Determinant Factors of the Successful of Baitul Maal Wat Tamwil (Bmt)

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Abstract:

The purpose of the research is to identify determinant factors of the successful of Baitul Maal Wat Tamwil (BMT). BMT is one kind of Islamic microfinance institute which save and distribute fund for micro entrepreneur. The method of this research is a financial description and a characteristic analysis. The results show that the main determinants of the BMT success are capability of financial management, characteristics of financing customers, capability of risk management, familiarity among customers and managerial team of BMT, Information Technology (IT) and Network.

Keywords: BMT (Islamic Micro Finance), Financial Analysis, Characteristics Analysis

Introduction

Most members of Baitul Maal Wat Tamwil (BMT) in Indonesia are un-bankable. They need financial institution which is not only giving a financing but also supporting the members to be survival in their business. BMT as a shariah micro finance is more innovative than the others financial institution, hopefully, it will become the one of solutions to alleviate poor peoples.

Conceptually, BMT has two functions, namely: (1) Baitul Maal is to collect and distribute charity fund such as infaq and shadaqah (2) Baitul Tamwil is to manage charity fund to increase economic quality of micro entrepreneurs.

The successful of BMT is shown by progress of Small Business Incubation Centre (PINBUK) and Master Sharia Cooperative (Inkopsyah). PINBUK is institution to build up BMT as development micro entrepreneurs. The success of PINBUK is shown by increase number of BMT which have been joining, about 3.000 BMTs in period 1995-2005. PINBUK has asset more than one trillion Rupiah.

Inkopsyah is institution to guide values of shariah. Cooperatives The successful of Inkopsyah is shown by increasing numbers of Inkopsyah members. Inkopsyah has members about 24 BMTs
in 9 provinces of Indonesia at 1998, and today about 324 in 22 provinces of Indonesia have become Inkopsyah members.

One of Inkopsyah members is a BMT Berkah Madani Cimanggis. BMT Berkah Madani Cimanggis is one of sample the successful of BMT which is shown by increasing financing, funding and investment. The increasing of financing will be explained at the Table as follows:

Table 1. Financing of BMT Berkah Madani Cimanggis at year 2007, 2008 and 2009

<table>
<thead>
<tr>
<th>Type of Financing</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Trend</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Murabahah product</td>
<td>Rp 433,164,442</td>
<td>Rp 421,934,113</td>
<td>Rp 606,367,606</td>
<td>↑ 43,71</td>
<td></td>
</tr>
<tr>
<td>Mudharabah product</td>
<td>Rp 28,506,117</td>
<td>Rp 27,687,300</td>
<td>Rp 304,687,300</td>
<td>↑ 1,00</td>
<td></td>
</tr>
<tr>
<td>Ijarah product</td>
<td>Rp 69,658,686</td>
<td>Rp 82,729,634</td>
<td>Rp 124,456,717</td>
<td>↑ 50,44</td>
<td></td>
</tr>
<tr>
<td>Al- Qard product</td>
<td>Rp 11,841,778</td>
<td>Rp 10,630,000</td>
<td>Rp 6,358,500</td>
<td>↓ -40,18</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Rp 542,811,023</td>
<td>Rp 542,981,056</td>
<td>Rp 1,041,870,123</td>
<td>↑ 91,88</td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Performance Report of BMT Berkah Madani Cimanggis 2009

Financing of BMT Berkah Madani Cimanggis is well developed. The trend of financing is increasing in various types, except al-Qard, because al-Qard is pure financing without profit margin. BMT is needy profit margin in order to survive business of BMT, so that al-Qard reduced.

Table 2. Funding of BMT Berkah Madani Cimanggis at year 2007, 2008 and 2009

<table>
<thead>
<tr>
<th>Types of Funding</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Trend</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkah</td>
<td>Rp 257,399,878</td>
<td>Rp 238,330,095</td>
<td>Rp 250,648,582,47</td>
<td>↑ 5,17</td>
<td></td>
</tr>
<tr>
<td>Berkah Hasil</td>
<td>Rp 170,580,237</td>
<td>Rp 148,910,388</td>
<td>Rp 166,868,486,25</td>
<td>↑ 12,06</td>
<td></td>
</tr>
<tr>
<td>Berkah Amanah</td>
<td>Rp 13,268,635</td>
<td>Rp 13,717,609</td>
<td>Rp 45,074,597,53</td>
<td>↑ 228,59</td>
<td></td>
</tr>
<tr>
<td>Berkah Siswa</td>
<td>Rp 68,270,467</td>
<td>Rp 69,689,933</td>
<td>Rp 33,290,529,39</td>
<td>↓ -52,23</td>
<td></td>
</tr>
<tr>
<td>Berkah Talbiyah</td>
<td>Rp 1,099,534</td>
<td>Rp 2,697,134</td>
<td>Rp 2,165,666,09</td>
<td>↓ 19,70</td>
<td></td>
</tr>
<tr>
<td>Berkah Qurban</td>
<td>Rp 3,934,859</td>
<td>Rp 3,082,510</td>
<td>Rp 3,144,978,20</td>
<td>↑ 2,02</td>
<td></td>
</tr>
<tr>
<td>Berkah Fitri</td>
<td>Rp 237,146</td>
<td>Rp 118,556</td>
<td>Rp 91,260,80</td>
<td>↓ -23,02</td>
<td></td>
</tr>
<tr>
<td>Berkah Walimah</td>
<td>Rp -</td>
<td>Rp 113,965</td>
<td>Rp 13,064,21</td>
<td>↓ -88,54</td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Performance Report of BMT Berkah Madani Cimanggis 2009
Funding of BMT Berkah Madani Cimanggis increases in every years. The increasing of funding can be seen at total funding (Berkah). In 2007 funding of BMT Berkah Madani Cimanggis about Rp 257.3999.878, increase becomes Rp 238.330.095 at 2008, and back to increase at 2009 about Rp 250.648.582, 47.

### Table 3. Investment of BMT Berkah Madani Cimanggis at year 2007, 2008 and 2009

<table>
<thead>
<tr>
<th>Types of Investment</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Trend</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkah Invest</td>
<td>Rp 615.687.771</td>
<td>Rp 669.987.876</td>
<td>Rp 957.427.530</td>
<td>↑</td>
<td>42.90</td>
</tr>
<tr>
<td>1 Months</td>
<td>Rp 311.882.000</td>
<td>Rp 122.137.101</td>
<td>Rp 215.943.775</td>
<td>↑</td>
<td>76.80</td>
</tr>
<tr>
<td>3 Months</td>
<td>Rp 47.525.980</td>
<td>Rp 36.500.000</td>
<td>Rp 45.840.156</td>
<td>↑</td>
<td>25.59</td>
</tr>
<tr>
<td>6 Months</td>
<td>Rp 152.579.791</td>
<td>Rp 197.700.000</td>
<td>Rp 222.312.608</td>
<td>↑</td>
<td>12.45</td>
</tr>
<tr>
<td>12 Months</td>
<td>Rp 103.700.000</td>
<td>Rp 313.650.775</td>
<td>Rp 473.330.514</td>
<td>↑</td>
<td>50.91</td>
</tr>
</tbody>
</table>

Source: Annual Performance Report of BMT Berkah Madani Cimanggis 2009

The increasing investment at BMT Berkah Madani Cimanggis is well. It is shown by increasing investment at 2008 to 2009, about Rp 669.987.876 to Rp 957.427.530. The increasing of funding and investment means that is increasing asset of BMT Berkah Madani Cimanggis.

The purpose of the research is to identify the main determinants of the BMT success, especially BMT Berkah Madani Cimanggis.

### Previous Review

Sartika (2003) uses regression and correlation analysis. The aims of her study are to determine relationship between variables of networking (such networking, level of expectation, mutual help and interaction) and improving business. Results of this study explain that there is relationship between variables of networking and improving business. Analysis of regression shows that there is significant relationship between variables of networking (networking, level of expectation, interaction) and improving business. There is not significant relationship mutual help and improving business.

Indriyati (2007) uses descriptive analysis in her study. The aims of her study is to determine factors of success and fail BMT Mosques in Jakarta. The results show that success factors of BMT Mosques in Jakarta are good financial performance, good management and trust of community. Factors of the fail BMT Mosque in Jakarta are problem of financing, problem of capital, human source and the director is under performance in caring BMT.

Faisal (2008) is to analyze all kinds of system which is used by Baitul Maal wat Tamwil Maslahah lil-Ummah (BMT-MMU) Sidogiri. The Aim of this study is to determine caused-effect of success of BMT-MMU. The results of this study show that caused-effect of success of BMT-MMU is being trusted by community.
Fathurrahman (2010) is to compare financial performance BMT Sunan Kalijaga and BMT Iqtisaduna FE UII from January 2008, to March 2009 by financial ratio. The financial ratio is like CAR, NPF, ROA, ROE, LDR, and BOPO. This study uses data of financial ratio at 2008, January to March 2009. Instrument of analysis which is used to prove hypothesis in this study, namely independent sample t-test.

The results of this study show that average of financial ratio LDR at BMT Sunan Kalijaga is better than BMT Iqtisaduna FE UII. While, in the others ratio such as CAR, NPF, ROA, ROE, BOPO at BMT Sunan Kalijaga lower than at BMT Iqtisaduna FE UII. Result of hypothesis test shows that there is no significant difference in ratio of CAR, ROA, and ROE at BMT Sunan Kalijaga and at BMT Iqtisaduna FE UII. There are significant differences in ratio of NPF, LDR, and BOPO at BMT Sunan Kalijaga and at BMT Iqtisaduna FE UII.

Marfuah (2006) studies in BMT Sakinah. The aims of this study are to determine improving of BMT Sakinah’s business by analyzing the level of liquidity, rent ability, profitability and activity. The results of this study show that level of rent ability at 2004 is efficient and 2005 is inefficient. Level of activity at 2004 and 2005 is efficient. Level of liquidity at 2004 is liquid and 2005 is illiquid. Level of solvability at 2004 and 2005 are solvable.

Research Methods
Samples and Period of Data

The population of this study is customers who get financing from BMT Berkah Madani Cimanggis. Total number of customer is 293 peoples for year 2009. The customers come from three kinds of business areas namely, trade, services and the other. The trade is major areas of business around 142 peoples (48.46%). The services are around 68 peoples (23.21%). The others are 83 peoples (28.33%).

Sample of this study is 80 peoples. The technique sampling is used a Convenience Sampling. The results of interviews and questionnaires with people or institutions in terms of the factors that influence success of BMT are used as a source of data. This study was held at June 22, 2010 to September 22, 2010 in BMT Berkah Madani Cimanggis.

Identification of Problem

What are the main determinant factors at the successful of BMT?

Technique of Data Analysis

The method is used namely Financial Reports Analysis, Characteristics Analysis, Risk Analysis, Value and Attitude of Customers Analysis and Support of BMT’s Business System Analysis.
Results And Discussion

Financial Report Analysis Liquidity

Graph 1. Liquidity Growth of BMT Berkah Madani Cimanggis

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.1</td>
</tr>
<tr>
<td>2008</td>
<td>1.06</td>
</tr>
<tr>
<td>2009</td>
<td>1.16</td>
</tr>
</tbody>
</table>

Liquidity ratio is used to measure the liquidity of the company namely current ratio. From the graph above, it can be seen that the current ratio of BMT Berkah Madani Cimanggis at 2007 about 1.10 and then decrease at 2008 to 1.06 and increase to 1.16 at 2009. This indicates that performance of BMT Berkah Madani Cimanggis during this period is liquid. Because a company is classified to be liquid if current ratio greater than one (> 1), this happen when current assets greater than current liabilities.

BMT Berkah Madani Cimanggis decreased liquidity at 2008 was caused by decreasing capital at the BMT Berkah Madani Cimanggis. At 2007, BMT Berkah Madani Cimanggis had capital about Rp 86.200.000,- and then at 2008 fell to Rp 36.200.000,-. It was caused major deposits are taken dramatically by investors.
Solvency

Graph 2. Solvency Growth of BMT Berkah Madani Cimanggis

It can be seen that the level of solvency BMT Berkah Madani Cimanggis is classified solvable at 2007, 2008, and 2009. BMT Berkah Madani Cimanggis has a solvency above 100% and the difference (positive). We can values the solvency from Debt to Equity Ratio (DER). DER is ratio between current obligation and equity of company. Exactly, at 2007 BMT Berkah Madani Cimanggis has value of DER is 1.24 or 124%, then decreasing to 1.14 or 114% at 2008, it affects on decreasing total assets at 2008, that is equal to Rp 50.000.000, - or 58% from a year before. At 2009 increasing again to be 1.17 or 117%.

Rentability

Graph 3. Profitability Growth of BMT Berkah Madani Cimanggis

Return On Asset (ROA) at 2007 equal to 3.47 or 347%, then at 2008 decrease to 0.025 or 2.5% and at 2009 dropped back to 0.02 or 2%. As we known, value of Return On Asset (ROA) is determined by value of the net profit and total assets. Similarly, decreasing value of ROA at 2008 is caused by decreasing in total assets during the year about Rp 47,995,052,- or 4.37% from previous year. The decreasing value of ROA that happened at 2009 is caused increasing net income which is lower than increasing total assets from 2008 to 2009. Net income is increasing 50.25% from the previous year. While for total assets, it is increasing 79% from a previous year.
Return On Equity (ROE) of BMT Berkah Madani Cimanggis at 2007 is 0.02% or 2%, then increase become 0.20 or 20% at 2008, and decrease become 0.19 or 19% at 2009. As we known, value ROE is determined by net profit and equity of company. Value of net profit increases at every year, while equity of company is fluctuation at every year. So, we can take conclusion that BMT Berkah Madani Cimanggis can manage well finance.

At 2007 and 2008, ratio between operational cost and operational revenue (BOPO) of BMT Berkah Cimanggis Madani is the same as at 0.89. BOPO of BMT Berkah Madani Cimanggis is increasing from 0.29 to 1.18 at 2009. The same value of BOPO BMT Berkah Madani Cimanggis at 2007 and 2008 is caused by changing of operating costs and operating income from 2007 to 2008 is the same large amount at 546.68 %, meanwhile, the increasing at 2009 also is caused by the increasing operational costs and operating income.

So overall, increasing and decreasing of value at BOPO are still in positive values. This indicates that during this period the BMT Berkah Cimanggis Madani has ability to create profit.

**Profitability**

**Graph 4. Profitability Growth of BMT Berkah Madani Cimanggis**

The ratio is used profit margin ratio to illustrate the efficiency of BMT Berkah Madani Cimanggis in producing profits. Value of profit margin BMT Berkah Madani Cimanggis at 2007 is 0.016, increasing at 2008 to be 0.103 and 2009 decreasing back to be 0.07. This increasing occurred at 2008 is supported by increasing incomes of *murabaha*, as the product which is the most popular about Rp 55,987,490.40.

**Activity**

**Graph 5. Activity Growth Charts BMT Madani Cimanggis Blessing**
Fixed Asset Turnover (FAT) of BMT Berkah Madani Cimanggis at 2007 is 0.01 and increase to 0.07 at 2008 and decrease again become 0.01 at 2009. At 2007, Total Asset Turnover (TAT) of BMT Berkah Madani Cimanggis is 0.01, then increased at 2008 become 0.07 and decreased become 0.05 at 2009.

Although the activity growth increased in previous years, but this growth is followed by decreasing ability to manage funds (Rentability ratio) at 2009 caused decreasing of activity become 0.01 for Fixed Asset Turnover and 0.05 for Total Asset Turnover. Overall, activity ratio of BMT Berkah Madani Cimanggis is increasing at 2008 and decreasing at 2009. This indicates that the activity growth of BMT Berkah Madani has not yet stable, it is caused by inefficient using the own-resources.

**Characteristic Analysis**

Generally, respondents of this study are financing customers in BMT Berkah Madani Cimanggis. Numbers of respondents are 293 peoples. Aims of characteristic analysis are to know customers condition and background based on age, gender, marital status, the last education, duration of business, kind of business, location of business and business training. The following data is collected from BMT Berkah Madani Cimanggis customers.

**Picture 1. Customers Condition Based On Age**

The Picture above shows condition of customers based on age. Customers who attain the age of 70 to 61 years old are 4 peoples (1,37%), 60 to 51 years old are 22 peoples (7,51%), 50 to 41 years old are 76 peoples (25,94%), 40 to 31 years old are 117 peoples (39,93%) and 30 to 21
years old are 74 peoples (25,26%). Majority customers based on age are 40 to 31 years old with percentage 39,93%.

If this condition is related to Hunlock’s opinion, we can make conclusion that success of BMT Berkah Madani Cimanggis is influenced by age of financing customers who majority is classified to age of beginning adults. It is period of business improving.

Picture 2. Customers Condition Based on Gender

The picture above shows condition of customers BMT Berkah Madani Cimanggis based on gender. The male customers is 206 peoples (70,31%) and female is 87 peoples (29,69%). That data shows majority of customers BMT Berkah Madani Cimanggis are male. This condition may become one of factors that influences successful of BMT. Majority peoples of Indonesian are Muslim, in Islam rules establishing that a male is leader of his family and he has liabilities to protect his family’s welfare. Indirectly, a male’s position supports him to hard work. Then, his business will improve and support success BMT.

Picture 3. Customers Condition Based on Marital Status
The picture above show condition of customers BMT Berkah Madani Cimanggis based on marital status. 251 peoples (85,67%) of costumer’s merried and 42 peoples (14,33%) single. Majority customers of BMT Berkah Madani Cimanggis merried. Existence of family will become support them to improve their business. If their business success, it will support success BMT.

**Picture 4. Customers Condition Based on The Last Education**

The picture above show condition of customers BMT Berkah Madani Cimanggis based on the last education. Customers of BMT Berkah Madani Cimanggis who graduate of Elementary School is 25 peoples (8,53%), Junior High School is 66 peoples (22,53%), Senior High School is 165 peoples (56,31%) and Scholar is 37 peoples (12.63%). In the other hand, majority of customers are graduate from Senior High School. Overall, costumer of BMT Berkah Madani Cimanggis are well educated, because at level senior high school has gotten knowledge and skill of entrepreneur. So their success opportunity is large.

**Picture 5. Customers Condition Based on The Last Education**
The picture above show condition of customers BMT Berkah Madani Cimanggis based on duration of business. Duration of business 1 to 2 years is 46 peoples (15,7%), 3 to 4 years is 50 peoples (17,06%), 5 to 6 years is 73 peoples (24,91%), and more or equal to (≥) 7 years is 124 peoples (42,32%). Majority costumer’s duration of business is more or equal to (≥) 7 years. It mean is customers of BMT Beak Madani Cimanggis having experiences. If this condition is related to Hirsch and Brush’s opinion, we can get conclusion that the customers have opportunity to more progress.

Picture 6. Customers Condition Based on Kinds of Business

With the picture above, we can know that customers of BMT Berkah Madani Cimanggis who work to trade is 142 peoples (48,46%), service is 68 peoples (23,21%) and the other business is 83 peoples (28,33%). Majority of business is run by customer namely trade. If this condition is related business location that majority far from market, trade has large market share. So trade can become business whose good opportunity to success.

Picture 7. Customers Condition Based on Location of Business
The picture shows that 138 peoples (47.1%) of customer are location of business at around market, whereas 155 peoples (52.9%) of customers are location of business at far from market. So, the majority of this category are locations of business at far from market. This location is not supports their business, because majority of them is a trader as member of BMT.

**Picture 8. Customers Condition Based on Business Training**

The picture above shows that customers who are ever participated in business training are 40 peoples (13.65%) and who never participated are about 253 peoples (86.35%). Majority customers are never participated in business training. This condition indicates that the successful financing customer of BMT Berkah Madani caused by their own-capability and experience.
Over all, characteristic of BMT financing customers support their business success. Thereby, their business success will support the BMT success, because their business success will produce the large profit. Their profit will make them easy to fulfill their obligation. So, the liquidity of BMT will run well.

Risk Analysis

Kinds of risk based on Regulations of Indonesia Bank (PBI) No. 5/8/PBI/2003 can be applied for the other financial institution such as BMT. The following are kinds of risk at BMT:

Market Risk

Generally, market risk has two components, namely interest rate risk and exchange rate risk. But, BMT can’t use interest rate in market risk, because BMT doesn’t operate by interest principle. BMT only use exchange rate risk.

<table>
<thead>
<tr>
<th>Year</th>
<th>Exchange Rate</th>
<th>Return Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Rp 9,844.00 for USD 1 (Des 26, 2005 to Jan 1, 2006)</td>
<td>3%</td>
</tr>
<tr>
<td>2007</td>
<td>Rp 9,043.25 for USD 1 (Jan 1, 2007 to July 7, 2007)</td>
<td>3%</td>
</tr>
<tr>
<td>2008</td>
<td>Rp 9,412.20 for USD 1 (Des 31, 2007 to Jan 6, 2008)</td>
<td>3%</td>
</tr>
<tr>
<td>2009</td>
<td>Rp 11,062.60 for USD 1 (Des 22, 2008 to Jan 4, 2009)</td>
<td>4%</td>
</tr>
</tbody>
</table>

Sources: www.beacukai.go.id and result of interview 2010

From the table above is known that changes the exchange rate at 2006, 2007, 2008 do not influence return rate. But, when exchange rate is increasing sharply at 2009 about 17.5% from previous years, this exchange rate can influence return rate about 1%. This condition shows that the exchange rate has influenced to return rate.

BMT Berkah Madani Cimanggis has some effective method to manage the market risk, such as personal approach to convince candidate of customer that the number of shariah system profit. More than that, BMT Berkah Madani Cimanggis determine discount about 25% for financing customer who has paid before the maturity. This method can motivate the customer to pay their obligation well. Therefore, we can say that BMT Berkah Madani Cimanggis can manage the market risk well.

Credit Risk
Credit risk is the risk appear because the failure of debtor/counterparty in fulfill their obligation. To analysis credit risk in BMT Berkah Madani Cimanggis, the following is financing quality graph of BMT Berkah Madani Cimanggis at period year 2007, 2008 and 2009.

Graph 6. Financing Quality of BMT Berkah Madani Cimanggis at period year 2007, 2008 and 2009

The graph can be shown that second majority after liquid category is stuck category with percentage about 4.69% at 2007, 12.03% at 2008 and 14.69% at 2009. Therefore, we can say that one of BMT Berkah Madani Cimanggis problems is stuck credit. There are several reasons for stuck credit in BMT Berkah Madani Cimanggis as follow.

1. Human Error, likes mis-application fund of financing.
2. Business customers are bankrupt, so they can not pay their instalment credit.
3. The customers propose consumptive financing, majority of them are employee. They haven’t business. So, when they get the sack, they can’t fullfil their instalment credit.

The stuck credit make financial loss, time loss and energy loss. Because besides stuck credit influential to BMT liquidity, the account officer must double acting. To manage this problem, BMT Berkah Madani Cimanggis maximization allocation of fund back up and minimize stuck level under 10% by giving service excellent. But researcher that eforts isn’t enough, BMT should:

1. Giving training for account officer, so they can analysis in accurate.
2. Monitoring customer business directly and regulary, so the costumers can share their problem.
3. Meeting between BMT managerial and BMT costumer to improve quality of costumer business.
We can take conclusion that credit risk in BMT Berkah Madani Cimanggis is caused by late payment of instalment financing, but BMT Berkah Madani Cimanggis hasn’t manage it completely.

**Operational Risk**

From result of interview with General Manager BMT Berkah Madani Cimanggis, Ir. H. Zainal Zayadi is known that BMT Berkah Madani Cimanggis face some operational risk, such as:

1. **Restrictiveness of Fund.**
   When beginning founding, BMT Berkah Madani Cimanggis experience restrictiveness of fund. BMT can handle this problem well by good financial managerial and support funding from Inkopsyah, up today BMT Berkah Madani Cimanggis can maintain the existence.

2. **System Failure**
   BMT Berkah Madani Cimanggis ever experience system failure, namely Information Technology (IT) problem. It is big problem, because all of transaction is saved in IT program. BMT can handle this problem promptly by change IT program with better IT program. Today, BMT Berkah Madani Cimanggis use Bcore! Application from Buanatechno.

From the operational risks are faced by BMT Berkah Madani Cimanggis show that BMT can handle the risks until BMT operational better.

**Liquidity Risk**

Like statement in the financial report analysis that BMT Berkah Madani Cimanggis included liquid, because BMT Berkah Madani Cimanggis has value of current ratio is more than one. Current ratio of BMT Berkah Madani Cimanggis at 2007 is 1.10, at 2008 about 1.06 and at 2009 about 1.16.

BMT Berkah Madani Cimanggis handle liquidity risk by use back up fund and social fund as qardhul hasan when happen problem of liquidity. So, we can take conclusion that BMT Berkah Madani Cimanggis always fullfil their short term obligation or the other words we can say that BMT Berkah Madani Cimanggis hasn’t liquidity risk for the moment.

**Law Risk**

BMT in Indonesia hasn’t special principle of justice for BMT. BMT in Indonesia use principle of cooperative justice. The principle of justice are Statutory Number 25 Year 1992, Regulation of Government Number 9 Year 1995 about implementation saving and loan by cooperative, and Decision of Ministry Number 91 Year 2004 about cooperative of shariah finance.

BMT Berkah Madani Cimanggis stand based on certificate of cooperative founding by notary public Titiek Soebekti, SH Number 03 Date June 08, 2007 in Depok City. Usually operational of BMT similiar with bank, but BMT isn’t bank and BMT doesn’t use regulations of bank.
Therefore, it need special regulation for operational of BMT or the other micro finance. This problem of law risk is faced by all of BMT in Indonesia.

**Reputation Risk**

Reputation of BMT Berkah Madani Cimanggis in front of society is very good. It can be seen from satisfaction many customers and spreading aboard kindness of BMT Berkah Madani Cimanggis until candidate of BMT costumer always increase every day. The graph following is growth of sum financing costumer BMT Berkah Madani Cimanggis at 2007, 2008 and 2009.

**Graph 7. Growth sum of financing costumers BMT Berkah Madani Cimanggis at 2007, 2008 and 2009**

![Graph 7](image)

From the graph above can be known growth of sum financing customers BMT Berkah Madani Cimanggis, namely at 2007 about 239 peoples, increase to 251 peoples at 2008, and 293 peoples at 2009. Besides from growth sum of financing costumers, good reputation of BMT Berkah Madani Cimanggis can be seen from growth of saving, investation and financing.

**Graph 8. Growth of saving, investation, and financing BMT Berkah Madani Cimanggis**

![Graph 8](image)

Source: Report of Performance BMT Berkah Madani Cimanggis 2009
The Graph show good reputation of BMT Berkah Madani Cimanggis by raising value of saving, investation or financing. Specifically, the raising of value is said that for saving at 2006 is Rp 86,000,000, at 2007 is Rp 257,000,000, at 2008 is Rp 238,000,000 and at 2009 is Rp 251,000,000. While, investation, at 2006 is Rp 270,000,000, at 2007 is Rp 615,000,000, at 2008 is Rp 679,000,000 and at 2009 Rp 957,000,000. For saving, at 2006 is Rp 644,000,000, at 2007 is Rp 542,000,000, at 2008 is Rp 543,000,000 and at 2009 is Rp 1,041,000,000.

Positive reputation of society and good quality performance of BMT show that BMT Berkah Madani Cimanggis hasn’t reputation risk.

**Strategic Risk**

BMT has competitor, namely usurer. Usurer give easy of financing without prerequirement and liquid on site. BMT Berkah Madani Cimanggis has strategic to face usurer. BMT Berkah Madani Cimanggis give easy of payment by pick up system and liquid of fun is relative fast, about three days.

More than that, BMT Berkah Madani Cimanggis benefitted the weakness of usurer (the competitor) become the BMT strength. Such as, clannish, tolerance in pressing a claim and operational without usury (religion prohibition). So, we have known that BMT Berkah Madani Cimanggis can handle the strategic risk well.

**Pursuance Risk**

Pursunce risk is risk caused by Bank unfulfilled the law which is valid. Based on result of interview with General Manager of BMT Berkah Madani Cimanggis is known that BMT Berkah Madani Cimanggis always fulfill the law which is valid. In the other word, BMT Berkah Madani Cimaggis hasn’t pursuance risk.

**Value And Attitude Of Customers Analysis**

Familiarity between customer and managerial team of BMT Berkah Madani Cimanggis can be seen during this research going on, either in BMT Berkah Madani Cimanggis office or in customer’s home when pressing a claim process.

The familiarity is caused by excellent service which is given by managerial team of BMT Berkah Madani Cimanggis. The familiarity build up good character of customers, namely openness and pleasure for share their story speasially the story of their business. So, managerial team can be known condition of business and financial customers, and then managerial team can give solution for their problems. Besides that, familiarity between managerial team and customers will be motivation for customers to do the best, either in running their business or repayment.
Because customer don’t want to make disappointed their family (managerial team BMT Berkah Madani Cimanggis).

Familiarity in BMT Berkah Madani Cimanggis will be perfect, if there is familiarity inter customer. Familiarity inter customer will make they can share information and their experience. More than that, subconsciously they make new relation networking. The familiarity can be true by held some program, such as meeting inter customers or business training for customers. This program must be arbitration until the customer aware that this program is important.

Support Bmt Business System Analysis

Information Technology (IT)

One of BMT Berkah Madani Cimanggis superiority compared with BMT others is the Information technology (IT). BMT Berkah Madani Cimanggis has experience commutation IT. First time, BMT Berkah Madani Cimanggis use MySQL and then Ebase Technology. Now, BMT Berkah Madani Cimanggis use Bcore! application from Buanatechno.

BCore! application for Islamic Micro Finance Institution is technology application of micro-banking IT which is integration. BCore! application has improved until now it reach version 7.3. Improving BCore! LKM/S version 7.3 is compared than before, namely there is increment the new application such as inventories, extrapolation system of result effort residue (SHU) and standing instruction, more than that there is completing the application before.

Buanatechno determine the first base at application of Management Information System (MIS) as infrastructure of improving job planning, namely fulfill requirement of quality labors, implementation of Standard Operating Prosedure (SOP), reinforcement of capacity building and management, monitoring of Islamic Micro Finance rating, improving networking, improving capacity of core business and fee based income of Islamic Micro Finance, building of linkage program with Islamic Finance.

From the statement above, we have known that Buanatechno as Management Information System is full support to improving the colleague. BMT Berkah Madani Cimanggis as one of more than 500 Buanatechno, the BMT improvement and success is support by superiority of Information Tecnology, namely aplikasi Bcore!.

Cooperation and Network

Cooperation and networking of BMT Berkah Madani Cimanggis is become member of Induk Koperasi Syariah BMT (Inkopsyah BMT). Inkopsyah BMT is secondary cooperative has strategy to improve the members in all of Indonesia. Inkopsyah BMT has sharing function, namely give
high contribution to the members, specially to maximization economic scale, to large volume of business through managerial, financial, etc.

One of Inkopsyah role is give financing to working capital, improvement of working capital which is given by Inkopsyah has reached Rp 29,2 billion. The Financing is supported by new source of fund a number of Rp 18,5 billion, some come from LPDB, Syariah Mandiri Bank, and DKI Syariah Bank, while the residue from equity of Inkopsyah. Generally, the benefits which is get by BMT Berkah Madani Cimanggis as a member of Inkopsyah, namely:
1. BMT gets financing facility which is asked
2. BMT gets legality to maximization
3. BMT can participate at Inkopsyah program
4. BMT can network and institutional strengthening

*The benefits which is get BMT Berkah Madani Cimanggis from Inkopsyah will support BMT improvement and success, either from network side or financial.*

**Conclusion**

Some the determinants of the BMT success, especially in BMT Berkah Madani Cimanggis, namely capability of financial management, characteristics of financing customers, capability of risk management, familiarity between customers and managerial team of BMT, *Information Technology* (IT) and Network.
References

Berkah Madani News (artikel) www.berkahmadani.com [diakses pada 12 Desember 2009]


