

## Applying Scenario Planning in the Future of Bank Oranye Priority Banking Services

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### ABSTRACT

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Bank Oranye is engaged in the provision of priority banking services and becomes one of the leading Indonesia's state-owned enterprises that provides global wealth management. Apparently, Bank Oranye faced an intense competition with several players in priority banking service (which gradually provides complete wealth management products and/or services and able to go digitalize) and compete with investment products substitute offered by Fintech. This research intends to uncover the possibilities by analyzing the driving forces that could affect the priority banking business. The end result is to develop the scenarios and the formulation of implications and options. The scenario planning is developed based on external analysis (using PESTEL model and Porter 5 Forces) and internal analysis (VRIO analysis and Business Model Canvas). The critical uncertainties are determined by conducting in-depth interviews with company's experts and literature study. The two critical uncertainties that will affect priority banking business of Bank Oranye in the next 5 years are: Technology Development and Adoption in the core banking system (including the adoption among priority customers) and Government Policy and Regulations. These two critical uncertainties will shape the way Bank Oranye performs with its vision to become one stop financial solutions for its customers.

**Keywords:** Driving Forces, Priority Banking, PESTEL, Scenario Planning, Wealth Management

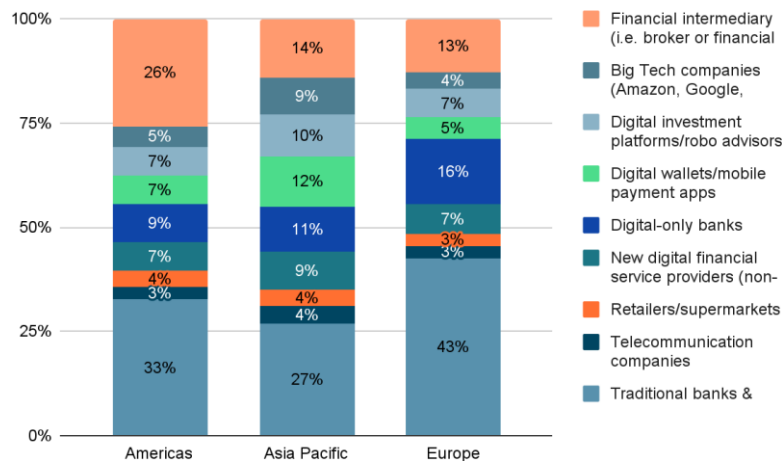
**JEL Classification:** G21, D31, G11

## INTRODUCTION

The expected growth of affluent population in Indonesia, which consisted of mass-affluent population (that holds liquid assets of USD 50,000 to USD 1,000,000) and high-net-worth (with liquid assets of more than USD 1,000,000) individuals in the future represents bunch of opportunities for capitalization in the wealth management business segments. The number of affluent individuals is expected to grow from 1.3 million individuals to 1.6 million in 2022 (GlobalData, 2019). The increasing number of affluent individuals has driven banks to provide an attractive wealth management product which offers priority banking product and/or services. Compared to the regular (mass market), these affluent individual customers have given significant profits to the banking industry. With this fortunate opportunity, banks should come up with value propositions as “premium” products which facilitate high-end customers with exceptional attention. Demands from these specific customer segments is more than traditional financial services, but to build a great knowledge of the customers, their needs and expectations so that banks can offer a complete approach to their investments and other associated advisory services (Hubbis, 2021).

According to GlobalData’s Financial Services Consumer Survey, the mass-affluent market that choose other alternatives wealth management services providers is rising. Only 27% of respondents in Asia-Pacific mass-affluent markets still prefer to use traditional banks to manage their investments, and others would prefer to have digital players (i.e., robo-advisors, or big technology companies) to manage their wealth.

**Figure 1.1.** Preferred provider to manage new investments among mass-affluent individuals (%), 2021



Source: (GlobalData, 2021)

Despite continuous Indonesia’s wealth growth, the wealth management business is under severe pressure from a variety of trends and forces. The wealth management business, which helped to keep the global wealth growing at such a rapid rate throughout this time, has been under a lot of strain. However, it appears that it is suffering even greater difficulties than in the past. Not only are there industry trends like rapid digitalization, significant cost pressures, ongoing generational wealth transfer, rapidly changing customer profiles, and Big Tech entry threats, but there are also external factors namely political stability, natural disasters (like pandemics), and the threat of an economic downturn (Dziawgo, 2021).

Bank Oranye as one of the leading Indonesia's state-owned enterprises ("SOE") bank and the pioneers in providing priority banking services including wealth management service recorded a 7% Asset Under Management (AUM) growth (yoy, June 2021) followed by the rising of more than 90.000 priority customers served in 2021. Apparently, Bank Oranye faced an intense competition with several players in priority banking services (ranging from the SOE bank to private banks) which gradually provides complete wealth management products and/or services and able to go digitalize, and also compete with investment products substitute offered by Fintech. In times of high uncertainty, Bank Oranye needs scenario planning to unlock and face various future challenges in providing priority banking services.

## LITERATURE REVIEW

### 1. Wealth Management

Wealth management is described as developing a personalized strategy for managing a client's assets (for both liquid and non-liquid assets) within the confines of a previously established financial plan, as well as executing that strategy with varying degrees of client engagement (Dziawgo, 2021). The wealth management service may include: financial and legal advisory services, asset management, retirement planning, tax planning, etc.

### 2. Scenario Planning

Scenario planning is a method of stimulating inventive and creative thinking in order to better prepare a company for the future. The goal of scenario planning is certainly not to make a prediction, but to draw a circle around various possibilities and consider whether we are ready to confront a variety of possible outcomes (Lindgren & Bandhold, 2003).

#### 2.1. Scenario Planning Stages

The process of scenario planning involves five steps namely: orientation (by identifying key focal issue where scope and timeframe are clearly defined and usually take a form of question), exploration (by defining the driving forces and trends that are likely to affect the business), scenario creation (by developing scenario framework and define critical uncertainties that are combined in 2x2 matrix to set different futures which resulted from interactions between two critical uncertainties), identification of implications and options (from each of scenarios that has been developed), and lastly integration into the current management process (Garvin & Levesque, 2006).

### 3. External Environment Analysis

The first step in designing a scenario planning is to look at it from the outside in (Lindgren & Bandhold, 2003). A firm's external environment consists of all the factors that can affect its potential gain and sustain a competitive advantage. By analyzing the factors in the external environment, managers are exposed to opportunities in mitigating threats and leverage opportunities (Rothaermel, 2019).

#### 3.1. PESTEL Analysis

PESTEL model is a framework that categorizes and analyzes an important set of external factors that might impinge upon a firm (Rothaermel, 2019). The PESTEL model is consists of political, economics, sociocultural, ecological, and legal factors.

**Political and Legal** factors are defined as the outcome of changes in laws and regulations which significantly affect managers and companies. Political processes shape a society's laws, which constrain the operations of organizations and managers and create both opportunities and threats (Hill & Jones, 2010). Banking industry is one of the industries that is strongly influenced by the prevailing laws and regulations. Central

Bank of Indonesia ("BI") and The Financial Services Authority ("OJK") are two of institutions that provides the policy, and directly affect the operation of bank.

BI as central bank of Indonesia has the main function to manage monetary stability through issuing the policy regarding money printing, benchmark of interest rate, and reserve requirement. The policy that has most significant effect on main business of Bank Oranye (both banking, and non-banking product that is including the investment products as a wealth management tools) is the benchmark interest rate. Changes on the BI rate will influence Bank Oranye's regulation on the offered time deposits rate.

The implementation of Anti Money-Laundering laws in Indonesia has also been highlighted, although Indonesia has adopted the approach since 2002. Information and technology advancements, particularly the usage of the Internet, have made it easier to perpetrate organized crime. Despite the fact that the TPPU legislation has repealed these requirements, banks are frequently seen as tightly enforced. Bank customers can still use an anonymous, because to the financial services industry's shoddy implementation of KYC (Wibowo, 2018).

**Economic** that comprises macroeconomic forces, affect the general health and well-being of a nation, or regional economy of an organization which in return affects companies or industries' ability to earn an adequate rate of return (Hill & Jones, 2010). The macroeconomic factors consist of changing in interest rates, the GDP, and the Inflation Rate of Indonesia. BI Rate will also affect prices of debt securities in the future while the real returns for customers are certainly influenced by the fluctuations of this rate. GDP and inflation will significantly affect the Bank Oranye's customer decision when choosing the investments instruments as it is heavily influenced by the condition of the market.

**Socio Cultural** factors such as demographic changes need to be considered and managers may synthesize implications for business strategy to adapt. According to Deloitte Insights, customer expectations and behavior are rapidly shifting as a result of digitalization. Younger generations; who are more likely to use digital media, are less likely to be brand loyal. For instance, millennial and generation Z were far more inclined than older consumers to move their primary bank (Deloitte Insights, 2021).

**Technology** forces that consist of technology development and adoption is likely to significantly affect the business. The increasing use of digital technologies is changing how customers see their wealth connections, and customers often feel that technology has made their wealth management relationship less personal, and the number is considerably higher among millennials and those who favor digital-led or hybrid engagement models. Even those who favor advisor-led interaction regarded their relationships as being less intimate (EY Global Wealth Research Report, 2021).

**Environment** of banking, where in the future, banks are not needed. Financial instruments that are used today (i.e., loans, bonds, credit cards, stocks, options, etc.) is being converted to a new shape that does not require a traditional banking institution. Due to its massive unbanked population and high mobile penetration rate, Indonesia is primed for digital banking (The Jakarta Post, 2020) in which make traditional banks with legacy models are facing an urgent challenge to digitally change their services in order to stay up with rising demand.

### **3.2. Porter Five Forces**

Porter Five's Forces breaks down the components of competition in industries and business environment. The underlying forces of competition will reflect the attractiveness

of one's industry. The five forces that are consists in the Porter's model are: Bargaining Power of Suppliers, Bargaining Power of Buyer, Threats of New Entrants, Threats of Substitutes, and Competitive Rivalry (Rothaermel, 2019).

Basically, the customers base of both banking products and services is large. In terms of business volume, the customer base of priority banking segment has much more stronger bargaining power compared to the retail banking customer as the transaction volumes of priority banking customer can reach up to billions of Rupiah for each customer which makes the bargaining power of buyer in priority banking industry is high.

The number of suppliers in banking industry is big, while for the major system such as core banking system only have few suppliers with remarkable reputation. However, on the other hand, banking agendas are being transformed by digital innovation, pushing them to change their aims and, as a result, seek collaborations that will help them to improve their services. Banking sectors are continually embracing professionals and expertise from the private sector to promote innovation due to the rigidity of their operations (AlNoumani, AlMutairi, & Machado, 2019). Therefore, the bargaining power of supplier in this industry is medium.

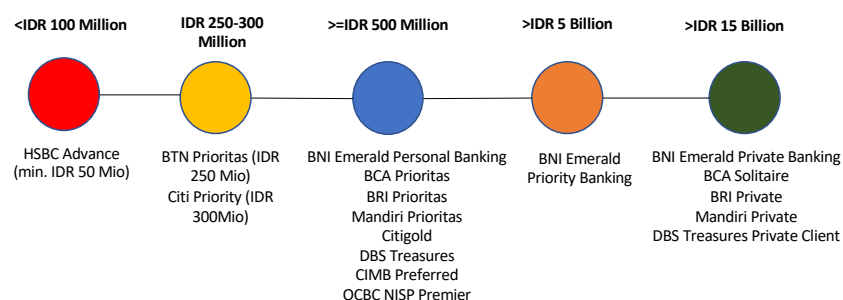
In providing priority banking services for priority segment customers, a bank should initially obtain brand loyalty and strong brand identity and its recognition and it will not be gained in a short period of time. In conclusion, the threat of new entrants is considered low. While in terms of product and service substitution, Bank Oranye possessed with challenges in the growing of Fin Tech that use cutting-edge technology to provide digital financial solutions, that are more automated and customer-friendly than what is already offered (Dziawgo, 2021). To conclude, the threat of substitutes is considered high.

The competition in the banking industry is high, including in its priority banking segments. The players in the industry begin to provide an ease of process to open and accessing investments accounts, integrated systems with the savings accounts for non-banking products offered, and considerably great user-interfaces. Some of these factors can contribute to the high level of rivalry in the banking industry.

### 3.3. Competitor Analysis

The positioning of priority banking services providers can be determined through the eligibility of customers to be considered as bank's priority customer. As seen on the below figure, although the average minimum AUM of customers is IDR 500 Million to be eligible as priority customers, there are some banks that require less than IDR 500 Million and also as high as IDR 15 Billion. The entry point that is as low as <IDR 100 Million determines Bank would positioned themselves as progressive "lifestyle" fulfillment for its customers, and on the other hand, the wealth-growth driven.

**Figure 1.2.** Minimum Asset Under Management (AUM) Required for Priority Customers



Source: Author's Analysis

#### 4. Internal Environment Analysis

Based on the VRIO analysis that is conducted through interview and literature review, Bank Oranye has several competitive advantages which comes from its resources and capabilities. Factors that are assessed in the VRIO analysis consists of product, services, branch location, brand design, benefits and privileges for priority customers, brand identity, brand awareness, and global presence that becomes the sustainable competitive advantage for Bank Oranye.

The business model canvas is used to describe the rationale of how an organization creates, delivers, and captures value for the client (Osterwalder & Pigneur, 2010). Based on the result of current business model analysis, Bank Oranye serves three different customer segments that started to have a minimum required fund of IDR 500 million. Bank Oranye also benefited from developing partnerships with several key partners, namely investment manager company as one of the biggest stakeholder which manage portfolio of mutual funds, big insurance company that offer tailored insurance product for Bank Oranye's priority customers, government institution (Ministry of Finance) that issue bonds and regulator (OJK) as key partner to control and monitor the big transaction, concierge service partners that become Bank Oranye's enabler to provide privileges to customers in Indonesia and overseas.

### RESEARCH METHOD

The research methodology that is used for the is qualitative methodology. Qualitative methodology is conducted through analysis, theoretical basis, and literature review, which are used as a guidance for the author so that the research is align with the actual conditions in the business. "Qualitative research is concerned with the understanding of meaning" (Hignett & McDermott, 2015). The scenario planning is developed based on the external analysis (which is conducted through PESTEL) and to determine the industry condition of priority banking services, Porter's Five Forces are used. Competitor Analysis is also conducted through benchmarking as a complementary analysis to support the external environment analysis. Internal analysis is performed by analyzing the VRIO Model and Business Model Canvas. After conducting the external analysis and internal analysis to understand current business and industry conditions, the key focal issue is established.

The conceptual framework that is used by the writer is adaptive scenario planning, in which to learn about and make futures explicit in order for Bank Oranye to best adapt and thrive in those futures. The type of scenario planning that is used is the expert model in which the planner works, controls, presented, and also completed the scenario planning alone (Lindgren & Bandhold, 2003). In this approach, the scenario is developed based on two driving forces or main factors which affect the priority banking services in the future.

### RESULTS

#### Scenario Planning

**Key Focal Issue** is defined in a form of question "How is the business of Bank Oranye's priority banking services for the next 5 years in the face of future challenges?"

**Driving Forces** that is established from the interview with experts and literature study in which will affect Bank Oranye priority banking services in the next 5 years are as follows:

1. **Customer Needs:** The shifting of paradigm where bank will no longer act as a place to save money but also to grow the wealth of this high-net worth individuals is

becoming factors that drive the needs of priority customers. The function of the bank is to be able meet the needs of this priority customer segment according to three pillars of management which are: 1) wealth protection and preservation, 2) wealth growth and accumulation, 3) wealth distribution and transition

2. **Technology Development and Adoption:** the technology will certainly drive the overall business of bank in the future, aiming for providing better access to all customers in doing banking transactions. The rise of fintech companies that are able to offer an online, end-to-end investment transactions have triggered bank to shift their business in the future to be more digitalize. In terms of priority banking services, some of customers does not feel convenient in doing transaction by online, and they do not feel trusted with the current technology that offers investment recommendations (such as Robo Advisory) in which they preferred to have an assistance from their personal relationship managers.
3. **Government Policy and Regulations:** The prevailing regulations may be perceived as burden for customer; however, bank should be able to comply to the changing in regulations and able to educate the customers. The changing in policy is varied, such as: a) the monetary policy to lower the interest rate according to the economic condition, b) the policy to mitigate risk: daily limit transfer funds between banks, forced-pin (changing pin regularly), or changing mobile phones number associated with m-banking that should be done through the nearest branch c) the know-your-customers (KYC) or regarding the anti-money laundering, d) the fiscal policy (which is the tax regulation, such as tax amnesty), and e) the policy for bank to report the total wealth of its customers.
4. **Trends or Lifestyle, Demographic Changes:** There appears to be a large number of Gen Z and millennials who have the potential to become the next "money-makers" who can generate enormous income using social media. This indicates that Bank Oranye may be able to take this market in the future.
5. **Economic Climate:** consisted of several economic and market factors such as: GDP, Inflation, Interest Rate, Market Competition in the priority banking segment and the availability of substitute (investments) product, and also related to Pricing and Transaction costs that customers need to pay in the banking transactions. The fact that Bank Oranye's customers are now enriched with many valuable resources and knowledge, they begun to manage their wealth more carefully; this economic factor may not be significantly affects the business in the long run.

On the other hand, as priority banking business has always emphasized on trust and intimate feelings with priority customers, thus the discrepancy in pricing (margin) may not significantly affect customers' decision in doing transactions with Bank Oranye. In terms of substitute products offered by Fintech, priority customer will still need an assistance, communications, and advices from the relationship managers directly where Fintech could not cover the assistance in understanding the market outlook. Since knowledge plays a crucial part in investing decision-making, thus it is important for the priority customers to gain advices from its investment specialist provided by Bank Oranye. An investor must have sufficient understanding of the types of investments and investment procedures before opting to invest (Junaeni, 2020). This knowledge will assist investors in making the best investment decisions possible.

6. **Political stability:** The business of Bank Oranye priority banking services cannot be separated from the economy factors (such as GDP, Inflation, and Interest Rate) followed by the political stability as it is embedded within the economy. However, since



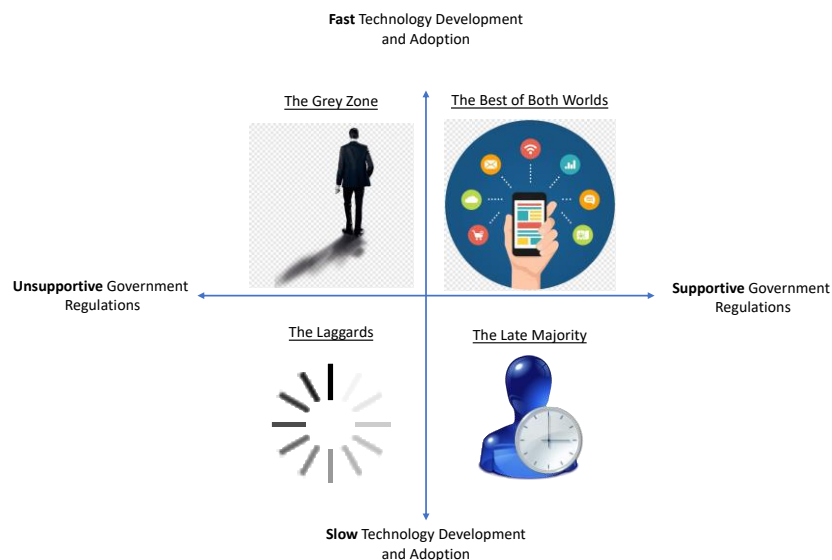
future legislation and regulations will not deviate too far from present regulations, and authorities will make every effort in making Indonesia's business climate secure.

**7. Environment Issue:** The usage of paper is being decreased as a result of technological advancements, mainly mobile banking apps. In addition, the necessity to drive immediately to a branch to transact business is reduced. Many problems can be solved with mobile applications and mobile banking services.

**Critical Uncertainties** is defined by identifying the most uncertain driving forces that will have the biggest impact to the key focal issue. From the result of interview with the experts and the above analysis, the highest level of uncertainty, and the highest level of impact to the key focal issue are: **Technology Development and Adoption**, followed with **Government Policy and Regulations**. As the business of priority banking is including the provision of investment and insurance products to grow and preserve the wealth of priority customers, the development in the features of mobile banking becomes crucial since the rise of fintech that can offer simpler, faster and more cheaper solutions for investments. The prevailing laws and regulation becomes impactful driving forces to the business of Bank Oranye in the next five years as the government plays pivotal role in designing the customer's data protection policy due to the shifting in the operational activity that becomes more digital. Bank Oranye have already envisioned to become the trustworthy digital financial institution and the company should be in effort to be more adaptive in the future prevailing regulations.

**Scenario Framework** is designed by combining the two critical uncertainties in 2x2 matrix with four different plausible scenarios in four quadrants. The scenario framework is as follows:

**Figure 1.3.** Scenario Framework



Source: Author's Analysis

### **Scenario Narratives**

#### **The Grey Zone (Unsupportive Government Regulations - Fast Technology Development and Adoption)**

Given its well-educated, digital savvy customers and vibrant technology development, all the business players are able to optimize its resource and capability by shifting the



business model with digital approach. However, Bank as a state-owned enterprises is facing challenges to compete because Bank is receiving minimum support, limitation in providing simpler services or assistance and still heavily regulated compared with Fintech based company that can offer full digital experience and easier access to manage customer's wealth. Under this conditions, Bank will be remain as the place to save customer's funds and become the least option for customers for investments. Customers will prefer to switch to manage their portfolio to other financial institutions expecting to grow their wealth seamlessly.

#### **The Laggards (Unsupportive Government Regulations - Slow Technology Development and Adoption)**

Due to the fact that cellular phone and internet connectivity conditions in various small cities in Indonesia are still very unstable and limited, customers will still prefer to utilize the assistance of Bank's relationship managers to do banking transactions directly to branches and personally be given the financial advisory. Banking operations will likely remain the same, technology development in banking system is still in the early phase of adoption and the business model does not significantly changes. In this case, the regulators see that it is critical to keep the funds and transactions process save (especially the big, solid amount of funds transactions by priority customers across Indonesia). Although customers are apparently feeling satisfied in direct, personal touch from Bank to manage their wealth, there is still a risk of human errors that can cause customer's dissatisfaction.

#### **The Late Majority (Supportive Government Regulations - Slow Technology Development and Adoption)**

The threat of products and service alternatives derived from the fast-paced industry development should be considered in this era. As the product and service provided by bank is considered generic and similar, Bank needs to adjust the options of products and service offered. Besides, investment instruments that are issued by the government are now being done by online. Customers are in need to diversify its portfolio to more sophisticated underlying assets that can give better return to preserve their wealth. However, some of players in the banking industry is not yet pursue digitalization strategy due to the costly investment in technology development (for both banking system development and investment to more highly skilled yet literate labour). By this chance, that players will only be possessed to limited market share compared to industry players who are able to tailor the needs of customers by providing a wide range of product (and services) that can give a better return for customers.

#### **The Best of Both Worlds (Supportive Government Regulations - Fast Technology Development and Adoption)**

Increasing dynamic and innovative digital innovation by the industry players that can give better and real-time experience of wealth management and portfolio has been supported by the rise of new generation of wealth to become priority customers in the Bank - the young, digital natives which comes from today's technological era. This opportunity will be seized by the Bank to grow and develop better business model, while also covered by the new policy and regulations that put forward innovation supported by better risk mitigation.

At this point, banking system is not only properly worked but also have developed some of features that can give "signals" to customers for the fluctuations in the market which also supported by several authentication that can protect and enhance the data protection. Since Bank is supported by regulators for its innovation, Bank may offer new way of banking and becomes one stop financial solutions. The challenges for the management is to balance between providing seamless banking experience through

technological development and to enhance the role of relationship managers that still can provide personal touch through more sophisticated financial advisory. Although the system in banking is intensively improving, the role of people will not be replaced fully.

## DISCUSSION

In the discussion, the author will continue to present a set of implications and options derived from the above scenario framework for Bank Oranye's priority banking services in the next 5 years. The four different scenario described on the above will give different outcomes for Bank Oranye. The implication and options for each scenarios are as follows:

### **The Grey Zone Scenario: Implications**

- Intense competition from substitute product and service providers
- Heavily regulated: KYC and Anti Money Laundering policy is being emphasized
- Demographic changes in the customers' profiling
- Well-educated and literate customers demand to get better investments product with maximum return even before offered by the relationship managers

### **Options**

- Enrich HR capability to provide investment recommendation by providing product composition based on solid fundamental analysis, update and analyze market trends, and in which that can generate returns similar to those offered in the market
- Facilitate learning process for HR to get professional certifications
- Approaching the second generation of wealth, expand the target market to the second generation in the family tree of existing customers
- Extensively provide program and promotions (including benefit and privileges) to maintain customers satisfaction
- Create task force team to fasten the process in complying the procedures based on the prevailing regulations

### **The Laggards Scenario: Implications**

- Dependent on relationship manager's direct selling approach as the Bank's enabler.
- Personal touch and intimate feels with customers. More personalized service
- Conventional business model where customer's funds are largely placed on third-party fund products
- Low literacy of investment instruments, customers may only depend on the offer from RM in which rarely initiate to grow their wealth with Bank Oranye
- Limited innovation on banking system, focused on maintaining stable digital infrastructure
- Larger risks of human errors
- Vulnerable to changes in policy
- Heavily regulated

### **Options**

- Maintain good relationship with regulators
- Provide extensive reward and recognition for RM based on achievement in each KPIs
- Enrich the capability of RM, conduct regular training and development to support the extension of knowledge.
- Changing approach from goal/target oriented to a long-term relationship between individuals (RM) to priority customers to gain trust and intimacy

- Collaborate with product owner across division (i.e., credit cards, m-Banking) to grow the business aiming for extending the customer base of Bank Oranye
- Utilize current Bank Oranye's Official Microsites as a source of information for available investment instruments options in Bank Oranye: as a tool for RM to offer investment product to customers, or information regarding the changes in market (market update)
- Program reward or event according to the needs of each branch to increase customer's AUM

**The Late Majority Scenario: Implications**

- Changes in policy, regulations to support innovation and development in Bank to compete with other players (tech or digital based company) in the financial industry
- Extensive initiatives from regulators to support the digital economy (i.e. all the buying transactions of government bonds are being done 100% online)
- Customer's attention is relatively short, investments are mostly still placed on other providers or substitute products
- Limited innovation and adoption of technology inside the Bank
- Prone to human errors and minimum operational effectiveness

**Options**

- Elevate people capability, invest on specialized HR (specifically for IT Development inside division)
- Enhancing customer experience, providing more relevant benefits and privileges to foster the "life" needs of priority customers
- Extending partnership with Investment Managers to provide wider range of investment products to tailor and personalized the needs of customers: to grow and preserve the wealth of customers
- Synergy across division to develop and invest in new digital infrastructure (new internal system for managing and reconciliation of data: investment) to minimize human errors and gaining more effectiveness
- Optimizing internal wealth management system, focus on the development of features (i.e., opening investor / SID account via m-Banking) to support daily operations of RM

**The Best of Both Worlds Scenario: Implications**

- Speedy development in technology infrastructure
- New regulations to facilitate development of technology in Bank Oranye
- Need of specialized HR (tech-savvy) to support the operations and future development
- Customers are well-educated and have high literacy in choosing the investment instruments
- Customer need secure, fast, and reliable system to manage their portfolio and watch the fluctuation or changes in the market

**Options**

- Invests heavily on digital infrastructure
- Facilitating learning, training and development to enhance HR capability, hire more of investment specialist to provide in-depth analysis as a basis for investment recommendations
- Faster development, enrich features in the new internal system to support daily operations: monitoring performance of RM on daily basis. data reconciliation between core banking system with third parties

- Monitoring the usage of campaign, event, or program in the developed internal system to optimize the benefit and privileges offered to customers
- Reflect the development in the new internal system to the features in m-Banking
- Together with IT Division to build digital experience, enhancing customer experience by providing a real time data of their investment portfolio via m-Banking
- Utilizing large sales channels owned by Bank Oranye in overseas branch to develop new services and gain new market share
- Extensive training and development to prepare for the new system implementation, gaining operational effectiveness
- Maintain good relationship with regulators, support new digital economy initiatives from government

As the last step of scenario planning development for Bank Oranye, integration into the current management process is needed. Scenario planning should have been exercise in not a one-time event by the strategic decision makers. The developed early warning signals in the scenario planning can be used as signs that point to the likelihood of one event or another arising. The leading indicators of each of the scenario that functioned as an alert for company can be measured by several indicators namely: OJK and Government Policy, Operations - Product Substitution, Operations - Market Share and Performance, Utilization of Technology, and Technology Adoption in Bank Oranye.

### **CONCLUSION**

Although the growing population of mass affluent and high net worth individuals in Indonesia given a great potential for the future of wealth management business, the wealth management providers, in this case is Bank Oranye, is exposed to several challenges in the near future. Therefore, the scenario planning was used to examines several uncertainties. The key focal issue of "How is the business of Bank Oranye's priority banking services for the next 5 years in the face of future challenges" has been identified followed with driving forces as factors that will influence the way Bank Oranye performs with its vision to becomes one stop financial solutions for its customers.

The driving forces that will affect the business of priority banking including the wealth management of Bank Oranye in the next 5 years are: customer needs, technology development and adoption, government policy and regulations, trends or lifestyle, demographic changes, economic climate, political stability, and environmental issue. Based on the identification of driving forces, factors that have the most uncertainty and have the highest level of impact to the key focal issue are Technology Development and Adoption, and Government Policy and Regulations as the critical uncertainties. There are four plausible scenarios developed for the business of Bank Oranye's priority banking services for the next 5 years to best adapt and thrive in the future, namely: The Grey Zone (Supportive Government Regulations - Fast Technology Development and Adoption), The Laggards (Unsupportive Government Regulations - Slow Technology Development and Adoption), The Late Majority (Supportive Government Regulations - Slow Technology Development and Adoption), and The Best of Both Worlds (Supportive Government Regulations - Fast Technology Development and Adoption).

Since each scenario has its own set of implications, the best choice strategy for each situation is determined by altering the available resources and options. Management may prioritize the possibilities and put them into action based on the of efforts and impact that can be achieved.

### **LIMITATION**

For the confidentiality purposes, the author disguised the Bank name into "Bank Oranye".

The article is limited only for Bank Oranye that becomes one of the leading SOE Bank in Indonesia and as the pioneers of global wealth management which provides priority banking services. The business operations that are explained in this article only apply to Bank Oranye.

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## DECLARATION OF CONFLICTING INTERESTS

In preparing this article, the authors declare no conflict of interests.

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