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Business Strategy Formulation to Improve the Performance of Office Space Provider Companies: A Case Study of PT Telkom Landmark Tower

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Abstract

Jakarta's commercial office market faces structural stagnation, exacerbated by hybrid working trends and an impending supply shock of 1.3 million square meters of ex-government assets following the delayed National Capital (IKN) relocation. This unprecedented regulatory driven oversupply demands a highly structured strategic response. PT Telkom Landmark Tower (TLT), a corporate real estate provider, struggles to attract external tenants due to a 90.9% captive market dependence, rigid state-owned enterprise (SOE) floor-price regulations, and multinational tenant demands for Environmental, Social, and Governance (ESG) compliance. Therefore, the core research question is: What robust business strategies can effectively navigate these disruptions? The novelty of this study lies in systematically operationalizing the Scenario-Based Strategic Planning (SBSP) framework within the Corporate Real Estate Management (CREM) sector, bridging the gap between foresight exploration and robust corporate strategy formulation. This qualitative study collected primary data through in-depth interviews with eight expert stakeholders. Data were thematically coded using NVivo and analyzed utilizing the Trend Lifecycle S-Curve, PESTEL, Porter's Five Forces, and the SBSP framework. The analysis identified two critical uncertainties the supply shock timeline and ESG strictness generating four future scenarios. The study established that the most robust strategies integrate AI-driven PropTech 4.0 and asset repositioning towards a Premium Integrated Business Ecosystem. PropTech 4.0 acts as an effective non-price compensation strategy to lower total occupancy costs for tenants without violating rigid financial audit rules. Scientifically, this study enriches SBSP literature in real estate. Practically, it provides strategic guidelines for building operators to maintain business resilience amidst extreme market turbulence.

KEYWORDS

business strategy; corporate real estate management; proptech 4.0; scenario-based strategic planning; VUCA environment

Introduction

The commercial office property market in Jakarta's Central Business District (CBD) is currently confronting structural stagnation, with average occupancy rates constrained at approximately 74.6% (Cushman & Wakefield, 2025; Jones Lang Lasalle, 2025). This stagnation is exacerbated by post-pandemic shifts toward hybrid working cultures, drastically reducing the demand for physical office spaces (Allam et al., 2022; ;PwC, 2022). Furthermore, recent regulatory dynamics, specifically the Constitutional Court Decision (Putusan MK No. 71/PUU-XXIV/2026) regarding the delayed relocation of the National Capital (IKN), have generated timeline uncertainties that threaten a severe supply shock. The Jakarta

Provincial Government's spatial planning agency (DCKTRP) has rezoned former government buildings into Commercial Office Zones (Zona KT), potentially flooding the market with 1.3 million square meters of vacant space (Hartawan, 2024).

This macroeconomic turbulence poses a critical threat to State-Owned Enterprise (BUMN) Corporate Real Estate Management (CREM) entities like PT Telkom Landmark Tower (TLT). Fundamentally, TLT records a high occupancy rate; however, 90.9% of this occupancy is highly dependent on the internal captive market of Telkom Group (PT Telkom Landmark Tower, 2024). This dependency risks converting into idle space alongside the parent company's ongoing efficiency policies and restructuring programs (Ackermann & Eden, 2011). Conversely, efforts to penetrate the external tenant market, particularly Multinational Corporations (MNCs), are hindered by rigid SOE (BUMN) floor-price audit regulations, preventing TLT from engaging in predatory pricing against private developers. Meanwhile, modern MNC tenants strictly demand Environmental, Social, and Governance (ESG) compliance and smart building technologies (PropTech 4.0) (Starr et al., 2021).

Strategic management in a highly volatile, uncertain, complex, and ambiguous (VUCA) environment requires dynamic approaches (Amer et al., 2013; Butarbutar et al., 2017; Nugraha & Tricahyono, 2022). While traditional strategic planning tools remain valuable for baseline strategy formulations (Irawan & Triono, 2025), the increasing complexity of structural disruptions has encouraged the adoption of scenario planning frameworks to build strategic foresight. Previous scenario planning studies have laid a robust foundation for organizational foresight. Foundational frameworks such as TAIDA (Lindgren & Bandhold, 2003) and the approach by Garvin and Levesque (2006) are highly effective in cultivating managerial learning and exploring future narratives.

Recent empirical studies have also successfully applied these foresight models across various sectors, such as public healthcare (Azis et al., 2025) and manufacturing (Dhiannova & Pasaribu, 2025), often pairing them with established analytical matrices to capture macro-environmental shifts. While these prior approaches excel in scenario exploration and macro-level awareness, there is a valuable opportunity to further integrate these insights into a dedicated, cross-scenario corporate strategy formulation. Contextually, within the Corporate Real Estate Management (CREM) sector, extensive

research has thoroughly examined asset efficiency and spatial performance (Pfnuer et al., 2021).

However, the specific integration of dynamic scenario foresight to navigate the unique convergence of structural supply shocks and strict institutional audit constraints remains an area open for deeper exploration. To complement these existing literatures, this study operationalizes the Scenario-Based Strategic Planning (SBSP) framework developed by Schwenker and Wulf (2013). The distinguishing feature of SBSP is its dual-layer architecture, which systematically bridges macro-environmental scenario building with corporate-level strategy formulation. By adopting this framework, this study aims to extend prior foresight explorations into concrete, robust tactical executions specifically tailored for the highly regulated corporate real estate sector. (See Figure 1)

The advantage of SBSP lies in the clear separation between scenario building at the industry level and strategy formulation at the corporate level, generating both scenario specific adaptive strategies and robust strategies. This approach is combined with analytical tools such as PESTEL (Münter, 2026; Rashid, 2023) and Porter's Five Forces (Porter, 2008) to filter critical market uncertainties. In the context of office space providers, this strategy formulation must be aligned with the principles of Corporate Real Estate Management (CREM) (van der Voordt, 2017). CREM is a managerial function aimed at optimizing the contribution of property assets to the overall success of the organization. According to Appel-Meulenbroek et al (2021), CREM mechanisms impact the operational performance (supporting work productivity), real estate performance (asset efficiency), and financial performance (capital structure and liquidity) of the company. (See Figure 2).

Therefore, this study poses the following standalone research question: What robust business strategies can PT TLT implement to navigate extreme market disruptions and rigid institutional constraints? Ultimately, the objective of this study is to formulate adaptive and robust business strategies for PT TLT using the SBSP framework to enhance its commercial performance and long-term resilience.

Novelty Statement: Extending previous studies that have effectively utilized scenario planning for foresight exploration, this study systematically integrates these insights into a comprehensive corporate strategy formulation using the Scenario-Based Strategic Planning (SBSP) framework within the Corporate Real Estate Management (CREM) sector. This approach contributes a new perspective on navigating institutional constraints in a turbulent property market.

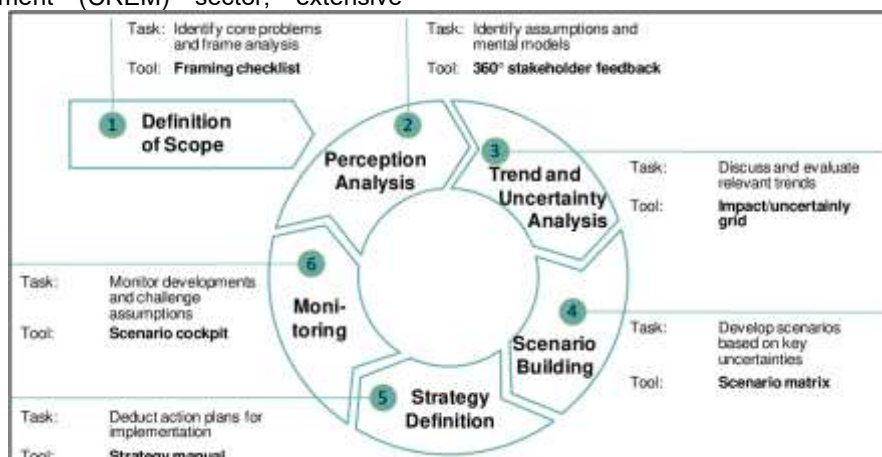


Figure 1. Scenario-Based Strategic Planning (SBSP) framework (Burkhard Schwenker & Torsten Wulf, 2013)

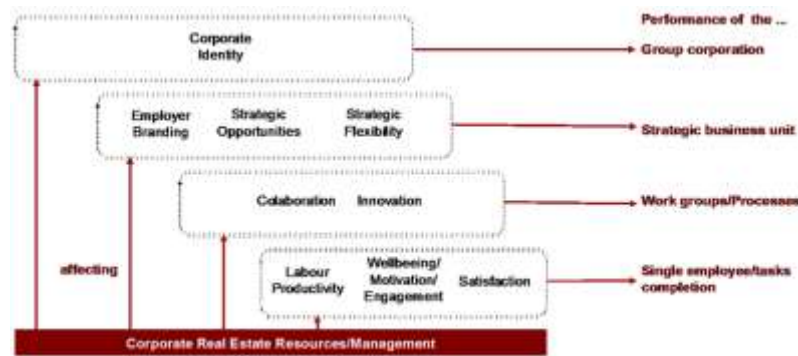


Figure 2. CREM Mechanisms

Methods

This study employs a qualitative research design utilizing the Scenario-Based Strategic Planning (SBSP) approach (Wulf et al., 2010). To systematically evaluate the maturity and trajectory of the identified driving forces, this study integrates the Trend Lifecycle S-Curve framework into the initial phase of the SBSP model. While the standard SBSP framework relies heavily on the Impact-Uncertainty Grid, incorporating the S-Curve provides a granular evolutionary timeline for technological and market shifts. This ensures that the strategic options formulated later are synchronized with the actual adoption maturity of the market, preventing premature or obsolete technology deployments. The research object focuses on PT Telkom Landmark Tower (TLT), specifically within the scope of Grade A commercial property management in Jakarta over a five-year planning horizon (2026–2031). The SBSP framework was chosen to systematically evaluate the maturity and trajectory of driving forces and formulate adaptive strategies tailored for extreme market uncertainties (Cassell et al., 2006).

Population and Sample/Informants

Eight expert stakeholders were selected as informants using purposive sampling to ensure 360-degree triangulation (Ackermann & Eden, 2011). The sampling selection was carefully justified based on the informants' direct authority and expertise in spatial planning, property consulting, green building standards, and TLT's strategic management. The sample size was deemed methodologically sufficient as data saturation was reached, meaning no new strategic insights or themes emerged during the final interviews. The informants comprised regulators (DCKTRP Jakarta), industry associations (IAP Indonesia, BOMA Indonesia, GBCI), global property consultants (Colliers and Knight Frank), and internal strategic management (VP Commercial, VP Finance & Risk Management, and Property Manager of TLT).

Research Location

The study was conducted at PT Telkom Landmark Tower (TLT), focusing on the Grade A commercial property market within Jakarta's Central Business District (CBD) over a five-year planning horizon (2026–2031).

Instrumentation or Tools

A semi-structured interview guide was developed to delve into stakeholders' perceptions and strategic market uncertainties. Analytical tools included the PESTEL Framework, Porter's Five Forces, the Trend Lifecycle S-Curve, and the Impact-Uncertainty Grid.

Data Collection Procedures

Primary data were collected through in-depth interviews conducted either face-to-face or via virtual platforms between April and June 2026, with each session lasting between 40 to 90 minutes. Secondary data were gathered from TLT's internal corporate reports and global property market research publications. Strict ethical procedures were followed; all participants provided informed consent, and data confidentiality was assured.

Data Analysis

Qualitative data and verbatim interview transcripts were analyzed thematically using NVivo software (Kriyantono, 2022). Data validity was ensured through source triangulation and member checking (Creswell & Miller, 2000). The data analysis followed the five stages of SBSP: (1) Definition of Scope & Perception Analysis using 360-degree stakeholder feedback (Morgan & Cannan, 2005) and SWOT framing (Benzaghta et al., 2021; Lohrke et al., 2022; Puyt et al., 2023) (2) Trend & Uncertainty Analysis using PESTEL and Porter's Five Forces; (3) Scenario Building; (4) Strategy Definition; and (5) KPI Identification.

Result and Discussion

This section presents the results of qualitative data analysis processed using NVivo software, where data from eight expert informants was systematically analyzed following the Scenario-Based Strategic Planning (SBSP) stages.

Definition of Scope and Strategic Issues

This initial stage frames the boundaries of the analysis. The SWOT issue framing revealed TLT's structural vulnerability (90.9% captive market) and its regulatory constraints (rigid SOE floor prices). A Framing Checklist narrowed the scenario time horizon to 5 years (2026–2031), targeting the Grade A non-TOD premium office market niche in Jakarta. (See Table 1 and Table 2).

Perception Analysis

Building upon the defined scope, this stage uncovered critical strategic blind spots using 360° Stakeholder Feedback. Internal management initially viewed Green Building facilities and PropTech 4.0 merely as capital expenditure (CapEx) burdens. However, external experts (BOMA and Knight Frank) corrected this perception, verifying that AI-driven utility efficiency acts as a necessary "Non-Price Compensation Strategy." Real AI-driven utility efficiency is proven to reduce the Total Occupancy Cost for tenants, allowing TLT to win the competition in attracting

Table 1. SWOT (Issue Framing)

Strengths	Weaknesses
Stable Occupancy and Secure Cash Flow: TLT maintains a consistently high occupancy rate (approximately 94%), primarily supported by demand from the Telkom Group's captive market. <i>"Overall, I consider PT Telkom Landmark Indonesia's historically high occupancy rate to reflect strong operational fundamentals and effective asset management performance."</i> (NE05, 2026) Premium and Sustainable Building Specifications: TLT is a Grade A office building with an established foundation for green building certification.	Regulatory Constraints on Rental Pricing (SOE Floor Price Policy): Management has limited flexibility to reduce base rental rates in order to attract external tenants because rental pricing must comply with state audit regulations. <i>"Rental pricing must still comply with market thresholds to avoid falling below acceptable standards, which could result in audit findings."</i> (NI02, 2026) High Dependence on the Captive Market: Internal tenants account for approximately 90.5% of occupancy, creating significant structural vulnerability should the Telkom Group undertake workforce downsizing or organizational restructuring. <i>"If TLT's captive market currently accounts for around 90.5% of occupancy and the Telkom Group implements a 30% rightsizing initiative, this would represent more than a decline in occupancy. It would constitute a structural shock to TLT's primary demand source."</i> (NI01, 2026)
Opportunities	Threats
Growing Demand for Green-Certified Buildings Driven by ESG Requirements: Many multinational corporations (MNCs) require office space in buildings that are certified under recognized green building standards and comply with ESG principles. <i>"Global multinational corporations operate under strict corporate mandates issued by their headquarters. Their global corporate blueprint requires all regional offices and operating facilities to occupy officially green-certified office buildings."</i> (NE04, 2026) Green Financing and Energy Service Company (ESCO) Schemes: Innovative financing mechanisms reduce the capital burden associated with green building technology investments. <i>"One of our primary priorities is expanding green financing. We collaborate with Energy Service Companies (ESCOs), where gap analysis identifies opportunities to reduce energy consumption by up to 40%. The resulting energy savings are then used to finance the required capital investment."</i> (NE06, 2026)	Post-IKN Office Supply Shock (KT Zone): Approximately 1.3 million square meters of former government office buildings are expected to enter the commercial office market following zoning conversion after the relocation of Indonesia's capital. <i>"Government office buildings, including ministry and agency offices, will be rezoned as commercial office areas. This policy is supported by a Floor Area Ratio (FAR) of 6.0 to maintain flexibility in future land use."</i> (NE01, 2026) Predatory Pricing and Market Stagnation: A stagnant office market intensifies aggressive rental price competition. <i>"The primary risk is clearly a race to the bottom in rental pricing. If government-owned office space is offered at little or no cost while remaining within commercial office zoning, the likelihood of disguised predatory pricing becomes substantial. For example, subsidized rental schemes or non-commercial pricing mechanisms cannot be matched by private developers or commercial SOEs such as TLT."</i> (NI01, 2026)

Through the Framing Checklist tool, researchers limited the scenario time horizon to 5 years (2026–2031), focusing on the Grade A non-TOD premium office building market niche in Jakarta.

Table 2. Framing Checklist

Component	Description
Goal of the Scenario Project	The objective of this scenario project is to formulate adaptive and robust business strategies to enhance the competitiveness and commercial performance of PT Telkom Landmark Tower (TLT) in response to multiple plausible future scenarios in the commercial office real estate industry.
Strategic Level of Analysis	The strategic planning process is conducted at the corporate level, where TLT is positioned as an integrated Corporate Real Estate Management (CREM) entity responsible for managing and optimizing its commercial property portfolio.
Definition of Stakeholders	The 360-degree stakeholder feedback process involves both internal and external stakeholders. Two internal participants consist of TLT's strategic managerial executives, while the external panel comprises six experts representing government regulators, professional and industry associations, and global real estate consulting firms. The external experts serve as a triangulation mechanism to validate the identified driving forces and critical uncertainties affecting Jakarta's Central Business District (CBD) office market.
Participants	Internal participants directly involved in providing strategic inputs consist of TLT's top management, specifically the Vice President of Commercial & Business Development, who is responsible for commercial strategy, and the Vice President of Finance & Risk Management, who oversees corporate compliance and risk management.
Time Horizon	The scenario analysis and strategic planning process are developed with a five-year planning horizon, covering the period from 2026 to 2031.

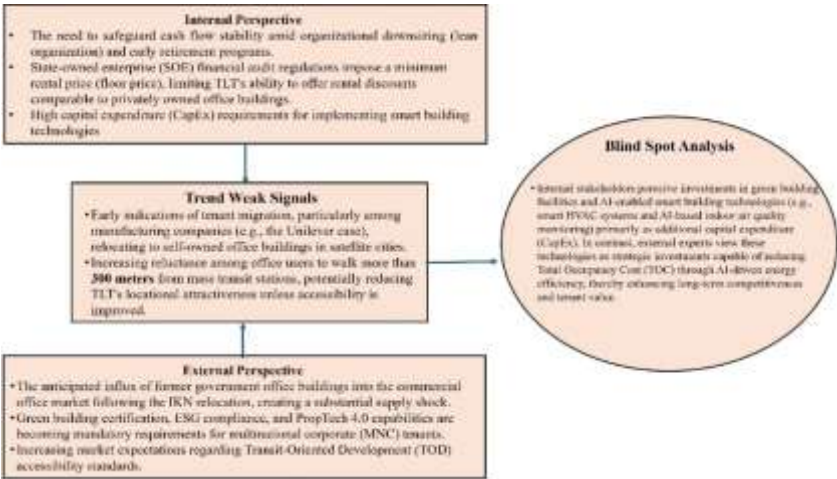


Figure 3. 360° Stakeholder Feedback

Table 3. PESTEL Analysis

PESTEL Dimension	Key Issues
Political	Uncertainty surrounding the timeline for Indonesia's capital relocation (IKN). The relocation remains uncertain following Constitutional Court Decision No. 71/PUU-XXIV/2026, which postponed the relocation until the issuance of an official Presidential Decree.
Economic	Stagnation of Jakarta's CBD office market. The commercial office market continues to experience oversupply, with the average occupancy rate remaining at approximately 74.6% , accompanied by increasingly aggressive rental price competition. <i>"The occupancy rate of Jakarta's commercial office market has been consistently depressed, remaining at only around 75–80 percent."</i> (NE05, 2026)
Social	Changing workplace preferences and the evolution of corporate lifestyles. Employees of multinational corporations increasingly demand healthy, hygienic, environmentally sustainable workplaces that are well integrated with public transportation. <i>"By 2026, compliance with green principles is no longer merely an optional requirement—it has become part of the corporate lifestyle."</i> (NE04, 2026)
Technological	Rapid adoption of PropTech 4.0 and Artificial Intelligence (AI). Smart building technologies, including AI-enabled building automation systems, are increasingly adopted to improve operational efficiency and investment returns. <i>"The development of PropTech 4.0 and the application of Artificial Intelligence (AI) in building management are expected to improve operational efficiency while generating stronger returns on investment (ROI)."</i> (NE05, 2026)
Environmental	Growing resource scarcity and the transition toward net-zero buildings. Increasing concerns over clean water and energy scarcity in Jakarta's urban areas are accelerating the adoption of sustainable building practices to support Net Zero Emissions objectives. <i>"The real challenge is that we are approaching a resource scarcity threshold, particularly regarding clean water and electricity in urban areas. Consequently, property management policies are increasingly being directed toward green building practices."</i> (NE04, 2026)
Legal	Stricter green building regulations and SOE pricing constraints. Between 2022 and 2024, the Jakarta Provincial Government introduced regulations requiring buildings above specified thresholds to comply with green building standards as a prerequisite for obtaining a Building Worthiness Certificate (SLF), accompanied by tax incentives. At the same time, internal SOE regulations impose minimum rental price (floor price) requirements that restrict pricing flexibility. <i>"Green building requirements have become part of the building permit assessment process. Applicants are required to consider design aspects such as building orientation, construction materials, and façade design to comply with energy-efficiency principles."</i> (NE01, 2026)

Table 4. Porter's Five Forces

Porter's Five Forces	Key Findings
Threat of New Entrants (Moderate)	Entry barriers remain high due to the substantial capital investment required to develop Grade A office buildings in Jakarta's CBD. However, the anticipated release of approximately 1.3 million m² of former government office space following the IKN relocation represents a significant indirect competitive threat by increasing future market supply.
Bargaining Power of Suppliers (Low)	Supplier bargaining power is limited because the market for building maintenance services, utilities, green building technologies, and AI solutions is highly competitive, providing TLT with strong negotiating leverage and multiple sourcing alternatives.
Bargaining Power of Buyers (High)	Tenant bargaining power is high due to persistent office oversupply (market occupancy of approximately 74.6%). Large multinational corporations (MNCs) can negotiate substantial rental concessions while demanding ESG compliance, green building certification, and premium building specifications as minimum leasing requirements.

Porter's Five Forces	Key Findings
Threat of Substitutes (Moderate)	Alternative workplace solutions, including coworking spaces, virtual offices, and hybrid working arrangements, present moderate substitution threats. However, multinational corporations and financial institutions continue to require premium office space to support corporate image, operational needs, and client engagement.
Rivalry among Existing Competitors (Very High)	Competitive rivalry in Jakarta's CBD office market is extremely intense due to prolonged oversupply and aggressive price competition. TLT is at a competitive disadvantage because SOE pricing regulations restrict rental pricing flexibility, whereas private landlords can rapidly adjust lease terms to attract tenants.



Figure 4. Porter's Five Forces

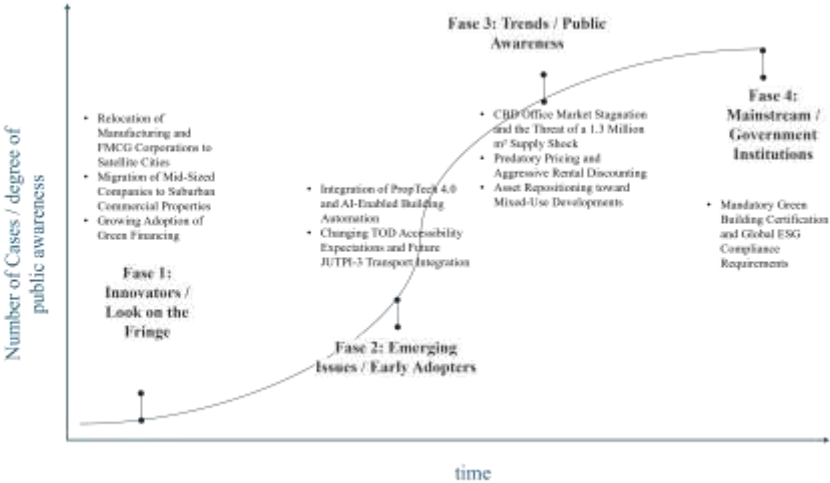


Figure 5. Tren S Curve

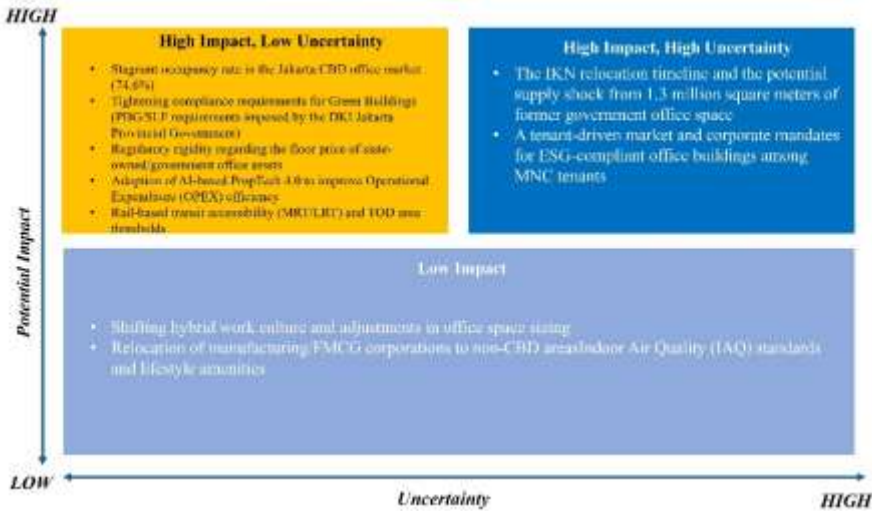


Figure 6. Impact/Uncertainty Grid

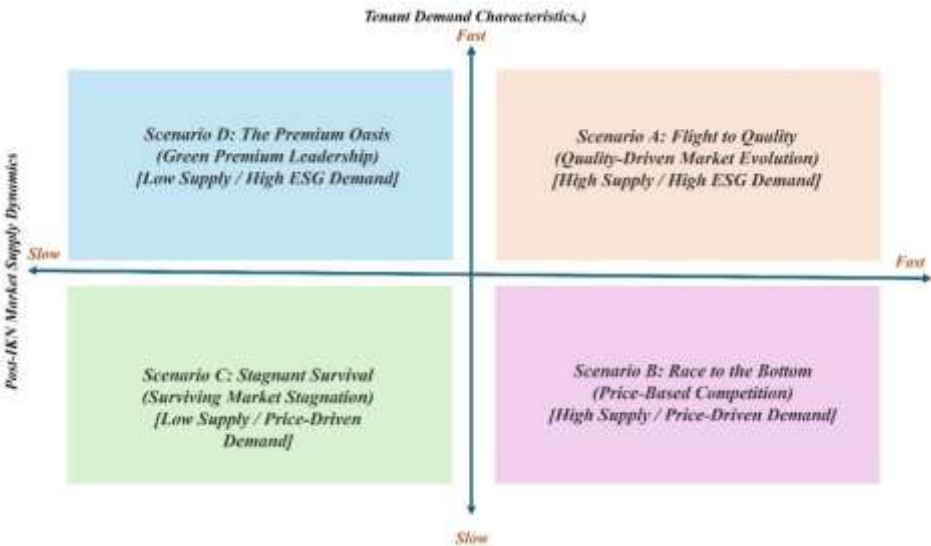


Figure 7. Impact/Uncertainty Grid

Table 5. Scenario Matrix

Business Aspect	Scenario A: Flight to Quality	Scenario B: Race to the Bottom	Scenario C: Stagnant Survival	Scenario D: The Premium Oasis
Office Demand	High market supply, but demand is concentrated in Grade A office buildings with certified green credentials.	Severe supply shock leads to weak demand, with tenants primarily driven by low rental costs.	Demand remains subdued as firms adopt a cautious, wait-and-see approach and postpone expansion.	Strong demand from multinational corporations (MNCs) seeking ESG-compliant premium office space amid limited new supply.
Tenant Behavior	Tenants prioritize ESG transparency, energy performance, and PropTech-enabled smart building capabilities.	Tenants become highly price-sensitive, prioritizing cost efficiency over building quality and amenities.	Existing tenants focus on lease renewals while negotiating lower rental rates.	ESG compliance and autonomous smart building technologies become non-negotiable leasing requirements.
Rental Market & Financial Viability	Premium rental rates remain sustainable for certified green buildings despite high capital expenditure (CapEx).	Aggressive predatory pricing compresses rental margins, while SOE pricing regulations limit TLT's pricing flexibility.	Moderate price competition is accompanied by slow revenue growth.	Premium rental pricing is widely accepted, enabling higher rental yields and stronger financial performance.
TLT's Competitive Position	TLT gains a competitive advantage by leveraging its Greenship certification and PropTech capabilities.	TLT's competitiveness weakens because SOE floor-price regulations restrict its ability to respond to aggressive market pricing.	TLT remains resilient in the short term due to its captive market but faces long-term vulnerability if internal demand declines.	TLT establishes a dominant position in Jakarta's premium green office market through differentiated ESG and smart building capabilities.

Table 6. Operational Strategic

Industry Scenario	Key Market Challenge / Opportunity	Scenario-Specific Strategy for PT TLT
A. Flight to Quality	Opportunity: Multinational corporations (MNCs) increasingly prioritize ESG-compliant buildings that minimize Total Occupancy Cost (TOC). Challenge: SOE floor-price regulations prevent TLT from reducing base rental rates.	Non-Price Value Proposition Strategy. Maintain compliant base rental rates while enhancing tenant value through operational cost savings enabled by AI-powered smart HVAC systems and PropTech 4.0 solutions, thereby reducing tenants' Total Occupancy Cost.

Industry Scenario	Key Market Challenge / Opportunity	Scenario-Specific Strategy for PT TLT
B. Race to the Bottom	Challenge: Aggressive price competition from private landlords, combined with a surge in former government office supply and the potential decline of TLT's captive market.	Defensive Contracting Strategy. Secure long-term occupancy through multi-year lease agreements with Telkom Group subsidiaries while improving cash flow resilience by maximizing operational efficiency and reducing building operating expenses (OPEX).
C. Stagnant Survival	Challenge: A prolonged market downturn discourages corporate expansion and suppresses new leasing demand.	Asset-Light Strategy. Postpone major capital expenditures (CapEx) and diversify revenue by expanding into third-party property and facility management services for government and SOE-owned assets beyond TLT's portfolio.
D. The Premium Oasis	Opportunity: Limited supply of premium ESG-certified office buildings coincides with strong demand from multinational tenants.	Premium Ecosystem Strategy. Transform underutilized office space into flexible workspaces, develop integrated mixed-use amenities, and position TLT as a premium ESG office destination capable of commanding premium rental rates.

Table 7. Robustness Assessment

No.	Strategic Option	Scenario A Flight to Quality	Scenario B Race to the Bottom	Scenario C Stagnant Survival	Scenario D The Premium Oasis	Strategic Robustness Assessment
1	Mixed-Use Ecosystem Transformation	Relevant	Less Relevant	Relevant	Highly Relevant	ROBUST. Creates long-term value across most future scenarios by diversifying revenue streams and enhancing asset attractiveness. Its effectiveness is reduced only under severe price-based competition.
2	PropTech 4.0 Investment (AI Automation and ESG Transparency)	Highly Relevant	Relevant	Relevant	Highly Relevant	ROBUST. Strengthens competitive positioning through smart building capabilities while improving operational efficiency by reducing operating expenses (OPEX) across all scenarios.
3	Non-Price Value Proposition Strategy	Highly Relevant	Relevant	Relevant	Less Relevant	ROBUST. Provides a legally compliant mechanism for attracting external tenants through value-added services rather than rental discounts, while remaining consistent with SOE pricing regulations.
4	Captive Market Lock-in (Multi-Year Contract Strategy)	Less Relevant	Highly Relevant	Highly Relevant	Less Relevant	SCENARIO-SPECIFIC. Primarily effective under adverse market conditions by securing occupancy and stabilizing cash flow through long-term lease agreements with Telkom Group entities.

Table 8. Robustness Assessment

Leading Indicators (Market Signals)	Scenario Triggered	Strategic Response (TLT)	Strategic KPIs (Lagging Indicators)
ESG and Smart Building Requirements. Green building certification, ESG transparency, and smart building capabilities become mandatory leasing requirements for multinational corporations (MNCs).	Scenario A: Flight to Quality	Non-Price Proposition Strategy. Maintain SOE-compliant base rental rates while enhancing tenant value through AI-enabled Smart HVAC and PropTech solutions that reduce tenants' operating costs.	- Quarterly reduction in building operating expenses (OPEX), particularly energy consumption. - Indoor Air Quality (PM2.5) maintained below target thresholds. - Annual growth in new MNC tenants.
1.3 Million m ² Supply Shock and Aggressive Price Competition. Former government office buildings enter the commercial market, while private competitors adopt aggressive pricing and TLT's captive market contracts.	Scenario B: Race to the Bottom	Defensive Contracting Strategy. Secure occupancy through multi-year lease agreements with Telkom Group entities while maximizing operational	- Internal tenant retention rate. - Idle space maintained below the predefined tolerance threshold.

			efficiency to preserve cash flow.
Persistent Market Stagnation and Cautious Tenant Behavior. CBD office occupancy remains below 75%, with tenants delaying expansion and prioritizing lease renewals.	Scenario C: Stagnant Survival	Asset-Light Strategy. Postpone major capital expenditures (CapEx) and expand third-party property and facility management services for SOEs and government agencies.	• Number of new third-party asset management partnerships. • Growth in management fee and revenue-sharing income.
Rising Demand for Premium ESG Office Space Amid Limited Supply. Strong demand for green-certified, smart, mixed-use, and transit-oriented office space exceeds available premium supply.	Scenario D: The Premium Oasis	Premium Ecosystem Strategy. Repurpose selected office floors into mixed-use amenities and flexible workspaces while positioning TLT as a premium ESG office destination with premium rental pricing.	• Utilization rate of repurposed mixed-use spaces. • Growth in premium rental revenue from new external tenants.

MNCs without violating BUMN floor price audit compliance. The 360° triangulation with the Green Building Council Indonesia (GBCI) specifically dismantled the internal management's bottleneck regarding CapEx constraints.

The expert panel verified that the perceived financial risks of implementing PropTech 4.0 can be effectively neutralized through self-funding ESCO mechanics. Practically, instead of utilizing TLT's direct corporate capital, the baseline utility cost (e.g., IDR 1 billion) is held constant during the initial contract phase, while the AI-driven smart automation drives down actual consumption to a lower threshold (e.g., IDR 700 million). The generated IDR 300 million surplus is redirected as investment installments to the ESCO partner, rendering the transformation net-neutral to the state audit framework.

GBCI highlighted successful precedents, such as the Ministry of Public Works building saving IDR 250 million monthly post-Greenship certification and the South Quarter office boosting its occupancy rate from 35% to nearly 90% by marketing its Green Gold credentials to multinational firms seeking minimized total occupancy costs. Additionally, perception disparities were found regarding Transit-Oriented Development (TOD) accessibility parameters. Regulators set an 800-meter radius for urban planning incentives, whereas the MNC market has a maximum psychological walking tolerance of 300 meters to MRT/LRT hubs. (See Figure 3).

Trend & Uncertainty Analysis

This stage filtered macro-environmental factors to identify the most disruptive forces. The Trend Lifecycle S-Curve confirmed that compliance with ESG instruments has reached the 'Maturity/Mandatory' phase, while PropTech 4.0 is at the high-leverage 'Growth' phase. Utilizing PESTEL and Porter's Five Forces, the findings were plotted onto an Impact-Uncertainty Grid, which isolated two critical uncertainties: (1) the space supply regulation timeline regarding the 1.3 million m² of ex-government assets, and (2) the strictness of tenant preferences against the threat of extreme price wars in a stagnant market. (See Table 3, Figure 4, Table 4, Figure 5, Figure 6).

The Trend Lifecycle S-Curve analysis reveals that traditional commercial office spaces in Jakarta have reached the 'Maturity/Satiation' phase, heavily disrupted by structural oversupply and shifting tenant paradigms. Conversely, PropTech 4.0 solutions (comprising AI-driven

automation, smart HVAC energy optimization, and digital twin management) are currently positioned at the late 'Take-off' or early 'Growth' phase. In academic strategic management, investing in technologies at this specific evolutionary juncture offers the highest strategic leverage. For TLT, adopting PropTech 4.0 now yields a definitive first-mover advantage before these technologies commoditize into standard industry baselines. This positioning scientifically validates why non-price compensation through green automation is both timely and viable to capture the premium MNC tenant segment.

All these driving forces were subsequently filtered into the Impact-Uncertainty Grid to discover factors with the highest impact and most extreme uncertainties. This process identified two critical uncertainties as the foundation for future scenarios:

- Space supply regulation timeline (IKN Impact): The threat of a supply shock due to the release of 1.3 million square meters of ex-government assets into Commercial Office Zones (Zona KT) based on the Constitutional Court Decision (Putusan MK No. 71/PUU-XXIV/2026).
- Strictness of tenant preferences & price wars: The tension between MNC tenants' strict ESG/PropTech demands and the threat of extreme price wars (predatory pricing) in the stagnant commercial market.

Scenario Building

The intersection of these two critical uncertainty axes was mapped into a Scenario Matrix (2x2), generating four alternative future quadrants for TLT: (See Figure 7 and Table 5).

- Scenario A (Flight to Quality): High supply, but demand is strictly ESG-driven. Tenants prioritize ESG transparency and PropTech capabilities.
- Scenario B (Race to the Bottom): Severe supply shock leads to extreme predatory pricing. Tenants become highly price-sensitive, ignoring building quality.
- Scenario C (Stagnant Survival): Low supply and subdued demand. Existing tenants adopt a cautious wait-and-see approach, focusing on lease renewals.
- Scenario D (The Premium Oasis): Limited supply meets strong MNC demand for ESG-compliant premium spaces, enabling premium rental pricing.

Strategy Definition

This stage bridges the scenarios with TLT's operational strategic actions. Using a Robustness Assessment, tactical

options were tested for their resilience across the four future scenarios. (See [Table 6](#) and [Table 7](#)).

Monitoring and KPI Identification

The final stage of the Scenario-Based Strategic Planning (SBSP) framework involves establishing a strategic monitoring and control system to navigate the identified scenarios. Since this research focuses on strategy formulation, the monitoring system is conceptually designed into two primary dimensions, leading indicators and Strategig KPI. (See [Table 8](#)).

Interpretation of Key Findings

The qualitative data processing demonstrates that in confronting Jakarta's stagnant commercial market and impending supply shocks, state-owned management cannot compete using predatory pricing tactics. This finding aligns with Porter's Five Forces (Porter, 2008), which detects a high threat from the bargaining power of buyers in the current market environment. Constrained by financial audit floor prices, the logical interpretation of this study proposes the integration of AI-driven PropTech 4.0 as a "Non-Price Compensation Strategy". Empirical validation from BOMA and GBCI confirms that implementing Smart HVAC and green building analytics drastically reduces facility energy Operating Expenditure (OPEX). Rather than violating legal compliance by discounting base rents, TLT can reduce tenants' Total Occupancy Costs through transparent utility efficiencies.

Historically, public building operators in Indonesia viewed green transformation as an unviable cost center due to strict procurement bureaucracies. However, anchoring the SBSP framework alongside formalized ESCO partnerships and green credit facilities provides a legally compliant avenue to circumvent rigid floor-price regulations. This alignment also positions TLT to tap into future carbon trading ecosystems once national carbon cap regulations are enacted, turning low-carbon building operations into an active profit booster.

More importantly, these empirical findings significantly extend the existing theoretical frameworks of Corporate Real Estate Management (CREM) (Pfner et al., 2021). Traditionally, CREM theory heavily emphasizes physical spatial efficiency and basic operational performance. This study extends this paradigm by demonstrating that in a highly regulated VUCA environment, real estate must be repositioned as a technological ecosystem. The finding that AI-driven PropTech 4.0 serves as a non-price compensation strategy challenges the conventional CREM assumption that competitiveness in a saturated property market relies solely on base rental rate adjustments. Instead, it proves that shifting the focus toward digital-environmental value creation effectively lowers the tenant's Total Occupancy Cost without triggering state financial audit violations, thereby resolving the commercial-regulatory paradox inherent in SOE real estate management.

Comparison with Previous Studies

Under VUCA conditions, traditional linear strategic management models have proven inadequate (Bennett & Lemoine, 2014). While previous frameworks, such as TAIDA (Lindgren Mats & Bandhold Hans, 2003) and the approach by Garvin and Levesque (2006), treated scenario planning primarily as an exploratory foresight and managerial learning tool, this study proves that SBSP effectively translates foresight into the operational realm when supported by Robustness Assessments and Early Warning System dashboards tracking macroeconomic occupancy parameters. Furthermore, this study explicitly

refines the original Scenario-Based Strategic Planning (SBSP) framework (Schwenker & Wulf, 2013) by integrating the Trend Lifecycle S-Curve into its foundational perception analysis stage. Unlike recent empirical studies that focused on scenario planning in the public health sector (Azis et al., 2025) or manufacturing (Dhiannova & Pasaribu, 2025) relying on static macro-environmental scanning, this integration provides a granular, evolutionary timeline for technological and regulatory shifts. By linking the findings to these theoretical underpinnings, this study advances existing strategic management theory by proving that an enhanced SBSP framework can systematically convert rigid institutional constraints into robust competitive advantages.

Limitations and Cautions

While this study provides a systematic strategic framework amidst a VUCA environment, it lacks quantitative financial modeling. The study does not include cash flow sensitivity calculations regarding the decision to reposition assets into mixed-use facilities or to acquire smart AI infrastructure. Furthermore, the findings are highly contextual to Jakarta's CBD and may differ from the spatial preferences of the manufacturing sector in satellite cities.

Recommendations for Future Research

Future research should employ a mixed-methods approach to address these limitations. Specifically, integrating the qualitative SBSP framework with quantitative economic modeling such as Real Options Valuation would provide a definitive mathematical foundation for evaluating the financial flexibility of capital expenditures on green smart infrastructure. Exploring the application of SBSP in satellite cities (Sunitiyoso et al., 2023) would also enrich the comparative literature on corporate strategic adaptability (Irawan & Triono, 2025); (Nasel & Hermawan, 2021) (Riawan et al., 2025).

Conclusion

This study investigated the formulation of business strategies for PT Telkom Landmark Tower (TLT) through the SBSP framework to create an adaptive roadmap against structural market stagnation and the supply shock of post-IKN relocation. The uncertainties surrounding the 1.3 million square meter asset release and strict multinational ESG demands generated four scenarios. To navigate strict SOE floor prices, integrating PropTech 4.0 (Artificial Intelligence) via self-funding ESCO mechanics and repositioning towards a Premium Integrated Business Ecosystem were identified as the most robust strategies. PropTech 4.0 acts as an innovative non-price compensation solution to lower tenant utility costs, maintaining TLT's competitiveness in fulfilling global sustainability mandates without violating rigid BUMN financial audit compliance corridors.

While this study provides strategic agility insights, it is limited by the absence of quantitative financial modeling (e.g., ROI). Future research should integrate Real Options Valuation to provide a mathematical basis for technology capital investments (Arraya & Triono, 2025).

Academic Contribution

This study contributes to the strategic management literature by demonstrating that the Scenario-Based Strategic Planning (SBSP) framework can be systematically operationalized within the Corporate Real Estate Management (CREM) sector. Theoretically, the findings expand the CREM literature by illustrating how external

VUCA disruptions can be systematically converted into actionable defensive and offensive matrices. Practically, it provides empirical evidence on implementing non-price differentiation strategies (via PropTech 4.0 and ESCO mechanics) to resolve the commercial-regulatory paradox of navigating free-market competition while constrained by strict state-owned enterprise (SOE) audit regulations.

Author contributions

The first author (Latifah) designed the study, conducted in-depth interviews for primary data collection, transcribed and performed thematic coding in NVivo, and structured the empirical analysis. The second author (Dodie Tricahyono) provided conceptual validation of the SBSP strategic framework, supervised the theoretical analysis, and conducted the final technical review and editing of the manuscript.

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Conflict of interest

The authors explicitly state that they have no financial or personal relationships with entities that might unduly influence the objectivity, interpretative analysis, or integrity of the strategic scenario formulations in this study.

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