

ABSTRACT

The Covid-19 pandemic has had a tremendous impact on the entire industry, including the aviation industry. Based on data from the Directorate General of Civil Aviation, aircraft passengers have decreased by 61% compared to 2019. This has made airlines around the world suffer losses from business development. As many as 43 commercial airlines experienced bankruptcy throughout 2020 due to Covid-19. The International Air Transport Association (IATA) predicts that the aviation industry will suffer losses of up to US\$ 77 billion, or Rp 1,128 trillion (at a Rp 14,661 exchange rate), in the second quarter of 2020. This COVID-19 recovery rate is very likely to exceed that of SARS, which lasted for 6 months. This causes all airlines in the world to respond by preparing various scenarios.

This research will discuss how PT. XYZ responds to this phenomenon by using a scenario planning approach to create strategic flexibility and will discuss the problem of what conditions must be implemented and what must be done to enable the company to implement strategic changes. Such changes occur when companies formulate and implement new strategies. This research method is qualitative, with annual report case studies and interviews involving expertise in the social, economic, technological, environmental, and political fields.

Based on the scenario analysis, it can be identified that there are 2 forces of change that have a big impact on the Aviation industry: human resources and digital transformation, as well as the role of regulation in industrial development. So, four scenarios were created, each with one baseline future and three alternative futures that would bring PT. XYZ into a new business model in order to avoid future mistakes.

Keywords: *Indonesian Aviation Industry, Scenario Thinking, PT. XYZ, COVID-19 pandemic*