. Within this scenario, not many are looking for projects since the competition is low while at the same time, bad and limited project tender, PT. Islands Cipta Kreasi might not pursue any of the bad and limited project tenders since it might cause some financial loss to the company and, at the same time, might also cause a bad reputation for the portfolio of the company if pursuing a bad project tender.

4. Always the Choice

The current environment for the contractors' business would be a low level of competitiveness but a good and vast project tender. In this scenario, PT. Islands Cipta Kreasi can try to widen their project portfolio by trying to win vast and good project tenders without pursuing that had because of the low level of competition. This can create an increase in their number of loyal customers.

Based on the several strategies that are created based on each of the scenarios, there are some strategies that could be concluded based on the four scenarios. This strategy will help PT. Islands Cipta Kreasi without them having to adapt in each of the scenarios, these strategies will help in defining the steps that PT. Islands Cipta Kreasi should make. Here are the strategies that will help define PT. Islands Cipta Kreasi in the future.

Table 7: Business Strategy for PT. Islands Cipta Kreasi

No	Strategy	Activities to be Taken
1.	Acquiring more loyal customers which has a sustainable venture	• Persistently showing excellence in all the projects that have been taken or have currently been pursued by PT. Islands Cipta Kreasi • Good price negotiation to increase the loyalty of customers
2.	Diversification of portfolio	• Pursuing more new projects from new customers and not just the repeat order customers • Pursuing B2C projects such as creating houses or villas to widen the portfolio
3.	Increasing operational effectiveness and efficiency	• Creating annual employee training for operational expertise • Investing in up-to-date machinery to increase efficiency for standard work
4.	Good employee retention management	• Employee benefits such as holidays, annual leave, and insurance • Salary bonuses and project bonuses

V. CONCLUSION

The conclusion of the research will be based on the scenario planning that is created. The first step would be the orientation stage of the scenario planning, and the orientation stage will define the key focal issue for why the scenario planning needs to be created. The key focal issue would be "How does the business of PT. Islands Cipta Kreasi will look like in the next 5 years?". After defining the key focal issue, the research analyzed regarding which driving forces that is the most impactful and most uncertain out of them all. The driving forces that were identified would be government regulation and policy, economic conditions, society's lifestyle, economic growth, customer management and loyalty, operational efficiency and result, level of competitiveness, digitalization, company management, project tender, supplier management, material price and scarcity, and employee's skills. Based on the driving forces, the most impactful and uncertain would be the level of competitiveness and project tender. This is the driving force that creates the 2 x 2 matrix, which creates the scenarios of *Perfect Combo, Painful Win, Unpleasant Sight, and Always the Choice.* With all 4 of the scenarios, the research managed to create implications and options that can be seen in Table 9 based on the narratives of each scenario. After the implications and options, the research can create early warning signals that can indicate which scenario might happen because all 4 are different and have their own unique signals. This can be seen in Table 10.

With all these defined, the research can reach the the creation of the business strategies for PT. Islands Cipta Kreasi. The business strategies are quite general and might help to face the 4 different scenarios, with each strategy boosting the company's performance. The business strategies that are formed would be acquiring more loyal customers, which has a sustainable venture to create a sustainable partnership between the customers and PT. Islands Cipta Kreasi, the second one would be diversification of the portfolio to create a bigger target market for PT. Islands Cipta Kreasi, the third one would be increasing operational effectiveness and efficiency, which creates a high excellence result in the project done in the future, and the last one is good employee retention management to create the skilled expertise that PT. Islands Cipta Kreasi already and currently have to stay and not move to another contractor's business or quit.

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