



## **The strategy of *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang* in business development**

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### **ABSTRACT**

This study discusses the business development strategies of *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang*. It was conducted based on the designation of *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah* as a pilot institution in the South Sulawesi Province. *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah* has rapidly developed, allowing it to compete effectively with conventional financial institutions. The main objective of this research is to investigate the strategies employed by *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah* in expanding its business. This research adopts a qualitative approach with sociological and phenomenological perspectives, utilizing primary and secondary data sources. Data collection methods include observation, interviews, and documentation. The collected data undergoes data reduction, data presentation, and conclusion drawing. The findings reveal that *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang* employs several effective strategies to develop its business. These strategies include: socializing with the community, collaborating with Sharia-based financial institutions, and guiding customers through religious studies. Additionally, enhancing the skills and capabilities of the management team contributes to gaining the community's trust in their collaboration. The success of *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang* in business development is attributed to its accountable and transparent financial management system. Effective cooperation between the board of directors and the management team plays a crucial role in the business development of *BMT As'adiyah*. The management team executes operations on the ground. At the same time, the board of directors monitors the implementation, creating a closely integrated and

inseparable relationship that ensures the financial management aligns with Islamic Sharia concepts, thereby enhancing customer trust.

**Keywords:** Strategy; *bait al-Maal Wa at-Tamwil (BMT)*; business development

## 1. INTRODUCTION

In the era of scientific and technological advancements, a growing demand for financial management is characterized by transparency and accountability. Many countries have adopted Sharia-based economic systems, and Pakistan is one of them. Starting in 1985, the governmental system underwent a conversion to Sharia-compliant banking. Additionally, major financial institutions in Pakistan have eliminated interest-based systems since 1979. During that period, Pakistan promoted interest-free loans, mainly targeting farmers and fishermen.<sup>1</sup>

The establishment of Shariah-based Banking in Indonesia is relatively recent, despite the Indonesian society representing the largest Muslim population in the world. Around the 1990s, the Indonesian Council of Ulama (MUI) initiated the formation of *PT. Bank Muamalah Indonesia* and its articles of incorporation were officially signed on November 1, 1991.<sup>2</sup>

Regarding the strategies for developing Islamic banking and its products, Indonesia adopts a gradual and sustainable approach in line with Sharia principles (comply with to share principle) and gradually avoids conventional practices. This approach is progressively adopted and sustainably and intended to consider the social conditions and the readiness of stakeholders in this field, avoiding any impression of imposition and gradually building a robust system. Additionally, this cautious approach is employed to address concerns related to the application of Sharia principles, which must ensure that the products are widely accepted in society and guarantee their adherence to the principles of Sharia purity.<sup>3</sup>

The management strategies of conventional financial institutions are characterized by standardized systems and procedures, making them inaccessible to micro-entrepreneurs. Consequently, the implemented methods are lengthy and highly intricate, creating barriers for micro-entrepreneurs and informal sectors in accessing funding from

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<sup>1</sup> Kasmir, *Bank dan Lembaga Keuangan Lainnya*, (Cet. XVII. Jakarta: Rajawali Pers. 2016), h. 165.

<sup>2</sup> Kasmir, *Bank dan Lembaga Keuangan Lainnya*, h.165

<sup>3</sup> Darsono, dkk, *Perbankan Syariah di Indonesia kelembagaan Serta Tantangan ke Depan*. Ed. 1, (Cet. 1, Jakarta; Rajawali Pers, 2017), h. 56.

conventional banking. It is essential to understand that supporting the potential of the informal sector and microeconomic actors is crucial to enable them to compete and thrive on par with macroeconomic players. Therefore, this situation presents strategic opportunities for the development of Islamic financial institutions.

Based on this reality, one of the Islamic financial institutions, namely *Bait al-Maal Wa at-Tamwil (BMT)*, has a promising opportunity. It is well-known that *Bait al-Maal Wa at-Tamwil (BMT)* operates as a micro-level Sharia-based financial institution, providing a platform to offer solutions for the lower-middle-class community. With all its implications, *Bait al-Maal Wa at-Tamwil (BMT)* functions as a social institution that does not prioritize worldly or material profits or gains. Conversely, *Bait al-Maal Wa at-Tamwil (BMT)* operates as a business entity that must adhere to effective and efficient business principles.<sup>4</sup> *Bait al-Maal Wa at-Tamwil (BMT)* represents one type of non-bank financial institution that operates on a micro-scale under Islamic principles. Additionally, *Bait al-Maal Wa at-Tamwil (BMT)* is a community-based organization in the financial sector, actively collecting *zakat, infak, and sadaqah*.

As a Sharia financial institution, *Bait al-Maal Wa at-Tamwil (BMT)* must firmly adhere to Sharia principles. Faith serves as the foundation for the belief that enables growth and development. Nearly all existing *Bait al-Maal Wa at-Tamwil (BMT)* opt for cooperation as their legal entities or utilize them as organizational concepts. *Bait al-Maal Wa at-Tamwil (BMT)* performs two main activities: *Bait al-Maal* and *Bait at-Tamwil*. *Bait al-Ma'l* accepts entrusted funds such as *zakat, infak, and sadaqah* distributes them by regulations and assigned responsibilities. On the other hand, *Bait at-Tamwil* develops productive ventures and investments to enhance the quality of small entrepreneurs' activities by encouraging savings and supporting economic financing. Thus, *Bait al-Maal Wa at-Tamwil (BMT)* is a Sharia financial institution.

*Bait al-Maal Wa at-Tamwil (BMT)* As'adiyah Sengkang, at the age of 22, has accumulated assets worth Rp. 56,831,943,277.10 as of the year 2016. Notably, in both 2016 and 2018, *BMT As'adiyah Sengkang* received recognition as an outstanding *Bait al-Maal Wa at-Tamwil (BMT)* institution at the provincial level in South Sulawesi, as conferred by the Governor of the region. Beyond its core savings and loan activities, *Bait al-Maal Wa at-Tamwil (BMT)* has diversified its business operations, including ventures in retail, land sales, property management, car wash services, mobile phone counters, motorcycle trading, and mineral water production. The company also engages in venue rental for meetings and events.

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<sup>4</sup> Muhammad Ridwan, *Sistem dan Prosedur Pendirian Baitul Maal Wa Tamwil (BMT)*, (Cet. I, Yogyakarta: Citra Media, 2006), h. 1

Given this context, the primary aim of this research is to investigate the strategies employed by the Founders, Management, and Administrators of *BMT As'adiyah Sengkang* in fostering business development.

## 2. METHODS

### Research design

This research is qualitative. Qualitative research, which is based on the philosophy of post-positivism, is used to investigate naturalistic conditions. In this approach, the researcher is the key instrument, and purposive and snowball sampling techniques are employed to gather data from relevant sources. Data collection involves a combination of techniques through triangulation. The data analysis is primarily inductive and qualitative, focusing on deriving meaning rather than generalizing findings.<sup>5</sup> This study aims to provide a comprehensive and holistic understanding of the strategies employed by *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang*, a financial institution, in its business development efforts. From a comprehensive perspective, the research aims to present an in-depth description of the institution's practices, including written documents, verbal communication, and observed behaviors.

### Research Location

This research is conducted at *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang*. This institution is one of the autonomous bodies formed by *As'adiyah Sengkang Islamic Boarding School*.

### Research Approach

The approach refers to the process of action, the way of approaching, and the endeavor to establish a connection with the subject of investigation within the context of research activities.<sup>6</sup> Approaches used in the study can be seen as follows:

1. Normative Approach: The normative approach is a method commonly employed in legal research involving the examination of existing literature.<sup>7</sup> This study's initial phase involves examining relevant literature on objective law, focusing on the legal aspects of *Bait al-Maal Wa at-Tamwil (BMT)* development as outlined in the Quran

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<sup>5</sup>Sugiono, *Metode Penelitian Pendidikan. Pendekatan Kuantitatif, Kualitatif, dan R&D*. (Cet. 25. Bandung. Alfabeta, 2017), h. 15.

<sup>6</sup>Leksono Sonny, *Penelitian Kualitatif Ilmu Ekonomi dari Metodologi Ke Metode*, h. 192.

<sup>7</sup>Soerjono Soekanto dan Sri Mamudji, *Penelitian Hukum Normatif Suatu Tinjauan Singkat*. (Cet. Ke XI Jakarta; PT. Raja Grafindo Persada 2009), h. 13-14.

and Hadith. The subsequent phase delves into subjective law, analyzing regulations and provisions related to the research focus.

2. Economic Approach: The economic approach is adopted to gain a deeper understanding of the economic system implemented and managed by *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang* as a practitioner of the Islamic economy.
3. Sociological Approach: Given the involvement of *Bait al-Maal Wa at-Tamwil (BMT)* employees as social entities, the sociological approach is applied to acquire insights into how data collection can be facilitated more effectively within this context.
4. Phenomenological Approach: The phenomenological approach aims to comprehend and interpret the meaning and events as well as the interactions of individuals in specific situations. It seeks to understand the significance of events or phenomena as they relate to humans in particular circumstances.<sup>8</sup>

### Data Sources and Data Collection Method

Data for this research is derived from two sources: primary and secondary. The researcher or their assistants directly collect primary data from the primary sources.<sup>9</sup> To gather primary data for this study, the researcher employed interview methods with the Managers, Board of Founders, employees, and select customers of *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang*. Secondary data, on the other hand, refers to information obtained from secondary sources, meaning data acquired indirectly by the researcher from entities other than the research subjects.<sup>10</sup> The secondary data collected by the researcher includes various literature and documentation from external institutions or data sources outside of *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah Sengkang*, which serves as the research object.

The data collection process includes interviews with *BMT* managers, founders, staff, and selected customers. On the other hand, secondary data refers to information obtained indirectly from external sources, such as literature and documentation from other institutions related to *BMT As'adiyah Sengkang*.

### Data Collection Methods

The data collection process is systematic and standardized to ensure the acquisition of relevant information<sup>11</sup>. The methods used in this study include:

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<sup>8</sup>Lexy J.Moeloeng, *Metodologi Penelitian Kualitatif Edisi Revisi*, (Bandung: PT.Remaja Rosdakarya, 2011), h.31

<sup>9</sup>Sumadi Suryabrata, *Metode Penelitian* (Jakarta: Rajawali, 2001), h. 93.

<sup>10</sup>Saifuddin, Azwar, *metode Penelitian* (Yogyakarta; Pustaka pelajar, 2010), h.91.

<sup>11</sup>Ahmad Tanzeh, *Pengantar metodologi Penelitian*,Cet. I (Yogyakarta; Teras. 2009), h. 57.

## Observation

Observation plays a crucial role in qualitative research, allowing the researcher to systematically document and reflect upon the activities and interactions of the research subjects.<sup>12</sup> This study facilitates observation through observation sheets, video recordings, and photographs to aid in the in-depth analysis of the research problem based on the data obtained from the field.

## Interview

The interview is one of the techniques for obtaining data by conducting direct conversations between the interviewer, who asks the questions, and the interviewee, who answers them.<sup>13</sup> In this research, the author employed two interview techniques: structured interviews and unstructured interviews.

## Documentation

Documentation involves collecting data related to the research focus, such as documents or archives that provide insights or support the study.<sup>14</sup> In this research, the author used documentation to gather data from primary sources related to the research focus, specifically documents or archives associated with the success strategy of *Bait al-Maal Wa at-Tamwil (BMT) As'adiyah* in developing business and empowering the local economy in Wajo District.

## Techniques Data Analysis

Data analysis is a crucial step in the research process. The data analysis techniques used in this study are as follows:

1. Data Condensation: The data collected from field observations, interviews, and documentation are raw and require processing to produce valid data. The data reduction process will yield a clear picture and facilitate the researcher in collecting further data and locating any necessary information.
2. Data Display: After data reduction, the data is displayed in various forms, including summaries, charts, narrative texts, and relationships between categories and similar elements.

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<sup>12</sup> Ahmad Tanzeh, *Pengantar metodologi Penelitian*, Cet. I (Yogyakarta; Teras. 2009), h. 57.

<sup>13</sup> Djamal, M.Pd. *Paradigma Penelitian Kualitatif*, 2017, h. 75.

<sup>14</sup> S. Nasution. *Metode Research (Penelitian Ilmiah)*, (Cet. 8. Jakarta; PT. Bumi Aksara, 2006), h. 133.

3. Verification/Drawing conclusion: Once all the collected data has undergone reduction, the final step in the data processing is drawing conclusions based on the findings.

The data analysis technique employed in this research aligns with the qualitative approach using descriptive methods to elucidate situations or phenomena. The data analysis technique follows the approach proposed by Miles and Huberman, which consists of three parts: data condensation, data display, and verification/drawing conclusions.

### 3. RESULTS AND DISCUSSION

*Bait al-Maal Wa at-Tamwil (BMT) As'adiyah* Sengkang emerged in response to the demands and aspirations of the community, aiming to establish *BMT* as a platform for developing Shariah-economic business and enhancing welfare. Driven by these demands and aspirations, the management of *As'adiyah Sengkang Foundation* felt compelled to establish an Islamic financial institution to foster Shariah economic activities, benefiting the general public and the *As'adiyah* Islamic boarding school in particular.<sup>15</sup>

Following comprehensive deliberations, a meeting was held on Sunday, 19 Rabiul Awal 1422 H (corresponding to 10 June 2001 M), authorized by the management of *As'adiyah Sengkang Foundation*, to discuss the formation of *BMT As'adiyah*. During this meeting, it was concluded to establish *BMT As'adiyah*, and the primary founders agreed to be *As'adiyah Sengkang Foundation*, contributing an initial capital of Rp. 10,000,000 (ten million rupiahs). Additionally, 50 individuals were designated co-founders, each contributing an initial capital of Rp. 500,000 (five hundred thousand rupiahs). Moreover, it was decided that the management of *As'adiyah*, Sengkang Foundation, as the primary founders, would be appointed as the initial board members of *BMT As'adiyah Sengkang*.<sup>16</sup>

Over the years, through the dedication and hard work of the administrators and executives, significant efforts were made to improve the institution's performance, organizational and institutional management, and business management. These endeavors included business expansion, enabling *BMT As'adiyah Sengkang* to position itself strategically and productively, effectively meeting the needs of its members and the broader Islamic community. Nevertheless, after several years, the office of *BMT As'adiyah Sengkang* relocated from Jenderal Sudirman Street to Veteran No. 46 Street Sengkang (The Complex of *As'adiyah* Lapongkoda).<sup>17</sup>

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<sup>15</sup> Muh. Jafar Aras. *Executive Manager of BMT As'adiyah Sengkang, Interview*, 3<sup>rd</sup> May 2023

<sup>16</sup>Executive Boards of *Bait al-mal wa at-Tamwil (BMT) As'adiyah Sengkang. Profil Lembaga Keuangan Islam Bait al-mal Wa at-tamwil (BMT) As'adiyah Sengkang*. 2012.

<sup>17</sup>Executive Boards of *Bait al-mal wa at-Tamwil (BMT) As'adiyah Sengkang. Profil Lembaga Keuangan Islam Bait al-mal Wa at-tamwil (BMT) As'adiyah Sengkang*. 2012.

Throughout the historical journey of *BMT As'adiyah Sengkang*, from its inception until the present day, it has successfully established two service units: *BMT As'adiyah* on K.H.M. As'ad Street, Sengkang and *BMT As'adiyah* on Veteran Street, Sengkang.<sup>18</sup> Meanwhile, the main office remains at Andi Magga Amirullah Street No. 5 Sengkang, Tempe subdistrict, Wajo Regency, South Sulawesi.

Furthermore, the performance of BMT As'adiyah Sengkang, since its establishment or commencement on 21 August 2001 until now, has experienced notable growth and improvement. This is evidenced by its development across various areas, as indicated by the following graphs depicting the progress of *BMT As'adiyah Sengkang* over the past three years:"

### Graph of Managers' Growth

Below is the chart illustrating the development of the *Bait al-mal wa at-Tamwil (BMT) As'adiyah Sengkang*.<sup>19</sup>



**Figure1.** Graph of the development of Managers

Based on the data provided above, it is evident that the development of *Bait al-mal wa at-Tamwil (BMT) As'adiyah Sengkang* has experienced significant growth over the years. This indicates that the institution conducts regular management evaluations and strives to improve its administrative performance by increasing the number of administrators. A well-functioning institution is characterized by its ability to expand and develop its human resources through training and development.

<sup>18</sup>Asrianti. Operational Manager of *Bait al-Mal Wa at-Tamwil (BMT) As'adiyah Sengkang*, *Interview*, 13<sup>th</sup>, May, 2023.

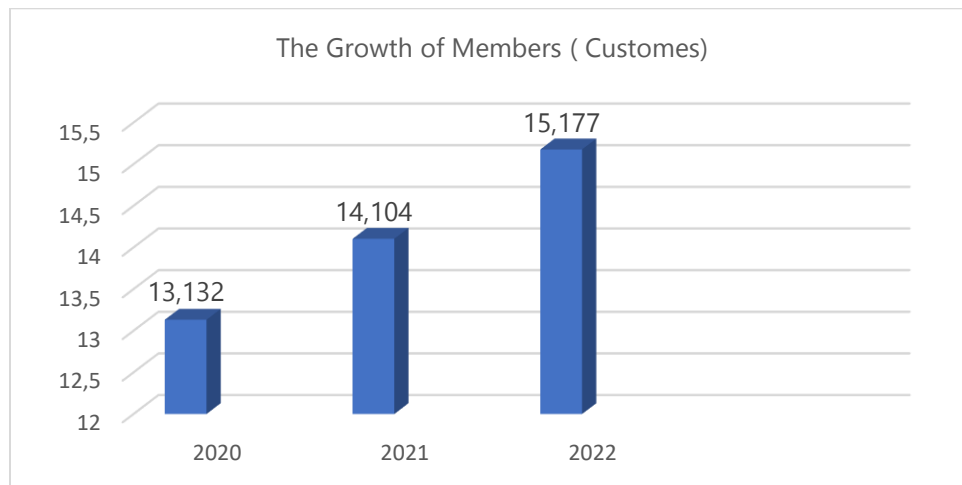
<sup>19</sup>Executive Boards of *Bait al-mal wa at-Tamwil (BMT) As'adiyah Sengkang*. *Profil Lembaga Keuangan Islam Bait al-mal Wa at-tamwil (BMT) As'adiyah Sengkang*. 2012.



Therefore, the addition of 4 administrators, or 10% in the years 2020-2022, represents a commendable trend in the business development of *Bait al-maal wa at-Tamwil (BMT) As'adiyah*, as administrators play a crucial role in supporting business growth. The interviews revealed that *Bait al-maal wa at-Tamwil (BMT) As'adiyah* had implemented a human resources enhancement program, targeting annual increments in the number of administrators. This strategic approach facilitates the development of new business programs within the institution.<sup>20</sup>

### Graph of Members' and customers' Growth

Members (customers) significantly influence the business development of financial institutions like *Bait al-maal wa at-Tamwil (BMT)*. As such, members are a crucial indicator of an institution's progress. An institution experiencing a yearly increase in customer base suggests growth and development. Below is the Membership Development Chart of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* over the past three years:<sup>21</sup>



**Figure2.** Graph of the Customers Growth

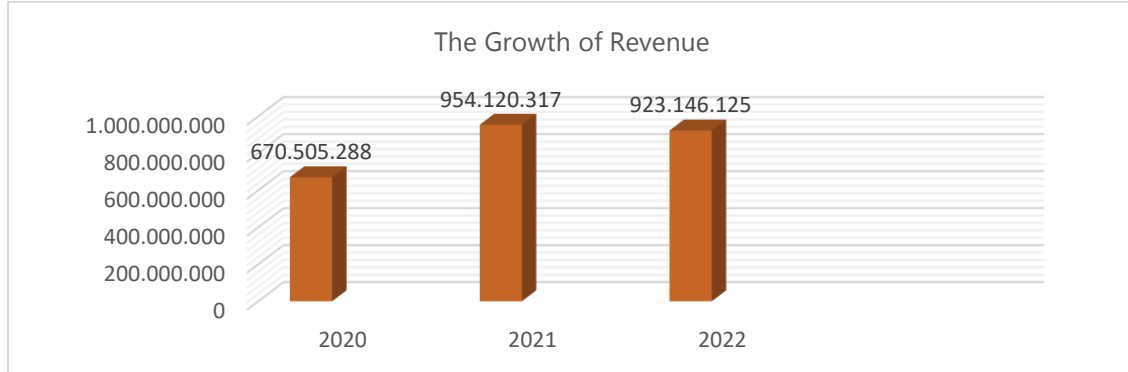
Based on the study's findings, the graph shows that *Bait al-maal wa at-Tamwil (BMT) As'adiyah* has seen an increase in its clientele over time. There have been 1,985 members. This situation indicates that this institution has solid institutional management that supports expanding its customers. Every year, the growing number of customers indicates that business development is also advancing.

<sup>20</sup>Amiruddun Ya'qub, Executive Secretary of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, Interview. 9<sup>th</sup>, May 2023.

<sup>21</sup>Executive Boards of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*. *Profil Lembaga Keuangan Islam Bait al-maal Wa at-tamwil (BMT) As'adiyah Sengkang*. 2012.

### Graph of the Growth of Revenue

The following is a graph and explanation of the revenue growth of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* over the past three years:<sup>22</sup>



**Figure 3.** Graph of the Revenue Growth

The above graph presents the revenue growth data of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* in 2022. Based on the data, the researcher's analysis suggests that *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* has experienced significant business growth as its revenue has increased. According to the documented data, at the end of each year, the management and administrators prepare the Annual Income and Expenditure Budget (AIEB), presented during the founding council's Annual General Meeting (AGM). Once approved, this plan becomes the reference for the management and administrators for one year. The Sharia Supervisory Board evaluates the realization of the Annual Income and Expenditure Budget (AIEB) at the end of each running month. Therefore, the increase in revenue at *Bait al-maal wa at-Tamwil (BMT) As'adiyah* is closely linked to the financial management practices applied by Sharia principles.<sup>23</sup>

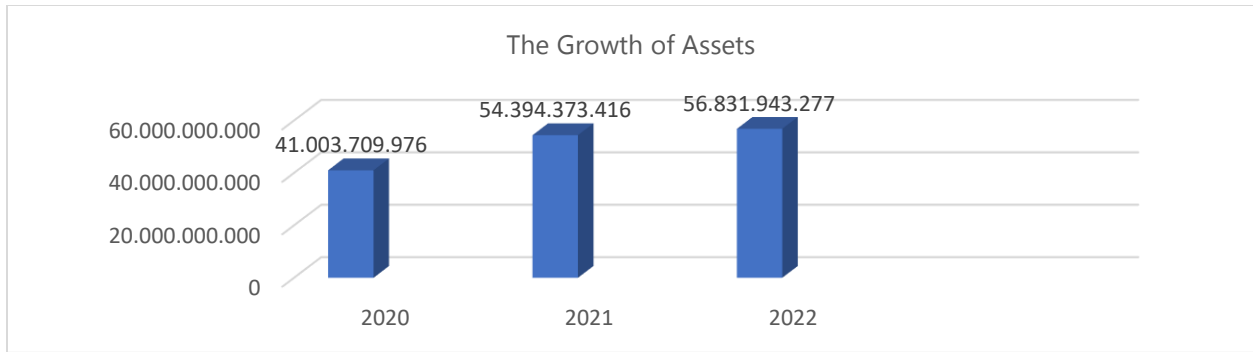
### Graph of the Growth of Assets

The following graph describes the growth of assets of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* over the three years.<sup>24</sup>

<sup>22</sup>Executive Boards of *Bait al-maal wa at-Tamwil(BMT) As'adiyah Sengkang*. *Profil Lembaga Keuangan Islam Bait al-maal Wa at-tamwil (BMT) As'adiyah Sengkang*. 2012.

<sup>23</sup> Muh. Harta, Managing Direktur of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, *interview*. 12<sup>th</sup> May 2023.

<sup>24</sup> Executive Boards of *Bait al-maal wa at-Tamwil(BMT) As'adiyah Sengkang*. *Profil Lembaga Keuangan Islam Bait al-maal Wa at-tamwil (BMT) As'adiyah Sengkang*. 2012.



**Figure 4.** Graph of the Assets Growth

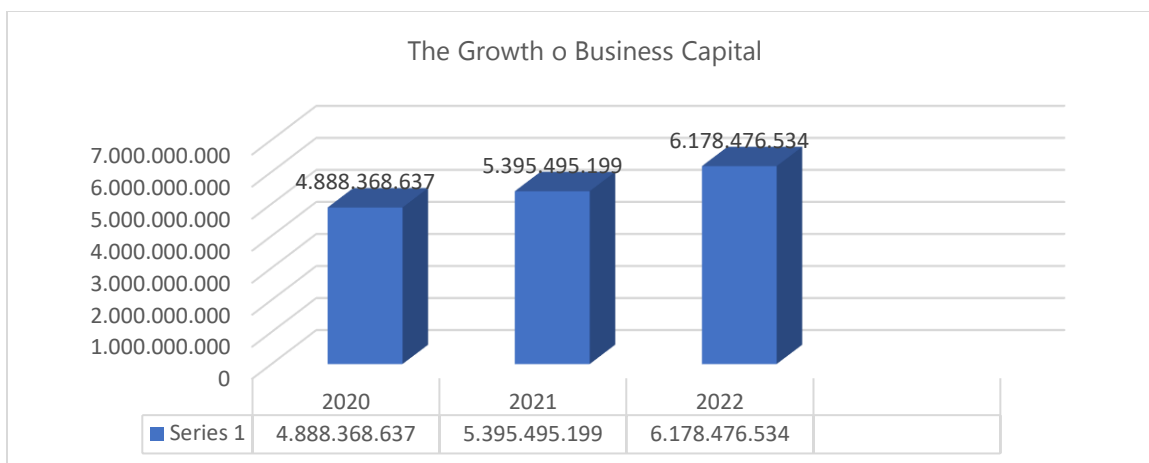
The graph indicates significant asset growth at *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*. Such asset growth greatly supports business development. Based on the researcher's observation, the existing assets at *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* adhere to the standards of service provision through an IT approach, including savings, loans, and other business activities. To the regulations of Sharia financial institutions, the supervisory board and internal and external audit teams monitor all financial reports and employee performance at the end of each month.<sup>25</sup> This condition indicates that yearly continuously growing asset development means significant financial institution development. Effective strategies support such development.

### Graph of the growth of Business Capital

Business Capital is the lifeblood of every financial institution and needs to be improved and increased each year to support business development. If the capital decreases, the wheels of progress will automatically not function properly, impacting business expansion. The graph illustrates the capital growth of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* over the past three years.<sup>26</sup>

<sup>25</sup>Eva Milasari, Internal Auditor of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, Interview. 18<sup>th</sup> May 2023..

<sup>26</sup>Executive Boards of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*. *Profil Lembaga Keuangan Islam Bait al-maal Wa at-tamwil (BMT) As'adiyah Sengkang*. 2012.



**Figure 5.** Graph of the Business Capital Growth

The graph clearly shows the capital increase from 2020 to 2022. In line with the interview statements, to support the growth of businesses at *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, the management and administration implement a strategy of buying and selling shares to increase assets. Additional capital comes from selling shares to shareholders and the remaining profits from the previous year's operations. The sale of shares is adjusted based on the agreements made during the Annual Members Meeting.<sup>27</sup>

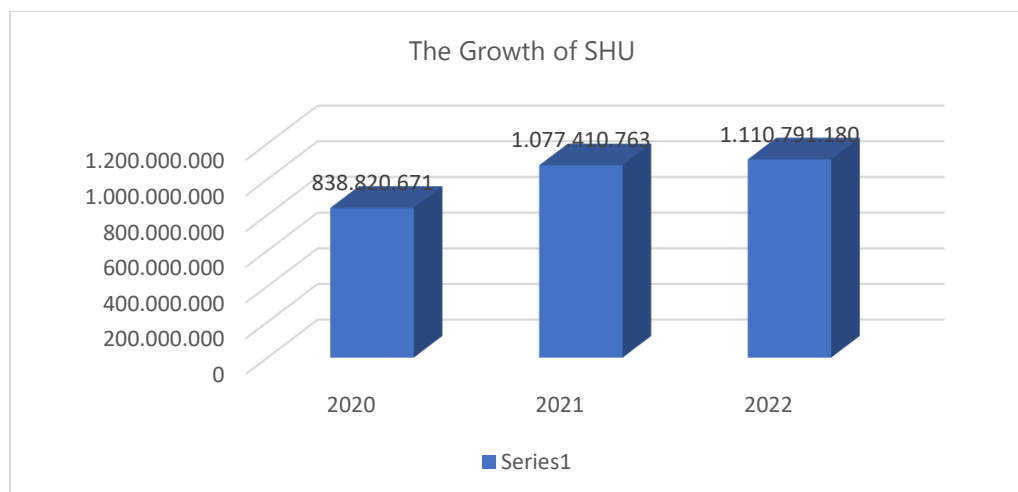
Business capital is a necessary strength for business development. No matter how good a financial institution's management structure may be, it becomes easier to progress automatically with sufficient capital.

### Graph of the growth of SHU

*SHU* refers to the profits obtained by *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, resulting from monthly revenues through a profit-sharing system. The following is the development of *SHU* at *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* over the past three years:<sup>28</sup>

<sup>27</sup>Asrianti, Operational Manager, *Bait al-mal wa at-Tamwil (BMT) As'adiyah Sengkang*, Interview, Tanggal 13<sup>th</sup> May 2023.

<sup>28</sup>Executive Boards of *Bait al-mal wa at-Tamwil (BMT) As'adiyah Sengkang*. *Profil Lembaga Keuangan Islam Bait al-mal Wa at-tamwil (BMT) As'adiyah Sengkang*. 2012.



The graph depicting the SHU above shows that *Bait al-Maal wa at-Tamwil (BMT) As'adiyah* consistently experiences significant SHU growth each year, surpassing the planned targets set during the Annual General Meeting (RAT). This observation suggests that the financial institution employs effective strategies, enabling it to achieve and even exceed the predetermined *SHU* targets. The following excerpt contains interview details:

The favorable condition of *Bait al-Maal wa at-Tamwil (BMT) As'adiyah* can be attributed to various factors related to its founders, management, and members/customers, including 1) A high level of commitment from the founders, management, and administrators, 2) Financial management based on Sharia principles, 3) The managerial skills and capabilities of the administrators and management, 4) The ability to maintain the trust of members/customers, 5) Fund mobilization using Islamic and humane approaches, 6) The ability to foster Islamic brotherhood among administrators, management, and members.<sup>29</sup>

*Bait al-Maal wa at-Tamwil (BMT) As'adiyah Sengkang* has established partnerships with several institutions that support its progress and development, including 1) *As'adiyah Sengkang Foundation*, 2) *Bait al-Maal Wajo Foundation*, 3) *BPD SulSelbar Syariah, Branch Sengkang*, 4) *Bank Muamalat Indonesia (BMI) Makassar*, 5) *Bank Syariah Mandiri Branch Sengkang*, 6) *Bank BNI Syariah Makassar*, 7) *Bank BRI Syariah Makassar*, 8) *Kementerian Negara Perumahan Rakyat RI through the Syariah Subsidized Public Housing Program*, 9) *PT. Jamsostek (Persero) Makassar*, 10) *Asuransi Syariah Takaful Makassar*, 11) *Asuransi Syariah Mubarakah Makassar*, 12) *INKOPSYAH Bait al-Mal Wa at-Tamwil (BMT) - Jakarta*,

<sup>29</sup> Muh. Jafar Aras. *Executive Manager of BMT As'adiyah Sengkang, Interview, 3<sup>rd</sup> May 2023*

13) PUSKOPSYAH Makassar, 14) BUNGKESMAS Makassar, 15) Bait al-Maal Wa at-Tamwil (BMT) across Wajo Regency.<sup>30</sup>

As a result of these collaborative relationships, *Bait al-Maal wa at-Tamwil (BMT) As'adiyah Sengkang* engages in business activities in two forms: 1) Business Activities: Financial management, including savings, financing, and Zakat, Real estate buying and selling, Other profitable endeavors in line with the set targets. 2) Real Sector Activities: Acquiring BTN in Sengkang and Watampone, Bone Regency; acquiring residential land plots in Sengkang, Bone Regency, and Samata, Gowa Regency; buying and selling new and used motorcycles and cars, bottled mineral water production, multi-purpose building management (renting out meeting halls), Car and motorcycle wash services, New and used mobile phone sales.<sup>31</sup>

Based on the research conducted by the author using interview techniques and field observations, it was found that *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* has implemented a reasonably effective strategy in developing its business based on Islamic financial management. The investigation of several businesses developed by *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* revealed that its financial management is based on Sharia principles, encompassing its organizational structure, management system, and profit-sharing practices. The following are some of the interview findings:

In their efforts to expand the business, *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* employs various strategies in the marketing domain. These strategies include:

1. Collecting funds by seeking contributions from markets and prominent figures within Sengkang City and surrounding areas.
2. Raising funds from community institutions and social organizations.
3. Acquiring financial support from mosque committees and *Majelis Taklim* groups.
4. Garnering financial backing from schools, universities, educational institutions, and skill development centers, particularly As'adiyah Islamic boarding schools.
5. Establishing partnerships with Sharia-based financial institutions.
6. Forming shareholder members to invest their capital in *Bait al-maal wa at-Tamwil (BMT) As'adiyah*.
7. Channeling funds through various avenues such as *Murabahah* (trade), *Musyarakah* (profit-sharing), *Ijarah* (leasing), and Sharia pawnshops.<sup>32</sup>

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<sup>30</sup> Executive Boards of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*. *Profil Lembaga Keuangan Islam Bait al-maal Wa at-tamwil (BMT) As'adiyah Sengkang*. P. 5. 2012

<sup>31</sup> Jahrawati, Administration and bookkeeping staff of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*. Interview Tanggal 18 Mei 2023.

<sup>32</sup>Muh. Jafar Aras, Manaejer Eksekutif *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, *Wawancara, tertanggal 3 Mei 2023*

Furthermore, *Bait al-maal wa at-Tamwil (BMT)* has implemented business development programs, including venturing into the real sector with the following strategies:

1. Conducting an inventory of effective and profitable businesses suitable for management.
2. Selecting businesses within the *Bait al-maal wa at-Tamwil (BMT)* sector deemed feasible for Sharia-based management. This includes Sharia property businesses (land plots for housing and BTN house construction), Sharia-compliant multipurpose buildings, packaged mineral water production, new and used motorcycle trading, second-hand mobile phone counters, and car and motorcycle wash services.
3. Recruiting qualified human resources for various business units within *BMT As'adiyah's* real sector.
4. Offering business training with Sharia principles to create opportunities for the unemployed.
5. Collaborating with entrepreneurs through shareholding investments in businesses funded under the Sharia profit-sharing system.<sup>33</sup>

Furthermore, Suryana's perspective emphasizes that entrepreneurship is a process that fosters the creative and innovative capabilities of society, serving as a foundation and resource for seeking success as entrepreneurs. Entrepreneurship involves creating something unique, novel, and distinct through creative and innovative thinking.<sup>34</sup>

A significant highlight from the interviews with various sources is related to the strategies developed by *Bait al-maal wa at-Tamwil (BMT)*. The marketing team's performance in promoting the significance of Islamic financial institutions to the broader community is a crucial aspect of concern. This is further supported by one interview excerpt from the respondent:

"We conduct promotions of *Bait al-maal wa at-Tamwil (BMT) As'adiyah* Sengkang to the general public, particularly to entrepreneurs both within and outside the Sengkang city."

Enhancing public trust to engage in various business collaborations is one of the strategies employed by *Bait al-maal wa at-Tamwil (BMT) As'adiyah*. Businesspersons from

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<sup>33</sup>Amiruddun Ya'qub, Executive Secretary of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, Interview. 9<sup>th</sup>, May 2023.

<sup>34</sup>Suryana, *Kewirausahaan: Pedoman Praktis, Kiat dan Proses Menuju Sukses*, (Jakarta: Salemba Empat., 2003), h. 2.

multiple fields are willing to enter into Memoranda of Understanding (MOUs) with the management of BMT As'adiyah due to the trust cultivated by the institution. The following excerpt presents the results of an interview with one of the entrepreneurs:

"I joined *Bait al-maal wa at-Tamwil (BMT) As'adiyah* as a business partner because, in addition to receiving capital assistance, I was also mentored on conducting business based on Sharia principles. The strategies employed strictly adhere to the rules of Sharia financial management. This has resulted in rapid business growth due to the significantly high level of public trust."

Another equally important strategy pursued by BMT As'adiyah in business development includes: nurturing high-achieving customers, enhancing the competencies of resource managers and executives, providing guidance and in-depth understanding of fiqh muamalah, and Sharia economics, forming partnerships with various financial institutions, entrepreneurs, Sharia-based microfinance institutions, and collaborating with all business units within *Pondok Pesantren As'adiyah*. The following are snippets from an interview with a respondent:

"*BMT As'adiyah* nurtures its customers by rewarding those who excel, offering training to managers and executives, providing guidance on fiqh muamalah, and imparting knowledge on Sharia economics. Collaborations with various other institutions are established to foster partnerships and boost trust."

Based on the insights from the interview excerpts, the researcher concludes that the strategies adopted by *BMT As'adiyah* strongly support business development. These strategies are not merely profit-driven but also educate the community on the significance of comprehending Sharia-based financial management. Moreover, the control adapts strategy according to the economic needs of society, identifying various business opportunities, employing spiritual approaches, and enhancing human resources.

Customer service is a critical strategy in the development of financial institutions. Customers feel comfortable when they receive excellent service. Conventional and Islamic financial institutions prioritize service standards as a business development strategy. The following are excerpts from an interview:

An employee from *Bait al-maal wa at-Tamwil (BMT), As'adiyah Sengkang*, described their approach to customer service as highly characterized by providing services according to standard operating procedures (SOP) without complicating matters for the customers. Before conducting any transactions, they thoroughly explain the Sharia-compliant procedures and processes that customers should follow.



Observations reveal that the management carries out routine activities through daily, weekly, and monthly programs. At *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, they hold daily briefings and congregational Dhuha prayers. Weekly, they conduct guidance and employee performance evaluations. There are regular religious gatherings with customers and guidance on Fiqh and understanding economic concepts, with a spiritual approach to enhance the understanding of the customers and potential clients.

These findings demonstrate that *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang's* business development strategy is founded on the knowledge that a spiritual approach and understanding of concepts are crucial in building public trust. Initiating every activity with prayers is believed to bring blessings and ease. Furthermore, cognitive abilities regarding Sharia economic concepts are vital to ensure that business operations adhere to authentic principles and regulations, resulting in satisfactory outcomes.

Service standards play a decisive role in the growth of financial institutions. Based on the researcher's observations, *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* has adequate recommendations and service standards. Due to their professional management practices and adoption of IT in line with Sharia principles, their approach to managing financial institutions is highly appropriate. The researcher observed that the employees of *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* exhibit friendly and highly professional behavior while handling financial transactions and real-sector services.

The researcher also conducted the documentation study on several documents related to written documents, such as management accountability reports consisting of financial reports, employee performance reports, and business plans. The financial reports prepared within the Islamic Cooperative's Annual General Meeting are highly accountable, instilling a strong sense of trust among founders and shareholders to entrust their funds to *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*.

Furthermore, the analysis of other documents identified research findings related to business development programs. The identification of effective and profitable business ventures for management was carried out through an inventory process. The sectors of *Bait al-maal wa at-Tamwil (BMT)* deemed manageable in the next year's work plan based on the Sharia system included: Sharia-compliant property ventures (housing land plots and BTN house construction), a Sharia-compliant Multipurpose Building, packaged mineral water production, new and used motorcycle trading, HP counters (buying and selling new and used mobile phones), car, and motorcycle washing services.

Subsequent document analysis revealed the presence of business progress reports through monthly evaluations of employee performance, where each employee was given

development targets for businesses in the form of equity capital injection into Sharia-compliant business objects financed under the profit-sharing system. Employees achieving the highest targets were rewarded through performance bonuses.

## Discussion

The development of financial institutions is supported by several factors, including the training of management, customers, and financial management. Based on the growth of the graph found in the field, the research reveals that highly effective management strategies significantly aid *Bait al-maal wa at-Tamwil (BMT)* in expanding its business.

A crucial aspect of managing any business or other business, the primary strategy for success, is the ability to engage in societal outreach. An enterprise will gain recognition among the general public with proper socialization, which applies equally to *the Bait al-maal wa at-Tamwil (BMT)* financial institution. The results of the interview analysis show that *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* has adopted socialization as one of its business development strategies. Apart from promoting their products, they have also engaged in the socialization of their business.

Based on the respondents' information, the strategies employed by *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, such as fostering employees' and customers' development to enhance human resources, are highly appropriate. A company's growth must start from its available resources, and the development of human resources is a crucial aspect in this context. Human Resource Development is a process organizations pursue to enhance their employees' knowledge, skills, and overall abilities. This includes improving competencies through training programs or employee development initiatives, maximizing organization knowledge, leadership management, and other managerial sciences directly influencing employee performance and institutional human resource quality.<sup>35</sup>

The business development strategy involves improving service quality by enhancing human resources' competencies, skills, and knowledge through training and development, particularly in marketing and information technology. This enables them to meet the needs of members and customers while enhancing institutional capacity through mutually beneficial partnerships with Islamic microfinance institutions and Islamic

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<sup>35</sup>Chris Rowley & Keith Jackson, *Manajemen Sumber Daya Manusia*, (Jakarta; Rajawali Press, 2012). H. 88.

banking and active engagement in associations to expand the *Bait al-maal wa at-Tamwil (BMT) As'adiyah* reach.<sup>36</sup>

The research results demonstrate that financial management plays a significant role in building public trust in financial institutions. One of the strategies *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* employs is evident through transparent financial reporting and accountability observed in the annual General Meeting. The successful execution of a Shariah financial institution relies on implementing strategies and systems consistent with Shariah financial management concepts and patterns. Proper implementation yields satisfactory outcomes, as evidenced by *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang*, which has experienced asset growth since its establishment in 2001, thereby increasing public trust. The institution's business ventures have expanded nationally, including launching *BMT* mobile access to cater to customer deposit services.

The research findings also indicate that the business development strategies employed by *Bait al-maal wa at-Tamwil (BMT) As'adiyah Sengkang* include socializing with the community and business stakeholders, standardizing services, improving management and customer resources, fostering religious values through lectures and training, and ensuring accountable financial management, all of which contribute to enhancing public trust.

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<sup>36</sup>Sapudin A, Najib M, Djohar S, *Strategi Pengembangan Lembaga Keuangan Mikro Syariah (Studi Kasus pada BMT Tawfin Jakarta)*, Jurnal Al-Muzara'ah Vol.5, No.1, 2017 (ISSN p: 2337-6333; e: 2355-4363).

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