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Strategic Foresight: Scenario Planning For Sharia Joint Financing

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Abstract
Islamic financial institutions are required to face significant uncertainties in the process of establishing new Shariah-compliant businesses, particularly permissive contract structures and operating re-tooling requirements. In this environment, this study endeavors to bridge the current gap by developing a structured scenario planning method to aid strategic foresight related to launching a new product through an Islamic feature- Sharia joint financing facility at an Indonesian Islamic bank. This approach utilizes a qualitative interpretation format through stakeholder interviews and STEEP analysis to determine how driving forces are identified and prioritized. The findings underscore two critical uncertainties that most affect business outcomes in the future, namely the readiness and stability of the IT ecosystem and achievement of key business and financial metrics. These critical uncertainties construct four viable scenarios, for which the Strategy Diamond Framework is proposed as a facility describing strong strategic options. This study contributes a systematized approach to transform the notion of strategic foresight into concrete and operational roadmap in response to innovation challenges arisen from Islamic finance.

Keywords: *Scenario Planning, Joint Financing, Islamic Banking, Business Development*

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INTRODUCTION

One of the most growingly important components in the international financial system is non-bank syndicated lending, with $300 billion at the end of 1990 to around $4,750 billion at the end of 2019 (Aldasoro et al., 2022). Multifinance has become an important component of national financial system in emerging countries, including Indonesia (CRIF, 2025). In this competitive arena, banks need to constantly innovate in order to achieve a sustainable growth. This is especially important for a specialized institution whose core product/service is entering the decline stage of its life cycle and market saturation (Pichler, 2024). The business case, as well as the stimulus from the OJK, makes it strategically important to embark on a new line of business. One of the popular financing models is co-financing.

Indonesian Sharia finance sector offers a good opportunity. Despite high demand, where the growth rate is more than 29% YoY for big corporations (Kontan, 2025), its market share is still just 5% of the total multifinance industry (Rianti, 2025). That is an indication of a big, virtually uncharted market. However, introducing a

Shariah compliant joint financing product can be complex. It requires not only about complying with certain sharia contracts, but also navigating the internal complexity themselves, such as teamwork collaboration, new business governance and developing a new IT ecosystem, all while conforming to regulators like Otoritas Jasa Keuangan (OJK) and Dewan Pengawas Syariah (DPS).

Although joint financing complies with several Sharia contracts, there is a gap in study, which is showing how to apply strategic management frameworks to predict several practical uncertainties in the implementation. This is applicable for scenario planning, a methodology to manage several uncertainties at the same time and challenge existing assumptions (Schoemaker, 1995). This gap is addressed in this study where a structured scenario planning framework is proposed and adopted to strengthen strategic foresight of Islamic financial institutions while introducing new-to-market complex products. The purpose of this paper is to offer an easy-to-repeat approach in controlling the uncertainty and enhancing success rates in innovation for the Islamic finance landscape.

LITERATURE REVIEW

1. Scenario Planning

Scenario planning, or scenario-based planning, is a process to visualize different possible future states and so that resolution can be defined (Hutajulu et al., 2020). Scenario planning contrasts with contingency planning, which focuses on one uncertainty, while scenario planning focuses on several uncertainties. Moreover, scenario planning is different with simulation modelling that is dependent on numbers, the scenario planning is including an objective analysis and subjective interpretation (Garvin & Levesque, 2006). Furthermore, scenario planning is not sensitivity analysis (Schoemaker, 1995). In a sensitivity analysis, we keep all the other variables constant and then check what difference changing one would make. But in reality, situations have several factors at play at the same time. Scenario planning, in effect, prompts decision makers to reflect on possibilities by trying as many variations and alternatives as they can. Moreover, scenario planning neatly packs those potentialities into more easily understood and actionable narratives rather than reams of raw data.

It might be helpful to think of scenario planning as an element or subset of strategic planning, focused around what might happen and how best to deal with future uncertainties for the benefit of the organization. It is meant to promulgate narratives that feature unseen perspectives and seek to disrupt thinking on how we see. Scenarios are not forecasts or predictions. In contrast, scenario planning is developed through brainstorming, testing plausibility, identifying underlying driving forces and ranking the drivers based on uncertainties (Syukriadi & Sunitiyoso, 2021).

Based on Schwartz (1996) framework, the scenario development process begins with clearly identifying a focal issue—a key strategic concern that shapes the organization’s direction. This step establishes the central theme or decision area where future scenarios will be built, ensuring that all subsequent analysis remains focused and relevant to real business challenges.

Next, driving forces influencing the focal issue are identified, commonly through tools like STEEP analysis (Social, Technological, Economic, Environmental, and

Political factors). These forces are then ranked by their importance and level of uncertainty. The two driving forces that are most critical—meaning significantly important yet highly uncertain—become the "critical uncertainties" that form the foundation of the scenario planning exercise.

These critical uncertainties are plotted on a 2x2 matrix, creating four distinct future scenarios. Each quadrant represents a unique combination of outcomes, offering plausible, divergent futures. The final step involves developing rich, narrative-driven stories for each scenario—integrating qualitative and quantitative data to create coherent, believable futures. These narratives help decision-makers test strategies under different conditions. Additionally, early warning signals (signposts) are identified to monitor emerging trends, enabling organizations to detect shifts in real time. As Ramírez et al. (2013) emphasize, these signals act as dynamic capabilities for sensing change, allowing proactive adaptation in uncertain environments.

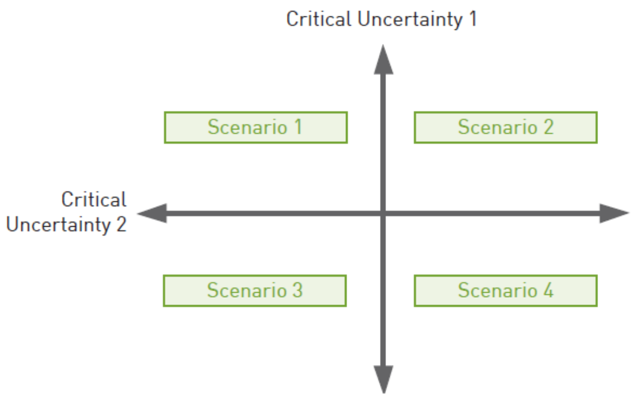

Figure 1. Scenario Matrix (Rhydderch, 2017)

2. Strategy Diamond

To develop robust strategies from the insights gained through scenario planning, this study employs the Strategy Diamond framework. A business strategy is an integrated, externally focused concept of how a business will achieve its objectives. The strategy ensures that time and resources are allocated to create significant and beneficial outcomes (Jurevicius, 2025). According to Hambrick and Fredrickson (2005), a comprehensive strategy has five key elements:

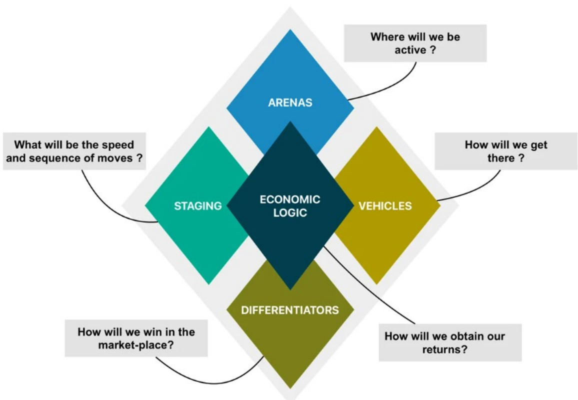

Figure 2. Strategy diamond (Jurevičius, 2025)

The concept of Arenas refers to the specific domains in which a business chooses to operate, including clear choices about market segments, product categories, geographical areas, core technologies, and value-adding stages. This element requires precise decisions regarding the scope of the business's activities to define where it will compete. Following this, Vehicles are the means or methods used to enter and establish a presence within those chosen arenas, such as through organic growth, partnerships, or acquisitions, detailing how the company plans to reach its intended markets.

Differentiators, as noted by Hambrick and Fredrickson (2005), are the factors that enable a business to win customers in the marketplace, such as through price, quality, branding, or unique features, which must be mutually reinforcing and highly valued in the targeted arenas. The implementation of these elements is guided by Staging, which determines the speed and sequence of strategic moves based on factors like urgency and resources to ensure successful execution. Ultimately, the entire strategy is anchored by Economic Logic, which as Kelvin and Novani (2023) explains, serves as the core mechanism for generating profits and achieving above-average returns, ensuring the strategy's financial viability.

3. Sharia Joint Financing

Joint financing is a cooperative funding model between a bank and a multifinance company, in which the bank contributes a larger portion of the funds for loans to the customers of a multifinance company (Silalahi & Hulu, 2021). Even though joint financing and channelling are both indirect financing, channelling is financing in which the whole source of funds comes from the bank, while the partner only becomes a channel and manager of funds to customers (OJK, 2018).

The Sharia joint financing model is governed by several specific contracts (akad): *Wakalah* is an agency contract where a principal appoints an agent to perform a specific task, such as when a bank authorizes a multifinance company to manage customer financing activities including underwriting and collection (Rachmawaty et al., 2019). In contrast, *Musharaka* is a joint partnership where parties contribute capital and share profits according to a pre-agreed ratio, while losses are borne in proportion to their investment, forming a profit-sharing foundation for joint ventures (Rammal, 2004).

Murabaha is a cost-plus sale where a financial institution purchases an asset and transparently sells it to a customer at a disclosed cost plus an agreed profit margin, ensuring compliance by avoiding interest and ambiguity (Norrahman & Mariani, 2023). Separately, *Service Ijarah* involves leasing services or expertise, such as for education or health costs, where the bank funds these services for a customer who repays in installments, differing from asset-based contracts by focusing on intangible benefits (Elahi, 2025).

4. Previous Studies

This study is grounded in existing research that provides both theoretical and empirical insights into the Sharia contracts utilized within joint financing models and other Islamic finance contexts. These works focus on the foundational Islamic principles underpinning these contracts, as well as the practical challenges encountered in their application within modern banking. They examine the jurisprudential (fiqh) requirements designed to ensure fairness and transparency while avoiding prohibited elements such as interest *(riba)* and excessive uncertainty *(gharar)*.

Specific contract mechanisms are explored in detail across the literature. For instance, Rammal (2004) discusses Musharaka as a partnership where profits are shared based on a pre-agreed ratio and losses are allocated according to capital contribution, aligning risk with return in accordance with Islamic prohibitions against riba. Similarly, Rachmawaty et al. (2019) analyze the Wakalah (agency) contract within Islamic multifinance companies, outlining its operational roles while highlighting associated Sharia compliance risks related to ownership clarity and fee structures. Research on the Murabaha contract further emphasizes the critical need for transparency in cost and profit disclosure, as noted by Norrahman and Mariani (2023), who also identify trust and fairness as key factors in its dispute resolution processes.

However, significant implementation challenges are also documented. Ikhwan et al. (2025), through a systematic review, identify persistent Sharia compliance issues in Murabaha practices, such as the use of interest-resembling calculation methods and violations of ownership principles, which threaten the credibility of Islamic finance. Complementing this, Elahi (2025) provides a foundational analysis of Ijarah (leasing) agreements, deriving their legitimacy from primary Islamic sources and distinguishing Service Ijarah—which funds intangible services like education or healthcare—from asset-based contracts like Murabaha, while clarifying the lessor's ongoing ownership and risk-bearing responsibilities.

5. Research Contribution

Although these previous studies offer important insights on the operational mechanism, application, regulations and challenges of Sharia compliance on each contract such as Musharaka, Murabaha, Wakalah and Ijarah in the context of Indonesian Islamic banking; there remains a significant gap regarding how different aspects contribute to process adherence. In particular, research presented in the literature is not necessarily able to illustrate how forward-looking strategic management tools (e.g., scenario planning) have been applied systematically to deal with practical uncertainties around the implementation of new complex multi-contract Sharia financial product such as joint financing. While the details of these operations, Rachmawaty et al. (2019) and considerable compliance issues, especially with some widely used contracts such as Murabaha were documented (Ikhwan et al., 2025; Shofawati, 2014), the current literature is mainly concerned with analyzing past experience or solving existing problems rather than offering a framework/guideline for pro-actively manage strategic risks and uncertainties pre-/during launching product using foresight methodologies.

This is the gap that this study tries to diminish. Its main academic originality comes out through the development of an integrated framework that utilizes the systematic scenario planning process, namely in a Sharia joint financing context. This process includes focal issue identification, driving force analysis, critical uncertainty identification, scenario framework development, strategy formulation using SWOT/TOWS and the Strategy Diamond, and an ESW establishment. This study provides a practical tool for practitioners looking to improve strategic agility and the success rate of innovation in this industry by offering a replicable methodology that combines established strategic foresight techniques with the particular operational and compliance environment of Islamic banking through a thorough case study.

RESEARCH METHODOLOGY

This study applies a qualitative, interpretivism research philosophy to obtain deep insights into the complex social phenomena surrounding the implementation of a new business line. Interpretivism is suited here since the study aims to comprehend stakeholders' interpretations of strategic uncertainties and future possibilities within their particular organizational context. The study uses an inductive approach where the model is developed based on observation and analysis of the concepts or ideas from the respondent (Hutajulu et al., 2020). The study followed a single case study approach, allowing an analysis of the phenomenon through penetration into the phenomena in its natural context. Additionally, since this work takes a form of the qualitative journal-article, data is from semi-structured interviews and explored in a narrative setting. The research is a cross-sectional one, which acts like a photograph of an event at that particular moment.

Data Collection

The data collection in the study was a qualitative approach. Interviews with six relevant informants were used to provide primary data. The respondents are the decision makers who were purposively sampled in order to meet their representative characteristics towards those departments that relevant factor/accountable for the joint financing program, those firms including: Business, Product, Finance, Risk, Operation, and Information Technology (Desiani & Hutajulu, 2025). The selection criteria sought representation from those who have oversight or responsibility for the planning and strategic direction and implementation of the initiative to ensure a wide range perspectives on potential challenges and opportunities. The semi-structured approach permitted all interviews to be similarly formatted yet retained the flexibility to follow up upon novel themes, and dwell further on areas of ambiguity at times identified by responses from particular participants.

Data Analysis

The qualitative data from the interviews were analyzed using content analysis, following a systematic scenario planning process. This process was adapted from Garvin and Levesque (2006), as illustrated by Figure 3.

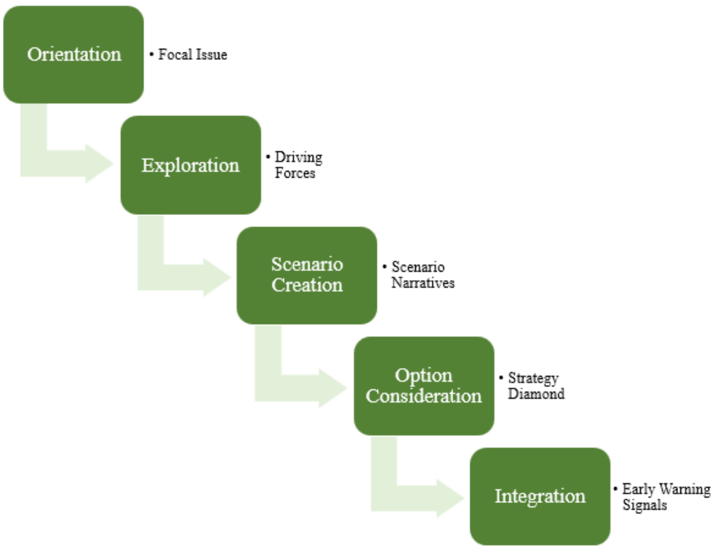

Figure 3. Scenario planning process (Garvin & Levesque, 2006)

1. Orientation

This phase involves conducting background checks and additional research to identify the focal issue and related difficulties. The focal issue is the underlying issue for the deductive methodology because it is carried out in the following stages (Christin et al., 2025). The focal issue is the essential issue of critical decisions or strategic uncertainties that have a long-run impact on the business

2. Exploration
   This is the next stage after identifying the focal issue. The interview result was reviewed and analyzed to identify and list all driving forces. These driving forces were then categorized using a STEEP (Social, Technological, Economic, and Political) analysis and subsequently ranked based on their perceived importance and level of uncertainty. The most important and uncertain driving forces become crucial uncertainties.
3. Scenario Creation
   The critical uncertainties identified in the previous stage are used to build the scenario framework as a 2x2 matrix. A narrative is then written for the four respective scenarios. The narrative should be relevant to the main problem. In addition, the narratives should be easy to comprehend but powerful enough to inspire fresh ideas. The goal is increased awareness and sensitivity. Nonetheless, it is advised to refrain from giving probabilities to stories and not attempt to determine which is the most likely future.
4. Option Consideration
   In this stage, the consequences are stipulated. With the scenarios developed return to your main issue and put it through each of the scenarios and consider any opportunities or threats. For strategic implications, a SWOT/TOWS matrix was prepared for each scenario to generate strong strategies. The options were then arranged into a full strategy using the Strategy Diamond.
5. Integration
   In this ultimate phase leading indicators and sign posts for each scenario were established to form an Early Warning System (EWS). This system is intended to watch the business environment and give usefully early hints as which scene is going down, so you can quickly respond with your plans.

RESULTS AND DISCUSSION

1. Focal Issue

At the first stage, orientation, analysis was used of data from key stakeholders to determine the core strategic issue. The focal issue identified was: how to successfully implement Sharia-compliant joint financing to ensure sustainable business growth, navigating internal complexities and external market dynamics.

2. Driving Forces

The exploratory phase, utilizing stakeholder interviews and STEEP analysis, revealed key drivers and challenges for the joint financing initiative. Socially, internal coordination was seen as an asset, yet concerns existed about the team's capacity to manage this complex new business line, despite a strong external market pull from multifinance partners seeking Sharia-compliant funding. Technologically, significant focus was placed on the sustainability and integration of the new IT infrastructure, with major concerns regarding reliance on outsourced vendors and the risks technical failures posed to operations and partner relationships.

Economically, achieving volume, profitability, and key risk metrics like Cost of Credit and Non-Performing Financing were critical, with an accurate financial model deemed essential for competitive pricing. While the economic climate was an uncontrollable variable, the Sharia-compliant value proposition was considered a potential advantage. Politically, compliance with regulatory bodies (OJK and DPS) was essential, alongside the need for an effective internal governance structure and clear Standard Operating Procedures (SOPs) to enable swift strategic decisions. Notably, no environmental factors were identified as drivers for this specific initiative.

Table 1. The list of driving forces

Factors	Driving Forces
Social factors	1. Team motivation. 2. Internal collaboration. 3. Multifinance partners' eagerness for Sharia joint financing. 4. Required expertise and capacity.
Technological factors	1. Readiness and stability of joint financing's IT ecosystem. 2. Tender/ vendor management process.
Economic factors	1. Successful launch. 2. Achievement of key business and financial metrics. 3. Competitors' reaction. 4. Industry condition. 5. Financial model accuracy.
Environmental factors	No driving forces
Political factors	1. Regulatory compliance. 2. Internal governance effectiveness. 3. Strategic alignment and approval speed. 4. SOP adequacy.

These identified driving forces (as shown in Table 1), were then ranked based on their perceived importance to the focal issue and their level of uncertainty, as assessed through stakeholder interviews (as shown in in Table 2).

Table 2. Driving forces rank by importance and uncertainty

<table>
<tr><th colspan="2" rowspan="2"></th><th colspan="3">Importance</th></tr>
<tr><th>High</th><th>Medium</th><th>Low</th></tr>
<tr><th rowspan="2">Uncertainty</th><th>High</th><td>• Readiness and stability of joint financing's IT ecosystem.
• Successful launch.
• Achievement of key business and financial metrics.
• Strategic alignment and approval speed.</td><td>• Internal governance effectiveness.
• Industry condition.</td><td></td></tr>
<tr><th>Medium</th><td>• Financial model accuracy.
• Regulatory compliance.</td><td>• Tender/ vendor management process.</td><td></td></tr>
</table>

	Low	• Internal collaboration. • Multifinance partners' eagerness to collaborate with the organization.	• Required expertise and capacity. • Team motivation. • SOP Adequacy	• Competitors' reaction.

3. Critical Uncertainties

A STEEP analysis of stakeholder interviews was conducted during the exploration phase to produce a thorough list of driving forces influencing the focal issue. These forces were then ranked by their perceived importance and level of uncertainty. Four driving forces are the most important and uncertain: readiness and stability of joint financing's IT ecosystem, successful launch, achievement of key business and financial metrics, and strategic alignment and approval speed. However, strategic alignment and approval speed, as well as successful launch, represent critical one-time hurdles or gateway events rather than continuous uncertainties. Strategic alignment and approval speed is a key internal complexity to be navigated, but it is a prerequisite to the implementation, not a defining factor of its long-term sustainability. Successful launch, similar to Strategic alignment and approval speed, is the starting line for implementation. Readiness and stability of joint financing's IT ecosystem, and achievement of key business and financial metrics, by contrast, are continuous uncertainties whose outcomes will persistently shape the operating environment and determine the business's long-term viability, after the initial launch is complete. These two forces also directly relate to the core component of the focal issue: "the success of the implementation and the sustainability of the growth".

- Readiness and stability of the joint financing's IT ecosystem
  This is the machinery of the business. So, it is important to manage the "internal complexities." The IT ecosystem of the joint financing is essential to consider in terms of its readiness and stability, when exploring "how to successfully implement." The technology platform should be reliable, secure and scalable as well. Furthermore, the extent to which what happens on markets in general can be influenced depends on the stability of this ecosystem, which is in a state of permanent "uncertainty".
- Achievement of key business and financial metrics
  This force addresses directly "to ensure sustainable business growth". The true long-term measure of success is the ability to consistently accomplish objectives in terms of risk control, profitability and portfolio expansion. This counter force involves an examination of what the bank needs to address internally and externally in terms of market forces such that not only is it implemented, but is sustainable in driving forward the permanent profile.

4. Future Scenarios

The two critical uncertainties were used as axes to create a 2x2 matrix, resulting in four scenarios for the joint financing business that are different and realistic. These are not predictions, but rather exercises in strategic stress-testing.

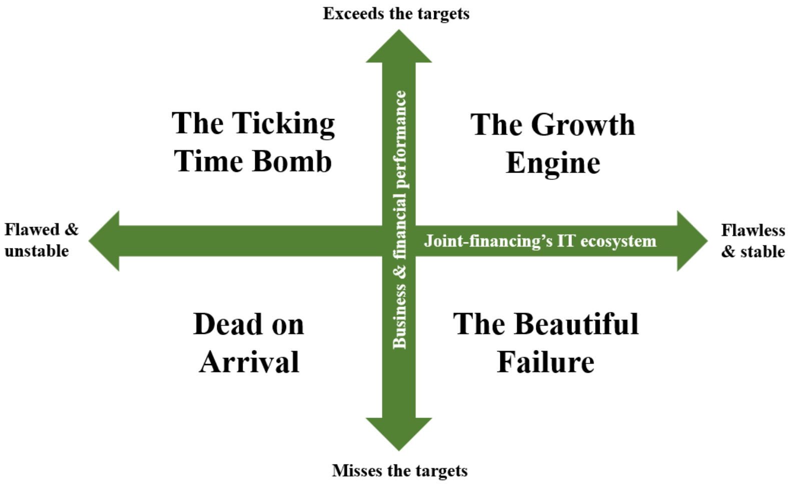

Figure 3. Scenario matrix

Scenario 1: The Growth Engine

This best of all possible worlds shows frictionless technical execution that provides a superior partner experience. The IT environment is trusted, productive and elastic as a key competitive enabler. Intense market demand for Sharia joint financing is contract harmonised and streamlined through rapid onboarding and transaction execution. The firm consistently outperforms on disbursal velocity, profitability and market share and can possibly onboard new partners within a very short span of time. Operational effectiveness is the basis of commercial success, confirming the business model and establishing the venture as a primary growth vehicle for institutions. The main strategic question is how to cope with scaling up while still providing good service in the face of high demand.

Scenario 2: The Ticking Time Bomb

The situation you describe is, in fact, a perilous delusion of victory. High demand in the market or limited competition enables stabilizing financials, despite a fundamentally instable and inefficient IT base. System problems occur often, data is riddled with errors that need to be manually reconciled and or worked around, systems are terribly slow during peak periods. But this success comes only at the cost of a lot of manual work by your employees, which verbalizes to very high operating cost, a load of stress and including also imminent danger of burn out. However, although it might be profitable in the short term, this business is very risky and susceptible to one huge technical failure that would result in complete operational disruption, a loss of faith on part of partners and reputation damage.

Scenario 3: The Beautiful Failure

So then, execution is "fantastic", and solid system is built, that is trusy-earning for your partners. But that operational excellence is not translating into the financial results the organization hoped for. Disbursement, profitability, and other financial targets are year after year missed. The products' failure is due to a flawed business model behind it, the reasons of which may be uncompetitive pricing, over-demanding forecasting models, bad go-to-market or partner viability jeopardized in conjunction with a negative macroeconomic situation. The institution has an excellent technological asset but does not have a strategic use, which is the difference between success and failure in the commercial market, facing huge losses on its technology investment.

Scenario 4: Dead on Arrival

This is a full-on fail. IT is an erratic, unreliable and ineffective mess with a bad partner experience at it's best when the base services we work on can't reliably be delivered. This technological failure is the reason they can't take to market, find partners or scale. As a result, there are large gaps on financial targets, manual ad hoc workarounds that can drive up operating expenses and signs risks continue to build. There is no money to continue investing in making it work properly, but it will never start generating revenue if the technology doesn't work which means this melancholy feedback loop leads inevitably to discontinuation.

5. Strategic Options for Respective Scenarios

A SWOT analysis was made initially to convert the results of the scenarios into strategies. It all begins with an analysis of the organization's consistent internal Strengths (e.g. Sharia specialization and established brand reputation) and Weaknesses (e.g. limited experience in joint financing, early dependence on vendor technology). Then come the assessment of Opportunities & Threats faced by each Scenario (e.g. opportunity to be a market leader vs. risk of system failure).

After carried out a SWOT, then TOWS matrix analysis; strategic options were systematically developed for each case alternative. The TOWS matrix goes a step further from mere aspect discovery, as it necessitates an active reflection on how the internal and external factors interact with each other. This in turn yields four kinds of strategic responses:

- SO (Strengths-Opportunities) Strategies
  These are supposed to make use of the internal Strengths of the establishment to take advantage of any given Opportunities in a situation. Or taking advantage of the market demand (Opportunity) in the 'Growth Engine' scenario leveraging the Sharia focus (Strength).
- WO (Weaknesses-Opportunities) Strategies
  They concentrate on how to solve internal Weaknesses by using external Opportunities. For example, using the high revenue (Opportunity) in the "Ticking Time Bomb" scenario to invest in improve in-house IT expertise (Weakness).
- ST (Strengths-Threats) Strategies
  These rely on internal Strengths to bypass or reduce external Threats. Examples include leveraging the isntitution's strong reputation (Strength) to engage in proactive communication with partners and manage expectations during a possible system failure (Threat) in the 'Ticking Time Bomb' scenario.
- WT (Weaknesses-Threats) Strategies
  They aims to lower internal Weaknesses and with that reduced external Threats. Such a decision was the 'Dead on Arrival' scenario which took place by shutting down the venture immediately and avoiding its financial losses (Threat) amplified by the lack of experience and flawed system (Weaknesses).

This led to a complete set of potential actions generated by the application of these four strategic lenses (SO, WO, ST and WT) systematically over each of the four scenarios. This systematic analysis was designed to make sure that the strategies we developed were tailored to the opportunities and challenges from each future, and rooted in conditions facing our organization. The actions derived from these TOWs constructed the immediate inputs for the development of broader and more holistic strategies described using the Strategy Diamond framework (Hambrick & Fredrickson, 2005). Each strategy has the following main ingredients:

a. The "*Growth Engine*" strategy aims for aggressive market leadership by initially dominating Sharia financing for goods like vehicles and medical equipment using the Murabaha contract to build a foundational reputation. This initial arena will later expand into service-based financing, such as for education and healthcare, using the Service Ijarah contract. The primary vehicle for this expansion is strategic partnership with multifinance companies, structured under Wakalah (agency) agreements, supported by key operational levers like scalable IT system capacity and best practice sharing.
   This growth will be driven by key differentiators: the brand's premier status as a Sharia product provider and a superior, reliable IT platform to ensure excellent partner experiences. The planned staging involves first securing a strong initial partner using the transparent Murabaha contract, which is vital for Sharia compliance (Norrahman & Mariani, 2023), then scaling partnerships and product offerings, before finally penetrating the new service-based segment. The underlying economic logic centers on a compelling value proposition, with profits structured through a Musharaka partnership where profits and losses are shared according to a pre-agreed ratio and capital contribution (Rammal, 2004).

b. The defensive "*Ticking Time Bomb*" strategy prioritizes survival by halting all expansion, including into service-based financing via Service Ijarah, and instead focusing exclusively on crisis management within the existing arena of goods-based Sharia financing using the Murabaha contract. The primary vehicle for this is an internal crisis management team tasked with stabilizing the unstable IT ecosystem, supported by proactive communication with existing multifinance partners to preserve relationships.
   This strategy pivots its differentiators from technological prowess to non-technical strengths like proactive transparency and exceptional service recovery to maintain partner trust. Its staging follows a strict three-phase crisis plan: an immediate freeze on new business, a focused effort to fix the core technical issues, and a careful relaunch of a stable platform before any growth resumes. The economic logic fundamentally shifts from profit maximization to survival, minimizing non-essential costs and reinvesting short-term revenue into the technical fix, while also managing partnerships by potentially adjusting the Musharaka-based profit-sharing agreements to offer better terms to existing partners.

c. The "*Beautiful Failure*" strategy is a data-driven pivot from the unresponsive mass market to a focused niche of tech-oriented multifinance partners who prioritize platform stability and efficiency. This new arena will continue utilizing both the Murabaha and Service Ijarah contracts but will specifically target clients who value superior technology and are willing to pay a premium for it. The key vehicle for this shift is a fast-follow market study to accurately define the niche, followed by a highly targeted marketing and sales campaign directed at this new segment.
   The primary differentiator becomes the institution's proven, stable, and efficient technology platform, which is positioned as the central value proposition to win clients. The staging involves a deliberate "pause and pivot," beginning with maintaining current partners while developing the business case, followed by cautious, focused penetration into the new niche with a revised pricing model. The

underlying economic logic shifts towards cultivating a healthy, low-volume but high-margin premium market, aiming to generate superior returns from fewer, more profitable partners who explicitly value and pay for the platform's reliability and operational excellence.

d. The "*Dead on Arrival*" strategy involves a complete withdrawal from the joint financing market, shifting the arena exclusively to internal process improvement and reputation recovery. The primary vehicle for this is a blameless retrospective to capture lessons for future governance, supported by a proactive communication campaign to contain reputational damage. Since market competition is no longer a concern, differentiators are not applicable; instead, the focus pivots internally to differentiating future projects through enhanced risk management and governance. The staging follows a two-step shutdown process: an immediate termination of the business to stop further losses, followed by conducting the retrospective to establish new internal guidelines. The core economic logic is pure loss minimization, which involves cutting all further spending to prevent greater financial loss and reallocating any remaining resources to other profitable initiatives within the institution.

6. Early Warning Signals (EWS)

The last stage is building a system of key indicators for the Early Warning System (EWS). The system aims at offering management to track the environment and visualize which of four possible future states is in the process of arrival, prompting early strategic responses (Ramírez et al., 2013). The indicators are linked to the two key uncertainties and differentiate between the four possible futures, as presented in Table 3.

Table 3. Leading indicators for respective scenarios

Critical Uncertainties	Leading Indicators	Scenarios			
		The growth engine	**The ticking time bomb**	**The beautiful failure**	**Dead on arrival**
Readiness and stability of joint financing's IT ecosystem	System Uptime (SLA)	> 99%	< 90%	> 99%	< 90%
	Number of Critical System Errors per week	< 5	> 20	< 5	> 20
	Defect Escape Rate	< 5%	>10%	< 5%	>10%
	Reporting Data Accuracy	> 90%	< 70%	> 90%	< 70%
	Disbursement Time	< 24 hours	> 72 hours	< 24 hours	> 72 hours
Achievement of key business and financial metrics	Yearly Disbursement Volume	> 100% of target	> 100% of target	< 80% of target	< 80% of target
	Net Operating Income	> 100% of target	> 100% of target	< 80% of target	< 80% of target
	CoC	< 3.2%	< 3.2%	> 5.5%	> 5.5%
	CoF	< 3.2%	< 3.2%	> 5.5%	> 5.5%
	NPF	< 2.3%	< 2.3%	> 5%	> 5%
	National Automotive	> 6%	> 6%	< 0%	< 0%

<table>
<tr><th rowspan="2">Critical Uncertainties</th><th rowspan="2">Leading Indicators</th><th colspan="4">Scenarios</th></tr>
<tr><th>The growth engine</th><th>The ticking time bomb</th><th>The beautiful failure</th><th>Dead on arrival</th></tr>
<tr><td rowspan="2"></td><td>Sales YoY Growth Rate</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Annual GDP Growth Rate</td><td>> 5%</td><td>> 5%</td><td>< 2%</td><td>< 2%</td></tr>
</table>

CONCLUSION AND RECOMMENDATION

This study utilized a scenario planning approach to understand the strategic challenges faced in introducing a Sharia joint financing business line by an Indonesian Islamic bank. The study was focused on identifying the most important uncertainties, constructing plausible scenarios and designanting strategies that are resilient to future uncertainties as the risks and opportunities will emerge.

Conclusion

This study analyzes what contributed to the Sharia joint financing being a successful innovation in that institution, and outlines key uncertainties and future scenarios for effective strategic planning. The study is successful in refuting key criticisms and scenarios, as well as the core frameworks of complex dynamic environments. The key focal issue was how to successfully implement Sharia-compliant joint financing to ensure sustainable business growth, navigating internal complexities and external market dynamics. The findings exposed complex internal dynamics that pose a serious risk to the initiative. There are two primary obstacles: internal governance. Second, the skills and competences needed as this is a completely new line of business for the institution that are no longer accompanied by a joint financing IT ecosystem at all. The institution must also contend with external forces as well as internal intricacies. They are market demand, the economic environment and competition. By posing the question in this manner, it becomes clear that success is not simply getting a business off the ground but having one that is robust enough to effectively address internal weaknesses and respond to external opportunities.

In this study, through conducting STEEP analysis of interview results form stakeholders, several driving forces for the external dynamics addressed to a focal issue are identified. Two of them are identified as the critical uncertainties influencing the development of joint financing businesses, based on ranking these factors according to importance and uncertainty. The first critical uncertainty is the readiness and stability of the joint financing's IT ecosystem.This encompasses the joint financing system and connectivity to its surrounding systems, which is the operational backbone for the business. A stable, secure, and scalable technology platform is important for the success of the implementation. Having a joint financing IT ecosystem that is stable in delivering operational sustainability enables to respond effectively to external market dynamics (e.g., keep up with partner demands/succeed) and inside complexities, since the system connects all internal teams and process. The second critical uncertainty is the achievement of key business and financial metrics. This driving force will be key for a sustainable business expansion. It guarantees the business is underway and that it starts feeding into the bank as a new revenue stream in an sustainable way. This force literally explores how the bank deals on a day-to-day basis with internal complexity, including financial health, operational efficiency and external marketplace dynamics, includingpartner performance, industry dynamics.

The two major uncertainties allowed for the creation of four different scenarios of what the future might look like: The Growth Engine, The Ticking Time Bomb, The Beautiful Failure and Dead on Arrival. The Growth Engine is the optimistic outcome, what we can hope for. The IT ecosystem are standing and reliable, so there are partners coming in who can provide for a fast-growing profitable business. It is what makes the business a huge hit. The Ticking Time Bomb plot is a terrible delusion of achievement. Business is growing, revenues and profits are made, demand of the market is high but IT in the back office does not work. In the Beautiful Failure scenario, the technical execution is right but the business strategy is wrong. Dead on Arrival is the nightmare of a double failure, both technology and tactics. The IT environment is weak and untrustworthy, driving business partners away, and the organization does not achieve its business or financial objectives, which makes the business collapse.

Using the Strategy Diamond framework, specific strategic options were developed for each of the scenarios in order that tailored strategies could be put in place to ensure success or mitigation based on what those future events might be. The creation of an Early Warning System (EWS) incorporating appropriate leading indicators would be a beneficial practical instrument to track the evolving situation.

Recommendation

Based on prepared scenario analysis and strategic options, here are practical recommendations for an increased chance of success and sustainability of the Sharia joint financing business:

1. Establish Robust IT Governance and Vendor Management
   Due to the vital importance and uncertainty in the IT environment, building a formal relationship with technology vendors is important. This will involve more stringent, financially punitive SLAs for critical success factors (e.g., uptime, defects escaped to production, quality of the data) to ensure accountability and monitoring. It also needs to establish regular performance reviews at operational and senior management levels to ensure accountability and proactive oversight.
2. Streamline Internal Governance
   A suitable steering committee, with appropriate structures to avoid getting delayed by approval processes and conflicting priorities, needs to be formed. This empowered representative committee will act as a single point of authority for major strategic decisions, allowing for far less roadblocking and improved agility. There should be periodic meetings to do this.
3. Develop Sustainable Knowledge Management Capability
   In order to response on the inexperience with joint funding within the organization and enable a sustainable internal knowledge sharing system, it is recommended to have a systematic method for knowledge capture and transfer referring to the SECI model. SECI model was originally proposed by Nonaka & Takeuchi. They proposed four processes to help in developing, fusing, transforming and dissemination for both tacit and explicit knownledge within the organization (Faith & Seeam, 2018). Those four procedures are socialization, externalization, combination and internalisation. It is not only structured learning from experts and

documenting best practices into that source, but also making sure this information gets integrated in your company through internal training programs.

4. Implement a Dynamic Early Warning System (EWS)
   To keep strategic agility, the organization needs to follow the leading indicators by a monthly EWS management dashboard. It begins with data preparation and historic monitoring, as well as a combination of data to be used in the future for analytics. Such a system should be used in all strategic review meetings so that you can proactively decide on data and make decisions the mildest of which in strategy and tactic the scenario unfolding

Suggestion for Future Research

In addition to providing a strategy for future work, findings of this research suggest several promising opportunities for further investigation:

1. Longitudinal Study
   This study was conducted in a limited period. A longitudinal study that follows the joint financing business for several years would be useful. The cohort analysis would determine which of these plays out and how well each strategy has worked.
2. Quantitative Modeling
   Other studies may using a quantitative approach, in order to extend the comprehension of these findings. Future studies could also forecast in detail the financial effect and portfolio risk into different scenarios.
3. End-Customer Analysis
   Study the perceptions, preferences, and actions of the end users who apply Sharia joint financing. This would give deeper product/market fit and help sharpen the value proposition.
4. Comparative Industry Analysis
   Carry out wider research which compares joint financing systems conducted by Sharia banks in Indonesian market against one another to find what best practices and obstacles are, form of challenge and the trend. It seeks to create a more grounded context for the strategic decisions of the institution.

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