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EVALUATING STRATEGIC OPTIONS UNDER UNCERTAINTY: SCENARIO PLANNING FOR A FAMILY-OWNED FMCG DISTRIBUTOR IN INDONESIA'S TRADITIONAL TRADE MARKET

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Abstract

Family-owned distributors carry much of Indonesia's traditional fast-moving consumer goods trade, yet they rarely appear in the scenario planning literature, which has grown up around large corporations with resources these firms do not have. This study applies Schoemaker's scenario planning process to a six-decade-old family distributor in Central Java whose margins have compressed steadily despite rising revenue, and whose turnover is concentrated in tobacco. Drawing on twelve semi-structured interviews, three years of financial records, and secondary industry data, analysed through hybrid thematic analysis and mapped onto PESTEL, Five Forces, value chain, and VRIO frameworks, the study isolates two critical uncertainties, the pace of distribution-channel evolution and the severity and pace of tobacco regulatory tightening, and constructs four scenarios to 2030. Six strategic options are then classified in a robustness matrix. Operational optimisation proves robust in every future; narrow digital tracking is a robust enabler; expansion, franchising, and exit are contingent bets keyed to particular scenarios; and preservation of the status quo is unfavourable. A regulatory stress test leaves the robust core unchanged. The study shows how a resource-light scenario method can discipline strategy in a family firm, and how insider research can be managed rather than avoided.

Keywords: Family Business; FMCG Distribution; Robustness Analysis; Scenario Planning; Strategic Options

INTRODUCTION

Traditional trade still moves most of Indonesia's fast-moving consumer goods. Warungs, small kiosks, and the wholesalers that supply them held roughly 69% of FMCG market share in mid-2024 (Kantar Worldpanel, 2024), across a retail landscape of nearly four million mostly independent outlets (USDA Foreign Agricultural Service, 2024). Dominance of volume, however, has not translated into profit for the firms inside the channel. The distribution layer competes on price with little differentiation, and its economics are being pressed from several directions at once: organised minimarket chains, with around 44,000 Indomaret and Alfamart outlets nationally by mid-2025, keep pushing into semi-urban territory (PT Sumber Alfaria Trijaya, 2025; Databoks, 2025a; ResearchAndMarkets, 2025); manufacturers are deepening direct supply arrangements that shrink the role left for multi-tier distributors (Mordor Intelligence, 2025); and digital ordering platforms let retailers compare prices without a salesman in the room.

The firms absorbing this pressure are, in large numbers, family businesses. Wholesale and retail is the single largest sector for Indonesian family firms, and a 2025 survey found economic volatility their top concern, with succession delayed by uncertainty at nearly twice the global rate (PwC Indonesia, 2025). Their vulnerability is structural rather than cyclical. A regional distributor owns none of the brands it carries, cannot influence upstream pricing, and has invested in routes and relationships that hold little value outside the one channel it serves, a position Williamson (1985) would describe as bilateral dependency built on specific assets. When the channel itself starts to move, the distributor has no natural hedge.

This article examines one such firm, referred to by the pseudonym CV Hulu Hilir, a family-owned FMCG distributor that has traded in a semi-urban Central Java regency for over six decades. Between 2023 and 2025 its gross margin declined every year while revenue rose, and its operating margin collapsed to roughly a fifth of its starting level, the signature of a pricing-structure problem rather than a volume problem. Tobacco products carry the majority of its turnover, which places the firm's fate partly in the hands of a regulatory trajectory whose direction is settled but whose tempo is not: excise rose steeply through 2024, then the government froze both the tariff and the retail price floor for 2026 (Ministry of Finance of Indonesia, 2022, 2024; Kompas, 2025), while Government Regulation No. 28 of 2024 banned the single-stick sales format that had anchored warung-level tobacco retail (Republic of Indonesia, 2024).

Conditions of this kind, high stakes, deep uncertainty, and no reliable single forecast, are precisely those for which scenario planning was developed (Schoemaker, 1995). Yet the method's literature is dominated by large organisations, and its documented applications in Indonesia sit mainly at corporate scale (e.g. Kusuma et al., 2023). Whether the full discipline of the method, driving-force elicitation, axis selection, scenario construction, and option evaluation, can be executed inside a micro-scale family firm with no planning function at all, on qualitative evidence a graduate researcher can realistically gather, is an open question with practical weight for the many firms in this position. A second question travels with it: the person best placed to do this work in a family firm is often an insider with a stake in the outcome, a condition this study discloses and manages rather than treats as disqualifying.

Answering these questions in a firm of this size also required the method itself to be adapted, and the article reports those adaptations as part of its contribution rather than burying them in procedure. The study asks three questions. First, which internal and external factors and critical uncertainties drive the firm's profit deterioration and shape its future environment? Second, what plausible futures emerge from those uncertainties over a horizon to 2030? Third, which strategic options are robust across those futures, which are contingent on particular ones, and what long-term direction follows? The article proceeds through the literature, the method, the results and their discussion, and the conclusions.

LITERATURE REVIEW

Scenario planning replaces a single forecast with a small set of internally consistent futures and asks how each strategic option would fare across them (Schoemaker, 1995). Schoemaker's process runs from defining the scope and identifying stakeholders, through separating predetermined trends from critical uncertainties, to constructing scenario themes and checking their consistency and plausibility. Its purpose is not prediction but the disciplining of judgement: options that perform acceptably in every future can be committed to now, while options whose value swings with the future should be held as prepared, trigger-based moves. A later research line integrates scenario thinking with multi-criteria evaluation, so that options are assessed against explicit dimensions within each scenario rather than by holistic impression (Montibeller et al., 2006; Ram et al., 2011; Ram & Montibeller, 2013; Stewart et al., 2013). This study follows that line in spirit but deliberately keeps the evaluation ordinal, classifying option-scenario performance as Strong, Neutral, or Weak rather than scoring and summing, on the argument that pseudo-precise numbers would outrun the qualitative evidence available in a firm of this size.

The diagnostic stage borrows the standard strategy toolkit. PESTEL organises the macro-environment; Porter's (1979, 1980) five forces structure the competitive assessment; value chain analysis locates where cost erodes margin (Porter, 1985); VRIO tests which internal resources are genuinely valuable, rare, costly to imitate, and organised for exploitation (Barney, 1991); and the TOWS matrix converts the synthesis into candidate strategic options (Weihrich, 1982). None of these frameworks is novel. The contribution lies in their disciplined combination as the evidence base for scenario construction in a setting where the literature seldom applies them together: a family firm whose governance concentrates authority in an owner, holds business models longer than market conditions justify, and weighs strategic choices against legacy and succession as much as against financial logic (Carlock & Ward, 2001; Sharma et al., 1997). These traits are rational responses to what is at stake for an owning family, but they raise the cost of strategic drift when the environment moves quickly, which is exactly the condition the Indonesian traditional trade now presents.

METHOD

Research design

The study is a qualitative, holistic single-case design (Yin, 2018). The unit of analysis is one firm, which is both the subject of the analysis and the beneficiary of its output. The reasoning logic was abductive: established frameworks and three pre-identified root causes, margin squeeze, operational inefficiency, and strategic drift, entered the field as interpretive lenses, and the movement back and forth between frameworks and evidence progressively refined the explanation (Mantere & Ketokivi, 2013). The design was cross-sectional with retrospective financial trend analysis over 2023 to 2025, and the resulting scenarios are prospective with a 2030 horizon. The analysis operationalised Schoemaker's (1995) process in four stages: diagnosis, scenario construction, robustness evaluation, and recommendation with sensitivity analysis.

Data collection

Primary data came from semi-structured interviews with twelve informants in two tiers, summarised in Table 1. Ten case informants supplied the evidence on the firm and its market: six internal and four external market informants, detailed in Table 1. Two further experts, a management consultant with prior advisory experience of the firm and an entrepreneur-mentor with a capital-intensive scale-up background, formed a validation tier: their role was to corroborate the diagnosis and validate the evaluation criteria, not to generate case findings, and their prior relationships to the firm and the researcher are disclosed. Sampling was purposive, balancing functional visibility, diversity of vantage point, and accessibility within the firm's confidentiality constraints (Patton, 2002). Ten case informants sits within the range empirical saturation studies identify as adequate for a single-context design (Guest et al., 2006; Hagaman & Wutich, 2017), and no major finding rests on interview data alone: interviews were triangulated against three years of profit-and-loss records, supplied under a confidentiality agreement and reported only in indexed form, and against industry, statistical, and regulatory sources (Denzin, 1978).

Interviews followed a three-block protocol moving from the firm's current position, to external drivers of uncertainty, to strategic alternatives and readiness, with a separate shorter protocol for the expert tier. All interviews were conducted in Bahasa Indonesia, recorded with informed consent, and transcribed in full; extracts are reported in English translation and attributed only to anonymised codes.

Table 1. Interview informants.

Code	Position / role	Category	Contribution
I-01	Director / owner	Internal, strategic	Strategic authority, company history, financial context
I-02	Head of warehouse	Internal, operational	Inventory, logistics flow, operational cost structure
I-03	Sales administration staff	Internal, operational	Order patterns, principal behaviour, pricing pressure
I-04	Purchasing administration staff	Internal, operational	Upstream cost terms, supplier coordination
I-05	Finance / accounting staff	Internal, operational	Transaction-level records, reconciliation, tax-administration workload
I-06	Head of store (retail)	Internal, operational	Consumer behaviour, retail price sensitivity
I-07.1	Traditional single-outlet retail customer	External, market (customer)	Category-specific loyalty, channel behaviour
I-07.2	Traditional multi-outlet retail customer	External, market (customer)	Modern-retail pressure, channel-switching behaviour
I-08.1	Area sales supervisor, region A	External, market (supplier)	Principal-side channel and regulatory perceptions
I-08.2	Area sales supervisor, region B	External, market (supplier)	Territorial cross-check of driving-force perceptions
I-09	Management consultant (former firm advisor)	External, expert	Validation of evaluation criteria; corroboration of diagnosis
I-10	Entrepreneur and mentor	External, expert	Validation of capital-intensity and feasibility dimensions

Source: author’s analysis.

Data analysis

Transcripts were analysed through the six-phase thematic procedure of Braun and Clarke (2006), run as a hybrid strategy: codes were generated inductively from what informants said, and only after initial coding was the coded material mapped deductively onto PESTEL, five forces, value chain, and VRIO, with anything that fell outside the frameworks kept as an emergent category. Coding was done by hand in a structured workbook, producing an audit trail of 180 evidence extracts. In the scenario stage, each consolidated driving force was assessed for impact and uncertainty; forces high on impact but settled in direction were carried into every scenario as predetermined background, and the two forces ranking high on both dimensions became the scenario axes, subject to a four-quadrant plausibility check. In the evaluation stage, six strategic options derived from the TOWS synthesis, labelled Preserve, Optimise, Digitalise, Geo-expand, JV Franchise Network, and Exit, were classified against each scenario as Strong, Neutral, or Weak on six criteria validated by the expert tier: profitability resilience, capital intensity, operational feasibility, strategic flexibility, capability alignment, and disruption exposure. An option is Robust if it never rates Weak in any scenario, Contingent if it rates Strong in at least one scenario and Weak in at least one, and Unfavourable if Weak ratings dominate without a compensating Strong.

Adapting the method to a micro-scale family firm

Scenario planning grew up in organisations with planning departments and analysts, and four features of this setting would have defeated the method in standard form. First, the firm has no planning function and no data granular enough for weighted scoring, so the multi-criteria extensions of the method (Montibeller et al., 2006; Ram & Montibeller, 2013) were replaced with an ordinal evaluation: options are classified Strong, Neutral, or Weak within each scenario, with no scoring or summation, carrying exactly as much precision as the interview evidence supports. Second, an ordinal matrix still has to yield a decision, so the aggregation rule was made conservative and non-compensatory: an option is Robust only if it never rates Weak in any scenario, Contingent if it rates Strong in at least one scenario and Weak in at least one, and Unfavourable if Weak ratings dominate without a compensating Strong; the rule can be audited cell by cell by an owner with no analytical training. Third, the researcher is an insider with a stake in the result, which the design absorbed rather than ignored: coding began inductively before any framework mapping, a two-person expert tier was recruited to corroborate or challenge the diagnosis from outside the firm, and a reflexive memo recorded interpretive choices as they arose, including the author's declared prior inclination toward the exit option. Fourth, because most of the firm's turnover sits in a single regulated product, a stress test was added as a final step, executed by removing the moderate half of the regulatory axis and recomputing the classification on the restricted scenario set, which isolates the recommendations that depend on how the regulatory question resolves.

Trustworthiness, positionality, and research ethics

The author is a member of the owning family and manages the firm day to day, a position disclosed to every informant and to the reader. It gave the study documentary access and informant candour an outsider could not have obtained, and it carried an equally real risk of interpretive bias. Member checking with the owner could not be completed within the study timeframe and is acknowledged as a limitation. Trustworthiness is otherwise argued on the criteria of Lincoln and Guba (1985): credibility through triangulation across interviews, three years of financial records, and secondary sources; transferability through thick description of the setting; dependability and confirmability through the extract-level audit trail.

The study involved human participants and was designed around their protection. The School of Business and Management, Institut Teknologi Bandung, does not operate an institutional review board for final projects of this kind, so no formal ethics approval was sought; safeguards were instead built into the design. Every informant was told the purpose of the study, that participation was voluntary and could be withdrawn at any point, and that the conversation would be recorded; consent was given verbally on record. Because six of the twelve informants report to the author, each was told that participation had no bearing on their employment or assessment and that individual responses would not be shared with the owner. All informants are anonymised and referred to only by code, the company is pseudonymised, financial records obtained under a confidentiality agreement are reported only in indexed form, and recordings are held on password-protected storage to be destroyed after completion of the degree.

RESULTS AND DISCUSSION

Diagnosis: six themes and one binding constraint

Coding the twelve transcripts produced 180 evidence extracts, which consolidated into six themes, three external and three internal. The external picture is a squeeze arriving from more than one direction. The first theme, structural margin compression, is the most widely evidenced in the study: consumers keep trading down toward cheaper products, buyers switch distributors over tiny price gaps, and better-funded entrants press margins in pursuit of volume, an account the financial record confirms, since gross margin fell across 2023 to 2025 even as nominal revenue rose. The second theme is the tobacco-regulation overhang. Informants treat the direction of tightening as close to certain, excise being one of the state's largest revenue lines, and non-price restrictions such as display bans already visible, while severity and pace remain genuinely open; the 2026 freeze in the excise tariff, after years of steep rises, is exactly the kind of discontinuity that makes tempo unforecastable. The third theme is a channel in transition: principals increasingly sell direct, digital and live-commerce intermediaries displace conventional distributors outside the cigarette category, and modern retail presses the traditional outlets the firm serves. Two features keep this from being a collapse story. Informants judge the shift slow, with the cigarette category expected to hold in traditional trade for some years yet, and real buffers remain among customers who prefer the human channel where digital offers no clear gain.

The internal picture centres on control. The fourth theme is owner-centred, reactive governance: roughly four-fifths of purchasing decisions rest with the owner, pricing is escalated to him case by case, and his own account of the firm's posture is defensive, keeping pace rather than leading. The fifth theme, the most thoroughly triangulated in the study, is an operational control gap that runs through the whole value chain: stock is mis-picked, returns lag stock counts, dispatch waits on a single approval, and discrepancies surface in reconciliation. External informants independently name weak control as the reason distributors of this kind fail when they try to grow. The sixth theme is the firm's claimed advantage, a relational and reliability edge built over six decades. The evidence supports a narrower version of the claim than the owner's framing: generic delivery service has become a baseline expectation across the trade, and what genuinely holds is category-specific loyalty in cigarettes, availability, and completeness. Read through VRIO, the firm's loyal, family-like workforce culture is rare and costly to imitate but not organised for exploitation, an advantage the firm has rather than one it uses.

The expert tier corroborated this diagnosis but split on its implication, and the split matters for what follows. The consultant reasoned toward transformation, ranking active options above the status quo and locating the decisive variable in the owner's willingness to change. The entrepreneur-mentor reasoned toward harvest, treating the business as a cash cow to run for yield, and a planned, valuation-driven sale as a normal move rather than a defeat. The analysis deliberately left this divergence unresolved at the diagnostic stage and let the scenarios adjudicate it.

From driving forces to scenario axes

Consolidating the extracts produced ten external driving forces and eight internal shaping factors. The internal factors were set aside as axis candidates at the outset, since they condition the firm's response to a future rather than defining the future itself, and they re-enter the analysis inside the robustness evaluation. Each external force was then placed on the impact-uncertainty grid shown in Figure 1, and Table 2 records the resulting eliminations. Three high-impact forces are effectively settled in direction, consumer downtrading, the direction of tobacco regulation, and tax formalisation through the Coretax administration platform (Muttiwijaya et al., 2025), and are folded into every scenario as predetermined background. Two of the strongest forces in the diagnosis, price-based buyer power and competitive rivalry, were excluded for a different reason: both rank high on impact but neither varies, buyer power being uniformly high across every informant tier and rivalry described as perennial. An axis built on a constant would generate scenarios that differ on paper but not in the pressure they impose.

Two forces rank high on both impact and uncertainty. The pace of channel evolution became the first axis: its direction, a relative erosion of the traditional wholesale tier, is broadly agreed, but informant estimates of its speed range from a shift taking more than two years to register, to a cigarette-category traditional trade holding for three to five years. The severity and pace of tobacco regulatory tightening became the second: direction predetermined, tempo demonstrably open. One asymmetry in the selection deserves note, because it is where the choice is most easily challenged. Downtrading also has an uncertain tempo, yet it was retained as background rather than promoted to an axis, on two grounds: the firm's response to downtrading is the same at any speed, and its tempo is itself driven largely by excise, so an axis built on it would double-count a force already represented. A four-quadrant plausibility check confirmed the pair: all four combinations are evidenced, and the quadrant pairing a durable channel with aggressive regulation demonstrates that the two axes move independently.

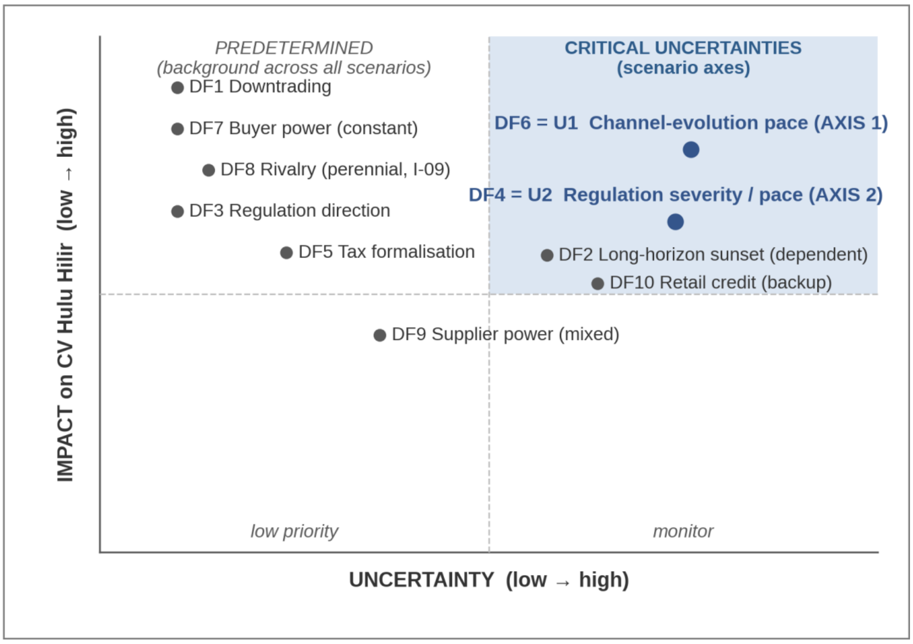

Figure 1. Impact-uncertainty grid for the external driving forces. Source: author’s analysis.

Table 2. Scenario-axis selection: impact, uncertainty, independence, and decision.

Candidate force	Impact	Uncertainty	Independent	Decision
Channel-evolution pace	High	High	High	Selected, axis 1
Regulation severity and pace	High	Moderate to high (pace)	Moderate	Selected, axis 2
Long-horizon category sunset	High	Moderate	Low (dependent)	Rejected, dependent variable
Rivalry / margin-pressing entry	Moderate to high	Low (perennial)	-	Rejected, constant
Price-based buyer power	High	Low (uniformly high)	-	Rejected, constant
Supplier / principal power	Moderate	Moderate	Low (tied to regulation)	Set aside, background
Retail credit / macro demand	Moderate	High	High	Documented backup axis
Consumer downtrading	High	Low (direction and response settled)	-	Predetermined background

Source: author’s analysis.

Four scenarios to 2030

Crossing the two axes yields the four futures shown in Figure 2, each carrying the predetermined forces as common background and differing only in channel pace and regulatory pressure. In Slow Sunset, the traditional channel holds and regulation moves gradually; margins stay thin but stable, the firm's relational advantage keeps working, and a harvest posture is viable, with complacency the main risk. In Channel Bypass, regulation stays calm but the channel moves fast: principals sell direct, digital intermediaries and modern retail erode the distributor's role, and the threat lands on the firm's position rather than its product, demanding transformation the firm's centralised governance and thin control are poorly built for. In Regulatory Squeeze, the channel survives, protected in part by the state's stake in small enterprises, but regulation turns aggressive, and because tobacco carries most of turnover, the blow lands on the category; diversification shifts from optional to urgent. In Perfect Storm both pressures arrive together, every structural weakness binds at once, and if rapid transformation is beyond reach, an orderly, valuation-driven exit becomes a rational choice rather than a failure. The two expert postures thus map onto different futures rather than competing for the same one: harvest fits Slow Sunset, transformation fits Channel Bypass, and neither fits Regulatory Squeeze, which calls for diversification.

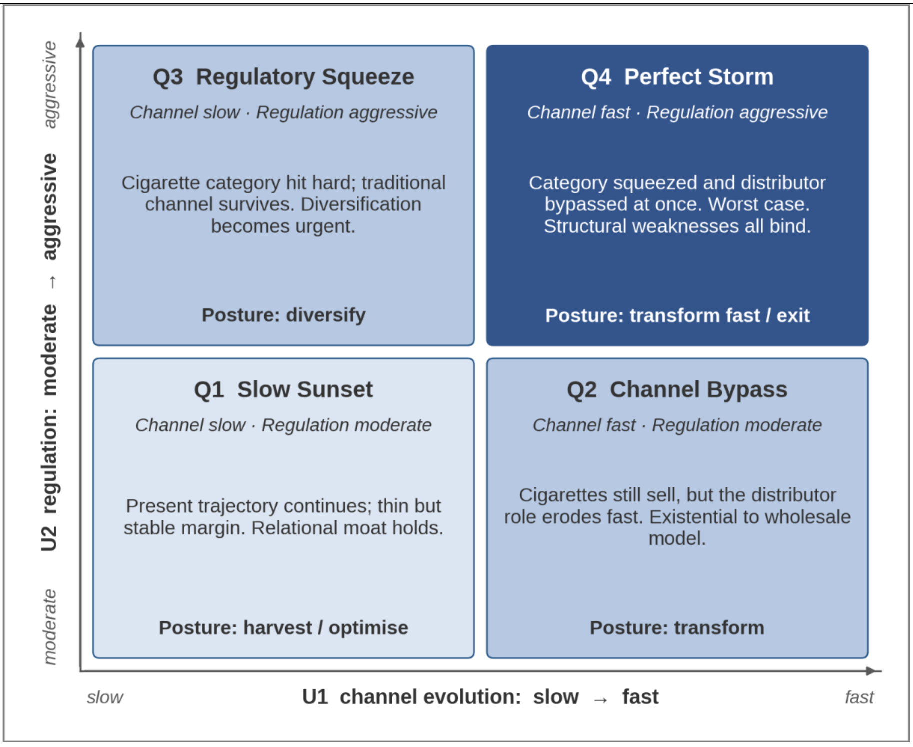

Figure 2. The four scenarios to 2030, defined by channel-evolution pace (axis 1) and tobacco-regulation severity and pace (axis 2). Source: author's analysis.

The robustness matrix

Table 3 reports the classification of the six options against the four scenarios. Preserve, the no-change option, is adequate only in the future that asks nothing of the firm and Weak everywhere else; it is Unfavourable, a floor rather than a choice. Optimise, closing the operational control gap in stock accuracy, returns and reconciliation, and dispatch authority, rates Strong in Slow Sunset, where a thin-margin harvest world rewards exactly that discipline, and Neutral in the other three, where it does not solve the structural threat but leaves the firm better able to absorb it; with no Weak cell it is Robust, and the anchor of the set. Digitalise was rated on the experts' narrowed reading, operational tracking tools in service of stock accuracy rather than platforms or online sales channels, and is Neutral in all four scenarios: technically Robust, but properly an enabling measure bundled with Optimise rather than a strategy in its own right. Geo-expand rates Strong only in Slow Sunset and Weak in the other three, since extending a wholesale footprint while the wholesale role is bypassed scales a shrinking model, and widening tobacco-heavy distribution under regulatory pressure scales the firm's central exposure; it is Contingent, in effect a bet that the benign world holds. JV Franchise Network, building the firm's own branded retail presence as franchisor, is the direct answer to disintermediation and rates Strong in Channel Bypass, but Weak where it is unnecessary (Slow Sunset) and where execution demands collide with the firm's governance and control weaknesses (Perfect Storm); it is Contingent and execution-gated. Exit is Weak in Slow Sunset, where leaving a business that still yields forgoes harvestable value, Neutral in the middle futures, and Strong only in Perfect Storm; it is Contingent, credible only in the worst case.

Three results follow. The evaluation separates a small robust core, Optimise anchored and Digitalise enabling, from three contingent bets each keyed to a different future, and one unfavourable floor. The contingent options should therefore be held as prepared moves triggered by observable signals, principal-direct penetration and digital-affiliator encroachment for the franchise move, sharp excise rises or display and zoning restrictions for diversification, rather than committed in advance. And the matrix adjudicates the expert divergence on evidence rather than preference: it elevates the Optimise option the consultant ranked last to the anchor position, downgrades the expansion he favoured to a single-scenario bet, agrees with both experts that digital tools are supporting measures, and confines the exit the mentor was open to, and the author privately inclined toward, to the one future where it is rational.

Table 3. Robustness matrix: six strategic options across four scenarios.

Option	Slow Sunset	Channel Bypass	Regulatory Squeeze	Perfect Storm	Classification
A Preserve	Neutral	Weak	Weak	Weak	Unfavourable
B Optimise	Strong	Neutral	Neutral	Neutral	Robust (anchor)
C Digitalise	Neutral	Neutral	Neutral	Neutral	Robust (enabling)
D Geo-expand	Strong	Weak	Weak	Weak	Contingent (Slow Sunset bet)
E JV Franchise Network	Weak	Strong	Neutral	Weak	Contingent (transformation bet)
F Exit	Weak	Neutral	Neutral	Strong	Contingent (worst-case floor)

Source: author’s analysis.

Stress test: accelerating the regulatory axis

Because the firm's turnover concentrates in tobacco, the recommendation was stress-tested against an accelerated regulatory trajectory, executed as a restriction of the scenario space: the moderate half of the regulatory axis is removed, the two aggressive-regulation futures are treated as the only plausible ones, and the classifications are recomputed. Table 4 reports the result. The robust core is stable: Optimise and Digitalise carry no Weak rating in either surviving scenario, so the actions the firm is asked to take immediately do not depend on how the regulatory question resolves. The contingent layer, by contrast, resolves. Geo-expand loses its only Strong scenario and falls to Unfavourable, its trigger switched off for as long as the stress condition holds. The franchise option loses its qualifying scenario altogether and is held as dormant. Exit strengthens: with no Weak rating on the restricted set it formally meets the robust criterion, a result reported plainly rather than softened, given the author's disclosed inclination, but read as a floor that has moved closer rather than a direction to pursue, since its value remains gated on the firm's inability to execute transformation. Priority among the prepared moves passes to non-tobacco diversification.

Table 4. Robustness classification under the accelerated regulatory tightening stress condition.

Option	Baseline	Regulatory Squeeze	Perfect Storm	Under stress	Change
A Preserve	Unfavourable	Weak	Weak	Unfavourable	None
B Optimise	Robust (anchor)	Neutral	Neutral	Robust	None
C Digitalise	Robust (enabling)	Neutral	Neutral	Robust	None
D Geo-expand	Contingent	Weak	Weak	Unfavourable	Crosses boundary
E JV Franchise Network	Contingent	Neutral	Weak	Dormant (scenario excluded)	Loses standing
F Exit	Contingent	Neutral	Strong	Capability-gated floor	Strengthens

Source: author’s analysis.

Discussion

The headline result is a layered strategy rather than a single answer: commit now to a robust core of operational repair with narrow digital tracking as its enabler, prepare the contingent moves at low cost, and let a short list of observable signals select which prepared move to execute. For the firm this reverses the apparent safety of its present posture. Waiting is itself a decision, and in three of the four futures examined it is the wrong one; the analysis makes deciding-not-to-decide legible to the owner as the most exposed position available, not the safest. The deeper finding is that the firm's binding problem is organisational before it is strategic. Every ambitious option, expansion, transformation, diversification, runs into the same control and delegation weaknesses, so closing them is simultaneously the safest immediate move, the precondition for every later one, and the mechanism that would convert the firm's one genuinely rare resource, a loyal relational workforce culture, from a latent advantage into a used one.

Three contributions follow for research and practice. First, the study demonstrates that the full discipline of Schoemaker's process can be run inside a micro-scale family firm on evidence a single embedded researcher can gather: twelve interviews, three years of accounts, and public secondary data. The adaptations that made it feasible, reported in the method, are themselves findings. Second, the axis-selection record shows why the strongest pressures in a diagnosis do not automatically become axes: buyer power and rivalry were excluded precisely because they do not vary, a discipline the applied literature often leaves implicit. Third, the study offers a worked example of insider research in a family firm managed rather than avoided: inductive-first coding, an external expert tier with a mandate to challenge, a reflexive memo that recorded the researcher's declared preference for exit, and an evaluation whose output visibly confines that preference. The stress test strengthening exit, reported without softening, is the sharpest evidence that the safeguards operated as designed.

The practical implications extend beyond one firm, with the caution that they generalise analytically rather than statistically. Family-owned distributors across Indonesia's traditional trade face the same predetermined pressures, downtrading, regulatory tightening in tobacco where they carry it, tax formalisation, and slow channel erosion, and many share the same internal signature: authority concentrated in an owner, control gaps that surface as leakage, and a relational advantage that is real but unorganised. For such firms the transferable object is not this study's ratings but its reasoning: distinguish what is predetermined from what is genuinely open, test options against the open dimensions rather than a single expected future, and sequence organisational repair ahead of any growth commitment, because expansion without control is the documented way firms of this kind fail.

CONCLUSION

This study applied scenario planning end to end in a setting the method's literature rarely reaches: a six-decade-old, family-owned FMCG distributor in Indonesia's traditional trade, facing structural margin compression, tobacco concentration, and a channel in slow transition. Two critical uncertainties, the pace of channel evolution and the severity and pace of tobacco regulation, defined four futures to 2030, and a robustness evaluation of six options across them produced an unambiguous structure: an anchor option of operational optimisation that is robust in every future, a narrow digital enabler bundled with it, three contingent bets each keyed to a single scenario, and an unfavourable status quo. A regulatory stress test left the core unchanged while resolving the contingent layer toward diversification and moving the exit floor closer.

The limitations bound the claim. This is a single case, generalising to theory rather than to a population; the researcher is an insider whose declared preference required, and received, structural management; member checking with the owner was planned but not carried out within the study timeframe; and the scenario method itself simplifies, carrying two axes, an ordinal rating scale, and a horizon to 2030 beyond which compounding uncertainty defeats extrapolation. Future research could test whether the central finding here, a latent relational advantage blocked at the organisation criterion, recurs across comparable family distributors; follow the firm longitudinally, extend the evaluation with explicit multi-criteria weighting where richer data permit (Ram & Montibeller, 2013), and compare adaptation across distributors with different category concentrations. For the many family firms holding up Indonesia's traditional trade, the study's practical message is short: the future cannot be predicted, but the first move does not require predicting it.

DECLARATIONS

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Declaration of generative AI use. The design, data collection, analysis, and interpretation reported in this article are entirely the author's own. In preparing the manuscript from the author's thesis, generative AI assistants (Claude, Anthropic; Fable 5, Opus, and Sonnet models) were used for drafting support and language editing, and to generate the plotting code for the conceptual illustrations in Figures 1 and 2, whose content was determined by the author's analysis. The author reviewed and edited the text and figures and takes full responsibility for the content of the article.

Data availability. The data underlying this study consist of interview transcripts and internal financial records obtained from a privately held company under a confidentiality agreement, with informant anonymity guaranteed as a condition of participation. The data cannot be made publicly available. Reasonable requests for anonymised extracts may be directed to the author and will be considered subject to the confidentiality agreement.
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