Analysis of Strategy for Development of BMT Agam Madani in Banuhampu, Agam Regency

Analisis Strategi Pengembangan BMT Agam Madani di Banuhampu, Kabupaten Agam

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ABSTRACT

This study aims to identify internal and external factors of Baitul Maal Wat Tamwil Agam Madani in Banuhampu districts. The problem in this study is to see the strategy for developing Baitul Maal Wat Tamwil. The data that is used in this study uses primary data that has been collected using question and analyzed using internal and external factor analysis also SWOT quantitative analysis, SWOT stage assumptions the effective strategy that maximize strengths and opportunities and minimized weaknesses and threats. The finding of this research showed that BMT (1) Development strategy through improving the quality of human resources owned by BMT, (2) Development strategy through improving the quality of organizational management, (3) Development strategy through providing infrastructure and technology needed in service. This study also revealed that in the strategy for improving the quality of organizational management other strategies are quite important for future BMT development.

Keywords: strategy, BMT, SWOT, internal factors, external factors

ABSTRAK

Penelitian ini bertujuan untuk mengidentifikasi faktor internal dan eksternal Baitul Maal Wat Tamwil (BMT) Agam Madani di Kabupaten Banuhampu. Masalah dalam penelitian ini untuk melihat strategi pengembangan Baitul Maal Wat Tamwil. Data yang digunakan dalam penelitian ini menggunakan data primer yang telah dikumpulkan dengan menggunakan pertanyaan dan dianalisis menggunakan analisis faktor internal dan eksternal serta analisis kuantitatif SWOT, tahap SWOT mengasumsikan strategi efektif yang memaksimalkan kekuatan dan peluang serta meminimalkan kelemahan dan ancaman. Hasil penelitian menunjukkan bahwa (1) Strategi pengembangan BMT melalui peningkatan kualitas sumber daya manusia yang dimiliki BMT, (2) Strategi pengembangan melalui peningkatan kualitas manajemen organisasi, (3) Strategi pengembangan melalui penyediaan infrastruktur dan teknologi yang dibutuhkan dalam pelayanan. Penelitian ini juga mengungkapkan bahwa dalam strategi peningkatan kualitas manajemen organisasi terdapat strategi lain yang cukup penting untuk pengembangan BMT ke depan.

Kata Kunci: *strategi, BMT, SWOT, faktor internal, faktor eksternal*

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1. Introduction

Microfinance institutions (MFIs) is a form of financial institution that carries out its function to collect funds from the public and then the funds are distributed to people in need. *Baitul Maal* Microfinance Institution Principles *Wattamwil* has the same principles as Islamic banking, namely performing its role as a financial institution that offers several forms of simple banking services (Mardayulis, 2015) . A microfinance institution are institutions that provide financial services for small entrepreneurs and low-income people who are not served by formal financial institutions and are market-oriented for business purposes. MFIs have products that are relatively complete and in accordance with the needs of low-income people (Dewi, 2017).

One of the efforts made to alleviate poverty and minimize capital limitations is to establish a microfinance institution amid rural communities, one of which is the establishment of the BMT financial institution.

The establishment of BMT is one of the answers to the difficulty of accessing capital to open a business for the community, so that BMT is expected to be one of the microfinance institutions formed in order to move and advance the community's economy. As the results of the interview with the BMT manager, as micro finance in the midst of the BMT community, it plays a role in shaping people's behavior by diverting high consumption tendencies towards increasing investment.

So far, the lower classes of society still find it difficult to access banking institutions, including Islamic banking, this is due to the provisions required by banking institutions in accessing financing, these requirements are still difficult to fulfill by people who have micro-scale businesses. So that BMT is expected to be able to become an extension of banking institutions to facilitate the community, so that the noble ideals of establishing Islamic banking can be realized, and can reach the lower middle class in access to capital.

In line with interviews with traders as well as customers, BMT Agam Madani was established in Banuhampu with the aim of minimizing deep concerns over the difficulties experienced by small traders who tend to be informal in providing capital for businesses, where small traders often use the services of moneylenders. Which if studied would actually be burdensome for the traders.

The important role of BMT for the community will be seen when BMT can carry out the role of keeping people away from *non -Islamic* economic practices, providing guidance and financing for small businesses, and releasing people from dependence on moneylenders.

The presence of BMTs in Agam Regency stems from concerns about the worrisome conditions experienced by the community. So that the micro-enterprise drivers have encouraged the community leaders of Agam Regency to find a more equitable solution by establishing an alternative financial institution for the community, namely by establishing several Agam Madani BMTs in 2008.

The principle and working method of BMT refer to Islamic Banking, so that with religious values applied in the process of financing and raising funds, it is hoped that it can become the forerunner of microfinance institutions that are coveted by the community.

The management and management of BMT Agam Madani took several ways to introduce BMT to the community, through mosques, brochures and information through Jorong offices. BMT Agam Madani is expected to be a facilitator for strengthening the economy of the Nagari community in various business fields.

An organization can be said to be successful if it can develop and implement strategies to overcome various threats, both internal and external. The main purpose of strategic planning is that an organization or company can objectively see internal and external conditions (Rangkuti, 2014).

Similar with BMT Agam Madani which cannot be separated from the implementation of the strategy that has been determined by the institution, the strategy is expected to be implemented in its operations.

BMT Agam Madani has challenges because at this time microfinance in the Banuhampu District environment is not only BMT, there are external challenges in the BMT Agam Madani environment, including the existence of microfinance by banks, the existence of People's Business Credit (KUR), the existence of financing from PNM , the existence of a BPRS in the area.

Thus, to be able to survive despite competition, the BMT management must direct its managers and members to be able to compete with other financial institutions by bringing out advantages and taking advantage of opportunities to minimize weaknesses and threats to be able to make a maximum contribution.

BMT external problems, one of which is the existence of financial institution competitors who will threaten the existence of BMT, because the financial institution also has a financing business in the community and supporting indicators are needed, so that BMT Agam Madani can bring up new strategies in future development, when BMT has carried out maximum strategies, then BMT will be able to compete with other institutions. It is unfortunate when BMT is felt to be very suitable for the community, but cannot develop in the midst of a Muslim majority society.

If the managers and administrators of the BMT do not have sufficient ability, skills and experience, this will bring the BMT to the brink because good HR in the manager will determine where the BMT will be taken.

Seeing the existing phenomenon whether it is a community phenomenon, managers or competition from other financial institutions, the author is interested in conducting further studies on the strategies implemented by *Baitul Maal Wat Tamwil* Agam Madani by looking at internal factors (strengths and weaknesses) and external factors (opportunities and threats) as well as development strategies carried out by BMT through a SWOT analysis.

The SWOT analysis will provide an overview to assess the steps carried out by BMT Agam Madani, by conducting research on the implementation of the *Analysis of Strategy for Development of BMT Agam Madani in Banuhampu, Agam Regency*.

This study explains the development strategy of BMT Agam Madani, and focuses on the opportunities, threats, strengths and weaknesses of BMT Agam Madani.

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2. Literature Review

The theory used in analyzing research questions and theoretical findings in previous research.

Eddy Yunus cites the concept of strategy put forward by Clausewitz, he reveals that strategy is a concept of art in battle, in the form of long-term plans drawn up to achieve certain goals. Strategy consists of activities or plans needed to achieve goals (Strategic, 2016).

According to Anwar Arifin, strategy is a conditional whole of actions that will be carried out to achieve satisfaction (Arifin, 1984).

Development strategy is all actions taken by the management of an organization in improving the *efficiency* and *effectiveness* of an institution or organization that is useful for achieving the goals set by using its resources, by developing several things, namely:

a. Human Resource Development (*Human Capital)*
b. Infrastructure and technology
c. Management and organization

2.1 *Baitul Maal Wat Tamwil* (BMT)

The origin of the word *Baitul Maal Wat Tamwil* is *baitul mal* and *baitul tamwil*. The first word *Bait* which has the meaning of building or house, the second word is *al-mal* which has the meaning of property or wealth, then *baitul mal* literally means house, property or wealth, said *baitul maal* is also interpreted as treasury, while *Baitul tamwil* means a treasure house managed by an institution.

Suwardi argues that, BMT is a microfinance institution, which operates in accordance with the principle of profit sharing, fosters the development of micro-enterprises, elevates the degree and dignity of the community and defends the interests of the poor (Aziz, 2006) .

The basic principle implemented in this Financial Institution is the existence of a profit-sharing system, both in terms of raising and distributing funds.

BMT is a financial institution that works together between people who have funds and people who lack funds and need funds to build their businesses (Khornelis Dehotman, 2016) . The basic principle of BMT itself is to raise funds (founding) and distribute funds that have been collected from the community to customers who need financing in their business.

BMT has a similar system and refers to Islamic Banks, it has its own market share where customers BMT include people who are not covered by banking services, small and medium business actors who experience obstacles in cooperating with the Bank.

Although similar to Islamic banks, it can even be said to be the forerunner of Islamic banks, BMT has its own market share, including small communities who are not covered by banking services, as well as small business actors who experience obstacles to dealing with the Bank (Nurul Huda & Muhammad Heykal, 2010) .

The operational system of BMT is almost similar to Islamic banking, but what BMT serves are micro customers who are located in the vicinity of the BMT

BMT As a Microfinance Institution

As a sharia microfinance institution where its customers are in direct contact with small or Micro communities, BMT must make several commitments to be consistent and adhere to its role, namely

Several commitments that must be maintained by BMT, so that they are consistent with their role, As a Sharia microfinance institution where its customers are in direct contact with small or micro communities, BMT must hold several commitments to be consistent and adhere to its role, namely (Rianto, 2015) :

a. As a sharia financial institution, BMT plays a role in keeping people away from non-sharia economic practices and actively disseminates to the public about the importance of Islamic economics because there are still many people who do not understand and understand what Islamic economics is.
b. Conducting coaching and funding for people who have small businesses.
c. Improving performance from time to time, and being able to help with financial difficulties in the community, so that people's dependence on moneylenders can stop.
d. BMT is involved in community business, with the involvement of BMT in community or customer economic activities, it will make customers hold their commitments and responsibilities as customers.

The BMT Microfinance Institution was established with the aim of facilitating the lower classes of society who are not reached by Islamic Bank services.

The operational principle of BMT is based on the principle of profit sharing, buying and selling (*ijarah*) and depositing (*wadiah*) (Nurul Huda, 2010) .

2.2 Matrix SWOT

The SWOT matrix can be used as a basis for formulating strategies for companies or institutions, namely by using strengths, weaknesses, opportunities, and opportunities. The SWOT analysis is structured to determine the strategic factors of the company or institution by identifying the factors used and formulating the company's strategy.

SWOT analysis method is considered the most basic analytical method, which is useful for viewing a topic or problem from four different sides. The result of the analysis is to increase the advantages of existing opportunities, by reducing deficiencies and avoiding threats (Rangkuti, 2014) .

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Internal Environmental Analysis

Internal environmental analysis is basically a process of identifying the strengths and weaknesses of the BMT.

a. Strengths are factors that will become strengths for BMT, usually in the form of resources. Strengths can minimize threats or eliminate the impacts caused by environmental threats. strength is useful for developing BMT in the future.
b. Weaknesses are everything that makes these factors become obstacles that make it difficult for the company to develop.

Strengths and weaknesses are management factors that are fully under management's control, strengths are factors that can be controlled so that they have a positive impact on the company or institution.

External Environmental Analysis

External environmental analysis is an effort to identify and analyze various environmental factors outside the company or institution, such as environmental influences, economic development, law, politics, social and culture. External environment analysis includes two important aspects, namely, opportunities and threats.

a. An opportunity is an opportunity for a company or an institution to develop. Opportunities are environmental factors that can be a driving force for a company to develop.
b. A threat is a situation that can reduce a company's ability to protect and improve its position in the market. Threats cannot be eliminated, but can be minimized to emerge within the company.

3. Methodology

The method used in this study uses a field approach or field research is research that is carried out intensively, in detail, and in-depth on the object to be studied, and requires a comprehensive and thorough analysis to obtain information and data needed in research (Arikunto, 1998).

The approach used in the research is a qualitative approach, where research strategies and techniques are used to understand the environment, existing problems, and symptoms that exist in society, by collecting various facts in-depth, data presented in verbal form, and of course by the purpose of the research (Muhadjir, 1996).

The analysis that will be used in this study is a SWOT analysis, which stands for strengths, weaknesses, opportunities, and threats. With these four elements, namely strengths, weaknesses, opportunities, and threats, we can determine the conditions and potentials possessed by a company, institution, or region because the elements in SWOT are important things for the progress of the company, institution, or society.

Sources of data in this study use primary and secondary data. Primary data sources can be obtained from the results of questionnaires given to BMT officers in Banuhampu District.

Secondary data are obtained from books, journals, and other documents related to research, to obtain valid data quality. So, the data collection method that the author uses in this study is by distributing questionnaires, interviews, and observations of officers at the Agam Madani BMT Institute.

The first step is to analyze the internal part of the BMT so that the strengths and weaknesses can be obtained. The next step is to analyze the external part of BMT, to obtain the factors that are threats and opportunities faced by BMT Agam Madani.

3.1 Operational Definition

This study uses a SWOT analysis, namely *strengths, weaknesses, opportunities* and *threats.* (threat). These four elements are aspects that need to be discussed in order to know the conditions and potentials possessed by a company, institution or area of a particular institution (Sjafrizal, 2009) .

SWOT analysis is a form of analysis of situations and conditions and phenomena that occur, the operational definitions that will be studied are:

a. Strength. Strength itself comes from the resources, skills, or advantages related to competitors and market needs that can be served by BMT Agam Madani.
b. Weaknesses. Weaknesses are the limitations or shortcomings that exist in Agam Madani BMT.
c. Opportunities are favorable situations in the Agam Madani BMT environment.
d. The threat is a situation that is not in the favor of BMT Agam Madani.

To know the strengths and opportunities, we need a strategy or plan. Strategy is an action taken based on various points of view, in other words, strategy is a unit of plans made and compiled, to produce constructive tips for the future.
Seeing the initial purpose of this study was to determine the external and internal factors of BMT Agam Madani, to develop properly, a SWOT analysis was used.

3.2 Internal and External Factors

1. Internal factors

   Internal factor analysis is performed by compiling a table IFAS (Internal Factor Analysis Summary) that is useful for a more concrete assessment of strategic factors both in terms of strengths and weaknesses.

2. External Factors

   Compilation of tables (External Factor Analysis Summary) The EFAS can be prepared by knowing the external strategic factors critical for developing the institution or institution concerned.

4. Results and Discussion

To determine internal factors or come from within the BMT itself, it is determined by looking for factors that come from the strengths and weaknesses of the Agam Madani BMT. For external

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factors of BMT Agam Madani, opportunities are first determined and then followed by threats. After finding the many external factors of BMT Agam Madani, these factors are given weight for assessment.

Table 1 SWOT Matrix

	Strength (S) **List of strengths**	**Weaknesses (W)** **Weakness List**
	Strategic location Own Office Clear division of labor Easy financing procedure Pick-up strategy There is business assistance with customers	HR capabilities are not sufficient Lack of socialization from the BMT Lack of member awareness of responsibility Facilities and infrastructure are not complete Limited capital owned by BMT
Opportunities (o) **List of opportunities** People work as traders and farmers There is a good relationship between customers and non-customers The existence of BMT cooperation with other institutions Easy finance terms	**SO Strategy** Using the location, as well as community professions, in accordance with the community environment who work as farmers and traders Improving BMT cooperation with the government and the private sector Improve service quality.	**WO Strategy** Improving the quality of human resources at BMT Improving education about sharia finance to employees, customers and the surrounding community.
Threats (T) **Threat list** Lack of supervision from the government Strict competition among BMTs Competition with institutions other than BMT The existence of capital from a third party,	**ST strategy** Encouraging small businesses in various fields use light procedures to attract people's attention to join BMT.	**WT Strategy** Conducting outreach to the community about the sharia system as well as promoting it in the community. Improving the performance of supervisors, administrators and employees regarding the progress and setbacks of BMT

Source: Research Results

Based on the results of the Table 1, it is found that the internal and external factors that exist in BMT Agam Madani in Banuhampu District are:

Strength is seen from the ability of an organization or institution. Several factors were found that became the strength of BMT Agam Madani to develop, including BMT Agam Madani in Banuhampu sub-district that has a strategic location, which is at the center of the regional government, namely in the vicinity of the Wali Nagari office, a pick-up strategy, light procedures to obtain financing, relationships which is established between customers and non-customers.

Weakness factors found in BMT Agam Madani include management that is still low, so that it will impact the development of BMT Agam Madani in the future , lack of firmness by BMT leaders

to follow up on members or consumers who do not comply with the rules of BMT Agam Madani, this will be a weakness that will result in a deficit for the BMT Agam Madani budget in the future.

Opportunity is one that should be used by BMT Agam Madani in Banuhampu District, namely by taking advantage of market share where most of the people work as farmers, traders in micro-enterprises.

The main threat to BMT Agam Madani is the lack of supervision from the government. There is competition with financial institutions that also provide microfinance, therefore a deep socialization effort is needed on the existence and benefits of partnering with BMT Agam Madani to the public. The existence of capital from a third party, which at any time can be withdrawn by a third party that will be a threat to the availability of capital for BMT Agam Madani.

5. Conclusions and Recommendations

Based on an analysis of the existing aspects of BMT Agam Madani, Banuhampu District, as well as on the data obtained, both from the internal and external sides of BMT Agam Madani, several conclusions were found:

Internal factors that can influence the development of BMT in Banuhampu District are the strategic location, the procedures provided by BMT Agam Madani to light customers, as well as the existence of business assistance and periodic checks so that the customer's business development can develop well.

External factors that can influence the development of BMT are the community around BMT who work as farmers and traders, local wisdom and the trust of customers and non-customers to BMT so that it will increase public interest in saving or borrowing capital to BMT.

External problems that will threaten BMT, one of which is the existence of competitors from financial institutions that will threaten the existence of BMT, because these financial institutions also have financing businesses to the community, indicators are needed to support BMT so that it creates a strategy for development.

Based on the above analysis, the proposed strategy in the development of BMT Agam Madani in Banuhampu District is:

a. By Using the location and profession of the community in accordance with the environmental conditions of the community as farmers and traders, with the conditions of the farming community and traders will really need capital to develop people's businesses.
b. Improving BMT cooperation with the government and the private sector
c. To improve the quality of human resources in BMT, training and development must be held through partnerships, both with Islamic banks and with other institutions.

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d. BMT fixes technological facilities and systems so that the transaction process can run smoothly.
e. Conducting outreach to the community about the sharia system as well as promoting it in the community.
f. Improving the performance of supervisors, administrators and employees regarding the progress and setbacks of BMT.

The strategies needed in developing Agam Madani BMT are:

a. Development strategies that increase human resources (HR).
b. Development strategy is through the provision of infrastructure and technology (IT).
c. Development strategies through quality management
d. Develop products according to consumer needs.

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