

Baznas *Micro-Crowdfunding*: Risk Management-Based Organizational Design on the Transformation of Baznas Micro Zakat Bank

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ABSTRACT

Bank Zakat Mikro (BZM) is a microfinance service initiated by BAZNAS to leverage ZIS-DSKL funds for providing capital to micro business mustahik under the al-Qardh principle, which entails interest-free financing. The main goal of this study is to develop a strategic model that transforms BCM's operational framework into an independent institution capable of generating organizational revenue while fostering community participation in poverty alleviation. This applied research employs a qualitative descriptive approach to explain, design, and process data into a practically implementable model. The data collection technique was systematically performed using a sequential transformative strategy that involved stakeholder interviews, regional observations of BZM activities, and the analysis of internal and external institutional reports. Using the method of interviews with *stakeholders*, observations of BZM in several regions, and document studies in the form of internal and external reports of the institution. The findings led to the creation of a risk-based organizational design to transform BZM into BAZNAS *Micro-Crowdfunding*, which is a crowdfunding service for Mustahik MSMEs in the form of KSPPS. Additionally, future BZM services are anticipated to encompass a combination of Qardh-based savings and loans, micro-crowdfunding investments, and assistance for Mustahik MSMEs. The research also outlines a comprehensive guide to implementing micro-crowdfunding schemes, from business processes to the impact assessment of the results, and demonstrates the practical applications of the study.

Keywords:

Micro zakat bank; organizational design; risk management; self-reliance scheme; transformation

ABSTRAK

Badan Zakat Mikro (BZM) adalah layanan keuangan mikro yang diinisiasi BAZNAS, untuk mendayagunakan ZIS-DSKL kepada mustahik pelaku usaha mikro dalam bentuk permodalan menggunakan prinsip al-Qardh, yaitu pembiayaan tanpa keuntungan. Sejalan dengan jumlah penyaluran dana yang besar, BZM mendapatkan permintaan replikasi yang tinggi di beberapa daerah untuk segera mentransformasikan skema operasional BZM menjadi lembaga yang mandiri dan menghasilkan pemasukan organisasi dengan melibatkan partisipasi masyarakat dalam mengentaskan kemiskinan. Penelitian ini bertujuan untuk menjelaskan, merancang dan mengolah data menjadi sebuah model strategis yang dapat digunakan secara implementatif. Penelitian ini menggunakan pendekatan deskriptif kualitatif. Teknik pengumpulan data dilakukan dengan strategi transformatif sekuensial menggunakan metode wawancara dengan stakeholder, observasi terhadap BZM di beberapa daerah, dan studi dokumen berupa laporan internal maupun eksternal lembaga. Penelitian ini menghasilkan desain organisasi berbasis risiko dalam proses transformasi BZM menjadi BAZNAS *Micro-Crowdfunding* yaitu layanan urun dana bagi UMKM mustahik berbentuk KSPPS. Adapun layanan BZM ke depan dapat berbentuk gabungan dari beberapa layanan berupa simpan-pinjam berbasis Qardh, investasi urun dana mikro berupa micro-

crowdfunding serta pendampingan usaha bagi UMKM mustahik. BZM dapat menjalankan panduan skema micro-crowdfunding mulai dari proses bisnis hingga pengukuran dampak dari hasil penelitian ini.

Kata Kunci:

Bank zakat mikro; desain organisasi; manajemen risiko; skema kemandirian; transformasi

INTRODUCTION

The concept of microfinance is familiar to the people of Indonesia. It is recorded that since the colonial era, people's credit institutions have been born to handle the community's financial needs. The presence of zakat institutions and the Sharia economic movement that became popular in the early 1990s gave a new nuance to the world of microfinance. Recent advancements in digital technology and regulatory frameworks have significantly enhanced the scope and efficiency of microfinance services, establishing a new state of the art in how these services are delivered and managed. BAZNAS, as a government institution that manages zakat nationally, seeks to find a zakat-based microfinance model as a form of socio-economic engineering to spread benefits through capital and financial facilities. Through BAZNAS Decree No. 20 of 2018, BAZNAS Microfinance (BMFi) was born, which is currently changing its name to Bank Zakat BAZNAS, which has microfinance services in each village sector called Bank Zakat *Micro* (BZM). As of December 2022, 15,756 *Mustahik* partners have been assisted, covering 3,939 heads of families with a total disbursed fund of Rp. 9,501,233,530 (Aziz, 2023).

In line with the large fund distribution, BZM has received high demand from regional BAZNAS to form BZM in various regions in Indonesia. This scheme needs to be more balanced compared to the capabilities of human resources in the Bank Zakat division and the level of performance loan (Aziz, 2023). Which is low from the *mustahik* partners. Therefore, the idea of transforming BZM into a micro stock exchange that can generate organizational income by involving community participation in alleviating poverty in their environment has emerged. However, the existing independence plan is hit by BZM's operational scheme, which still uses loan services (Aziz, 2023). *Qardh*, no income covers the institution's operational needs. Thus, this transformation process needs to be designed using a new strategy related to BZM's organizational design so that the institution can be more flexible in managing its operational processes.

To produce the right strategy proposals, BZM requires a risk-based organizational design to oversee the transformation process and ensure it runs smoothly. BAZNAS risk management documents are still in the formulation stage, so no official guidelines can be used in the organization's BAZNAS Bank Zakat division design. If so, the organizational design that will be made later must be able to accommodate risks during the transformation process and an escort scheme so that the implementation of the independence scheme can run optimally.

Islamic microfinance is a source of capital for economic development that has helped reduce multidimensional poverty by having a moderate but positive impact on the poor's standard of living, health, and education, thereby improving their lives. Low access to financing is often the biggest

obstacle in building physical collateral for people with low incomes. Therefore, Sharia microfinance institutions (LKMS) can be seen as an effort to provide financial access to people experiencing poverty who do not have collateral (Rahman *et al.*, 2014; Kassim & Rahman, 2018)

Risk management involves risk identification, collection or combination of similar risks, risk assessment, control, and monitoring (Manan & Shafiai, 2015). Risk management in financial institutions intends to improve the Performance and financial sustainability that determines the sustainability of MFIs (Wafi & Muhammad, 2023; Wediawati *et al.*, 2018). Other research has found that business age, risk-taking, innovation, and being proactive impact MFIs (Rahman & Dean, 2013; Yewoh *et al.*, 2021). Furthermore, sustainability is one of the challenges for MFIs. Sustainability in Islamic microfinance will enable the community's economic empowerment in the long term to overcome the wider shortcomings and vulnerabilities of people with low incomes. This shows the importance of risk management for MFIs to improve their efficiency to benefit the wider community (Al-Rahahleh, 2019).

To serve the community, they offer various types of financing with a profit-sharing system for buying and selling, leases, and pure loans (without compensation). In these cases, MFIs are unique in terms of the risks they face (Wulandari *et al.*, 2016). This type of risk is unique because Islamic microfinance institutions share the risk between the MFI and the customer under a profit-sharing contract. Since microfinance institutions' customers come from the poorest segments with low levels of education, Islamic microfinance institutions face high risks – not only credit risk but also risks related to liquidity management, market conditions, transactions, fraud, governance, and reputation (Khan & Astha, 2014).

From the existing phenomenon, it is necessary to mitigate risks under the source and type of risk, as well as the characteristics of Islamic microfinance institutions, so that they can reduce adverse choices in their lending process by conducting a strict selection of prospective borrowers using risk assessment-based assessments (Hernandez & Torero, 2014). Furthermore, it is important to know that borrower selection and portfolio management are ways to mitigate risks in Islamic microfinance institutions (Tamanni, 2019). In addition, other studies state that a risk management work unit is a necessary mechanism for better risk control, and companies with such units tend to perform better than those without them (Ghazieh & Chebana, 2021; Jia & Bradbury, 2021).

This research proposes that a risk-based organizational design can effectively enhance the sustainability and independence of BZM, enabling it to operate without central institutional assistance and thereby fostering a self-sustaining, socially responsible community through improved financial mechanisms. This approach aims to transform BZM into a more stable and sustainable institution, capable of operating independently without the need for central institutional assistance, and proposes a new organizational design within Baznas in 2025. This design intends to build a socially conscious community equipped to sustain itself through enhanced capital and financial facilities.

RESEARCH METHODS

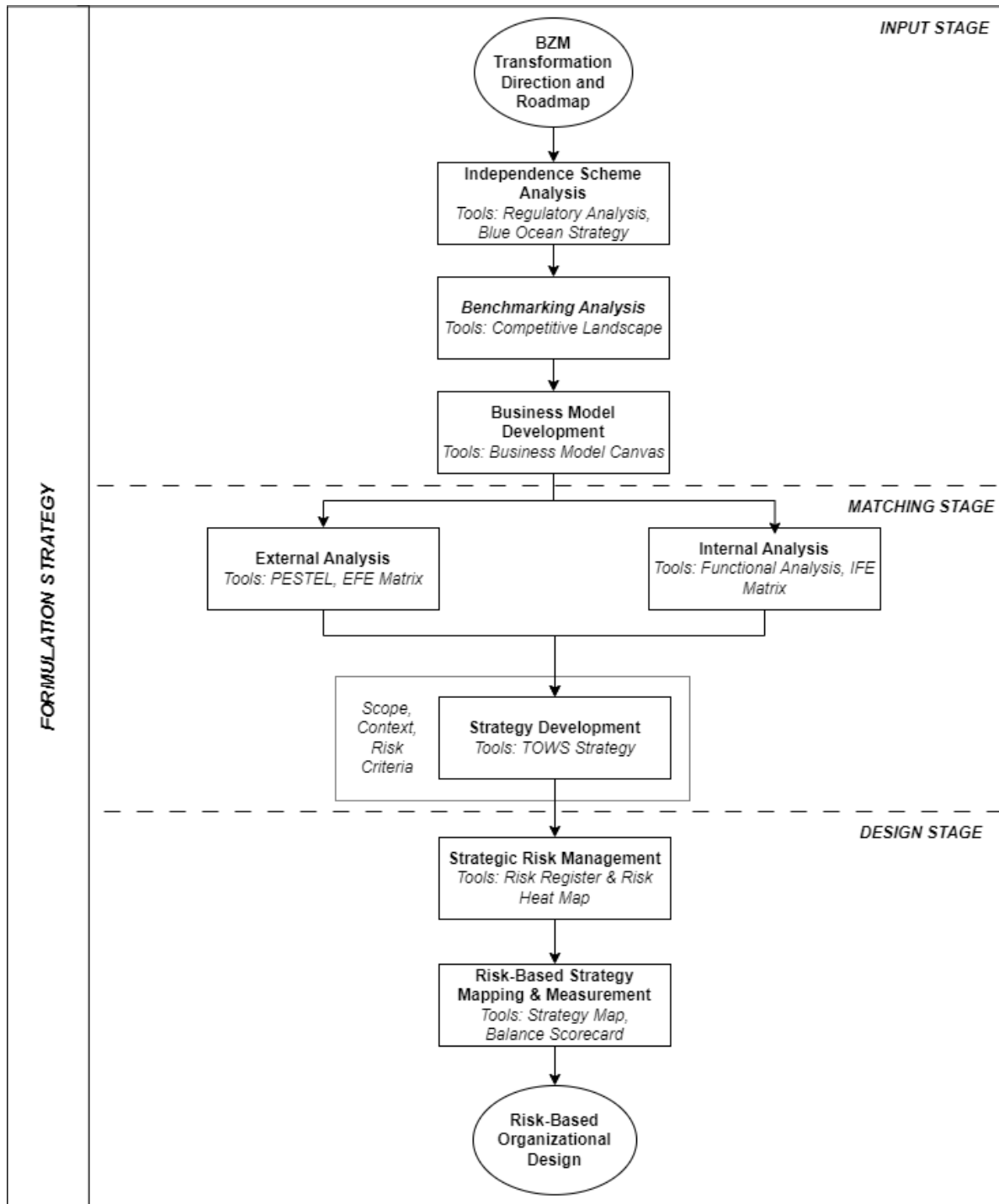


Figure 1. Research Outline

Source: Authors' work (2023)

This study uses a qualitative descriptive approach where the research design is prepared to provide a systematic overview of scientific information derived from the research object. (Sanusi, 2014) The object of implementing this research is the division of Bank Zakat BAZNAS, focusing on transforming Bank Zakat Micro (BZM) services. This type of research is applied research that aims to

explain, design, and process data into a strategic model that can be implemented. This study's data type is document data using internal and external data sources.

The data collection technique uses a sequential transformative strategy that combines data from one method with another. This study's data collection technique uses an interview with the Head of the Micro Zakat Bank Division under the Central BAZNAS, interviews with Micro Zakat Banks (BZM) in *Bedono, Sawojajar, Matraman, and Bojong Rangkas*, and document studies in the form of internal and external reports of the institution. Activities in qualitative data analysis are carried out interactively and continuously until complete so that the data is saturated. Data analysis and processing methods use several tools (Sugiyono, 2021) *tools* as shown in **Figure 1**.

RESULTS AND DISCUSSION

In response to both macro and micro dynamics and changes, Bank Zakat Mikro (BZM) must continuously refine and develop to address community needs effectively. This ongoing development aims to foster a socially minded society that is independent and sustainable, spreading benefits through capital and financial facilities. Micro Zakat Bank – hereinafter referred to as BZM – is a microfinance service initiated by BAZNAS to utilize ZIS-DSKL to *mustahik* micro business actors in the form of capital financing and business development at the village level. BZM financing uses the *al-Qardh* principle, which does not attract profits in profit sharing, margin, or other similar terms. The increasing demand from the regions to form a new BZM encourages BAZNAS to independently manage several BZMs and manage the institution independently from the funds circulating through business model innovation. This is following the BAZNAS milestone plan, which has prepared a sustainability plan for BZM in five stages, namely the initiation stage, operational stage, strengthening stage, institutionalization stage, and take-off stage.

Analysis of the Independence Scheme

The transformation of BZM is very closely related to the form of institutions and operational schemes that are carried out. As a service that has intersected with thousands of rural communities, the transformation that BZM will carry out must follow applicable regulations to prevent future problems. In connection with existing regulations, it is necessary to choose a form of legal entity that will be used as a basis by BZM in the future. Four rules are studied as the basis for the form of a legal entity for BZM independence, namely:

1. Law of the Republic of Indonesia No. 25 of 1992 concerning Cooperatives
2. Law of the Republic of Indonesia No. 1 of 2013 concerning Microfinance Institutions.
3. PermenKopUMKM RI No. 11/PER/M.KUKM/2017 concerning the Implementation of Sharia Savings and Loan and Financing Business Activities by Cooperatives.

4. Government Regulation of the Republic of Indonesia No. 7 of 2021 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises explains the Law of the Republic of Indonesia No. 11 of 2020 concerning Job Creation.

From the analysis of the four regulations, it was found that the form of legal entity that is most in line with BZM's independence strategy is KSPPS, namely Sharia Savings and Loan and Financing Cooperatives. The reason for choosing KSPPS is based on the unpreparedness of KSPPS management human resources and business systems that are not so rigid as MFIs, so the scheme is flexible if various kinds of cases are encountered in the field. Therefore, BZM is more suitable for direct instruction in the form of KSPPS, noting that the supervision system must be strengthened.

Along with BAZNAS's mission, which is to optimize the distribution and utilization of zakat for poverty alleviation, improvement of community welfare, and moderation of social inequality, it is necessary to formulate the concept of BZM independence by these targets. Crowdfunding is one of the alternative concepts that can encourage Indonesia's economic progress and accelerate the growth and development of MSMEs through easy access to MSMEs' capital. As a legal entity that will later be in the form of KSPPS, BZM has the potential and advantage of implementing a crowdfunding system. One of the main goals of KSPPS with this crowdfunding system is to maximize profits for the common benefit of members. This distinguishes cooperative-based crowdfunding from crowdfunding that is rampant in the form of corporations.

Benchmarking Analysis

Based on POJK 57/POJK.04/2020 concerning Securities Crowdfunding (SCF), SCF institutions that are members of ALUDI (Indonesian Crowdfunding Services Association) were formed. This SCF institution is the cornerstone in creating the Competitive Landscape as a business analysis method that identifies direct or indirect competitors to help understand their mission, vision, core values, market niche, strengths, and weaknesses. The following is the Competitive Landscape of the KSPPS BAZNAS micro-crowdfunding concept in Appendix 1.

Business Model Canvas

From the analysis of the formulation of the concept above, it is found that the BZM independence scheme needs to be fully invested in crowdfunding in debt and equity crowdfunding or fully donated crowdfunding. BZM as a BAZNAS service is in the middle of the second concept that gave rise to micro-crowdfunding. Micro-Crowdfunding is an alternative scheme for the lower middle class to invest small amounts of money through organizers to micro businesses/enterprises. Micro-Crowdfunding aims to remove common barriers to investing to micro investors, such as minimum balances/deposits and fees per transaction, and improve the accessibility of funding/capital to micro businesses/ventures. This is also an alternative solution for people to use their money productively through affordable investment opportunities with good returns. The role of BZM in this micro-crowdfunding scheme is depicted in the canvas of Appendix 2.

TOWS Matrix

TOWS analysis is used to formulate a strategy to be developed by BAZNAS Micro-Crowdfunding from internal and external factors. Business actors in the micro-crowdfunding scheme are MSMEs in the regions/villages. From a macro point of view, MSMEs have various potentials to become the subject of this micro-crowdfunding concept. The external analysis uses the PESTEL method to examine the potential of MSMEs in the micro-crowdfunding scheme. To transform into a micro-crowdfunding scheme, it is also necessary to review the potential of the Performance of services that have been run previously. The internal analysis of BZM uses functional analysis. Then, the internal and external analysis results are compiled in the TOWS Matrix, as seen in Appendix 3.

Strategic Risk Management

Strategy risk management formulates a list of risks used to generate strategy goals that have been mitigated from risks. The risk management results of this strategy will later be useful as a basis for determining strategy measurement using a balanced scorecard. The list of risks of BAZNAS Micro-Crowdfunding is found in Appendix 4.

Then, the results of the risk register in Appendix 4 are processed into risk heat mapping as a form of visualization of the results of risk analysis, which is used to make it easier for BAZNAS to see the potential dangers contained in the Micro-Crowdfunding concept and determine risk control priorities that must be carried out first with the ultimate goal of achieving the predetermined targets. The following is the Risk Map of BAZNAS micro-crowdfunding in Figure 2. The strategic objectives of the risk management process are made into a strategy map, which shows an overview of achieving the goals of the BAZNAS Micro-Crowdfunding concept, as shown in Figure 3.

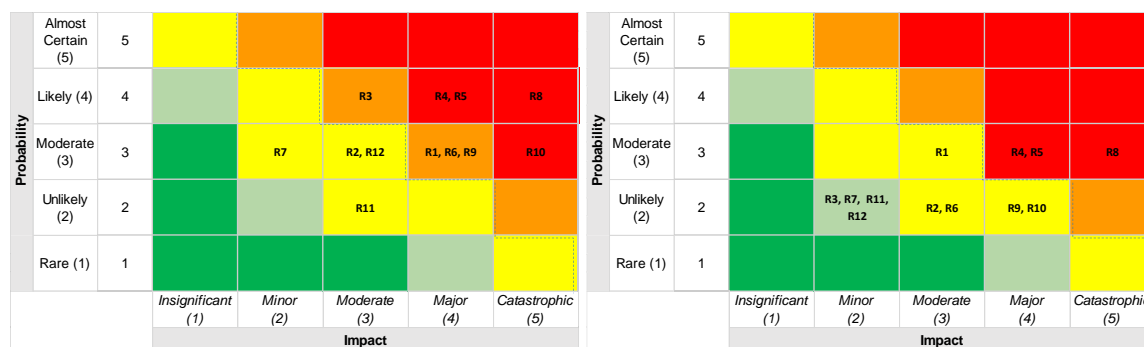


Figure 2. Risk Heat Map
 Source: Authors' work (2023)

Balanced Scorecard

From the strategic goals that have been mitigated through risk management and goal depiction through the strategy map, a balanced scorecard is then made as an implementation of the BAZNAS micro-crowdfunding strategy. The following is the balanced scorecard formulated in Appendix 5.

Risk-Based Organizational Design

1. Business Model

BZM's business model is a micro-investment facilitator that conducts channeling agencies between BZM partner business actors and micro-investors from the general public through Sharia Savings, Loans, and Financing Cooperatives (KSPPS).

2. Business Process

Business processes are a series of procedures related to each other to form a flow that aims to run a business smoothly, efficiently, and effectively. The business processes carried out by BZM can be seen in Figure 4.

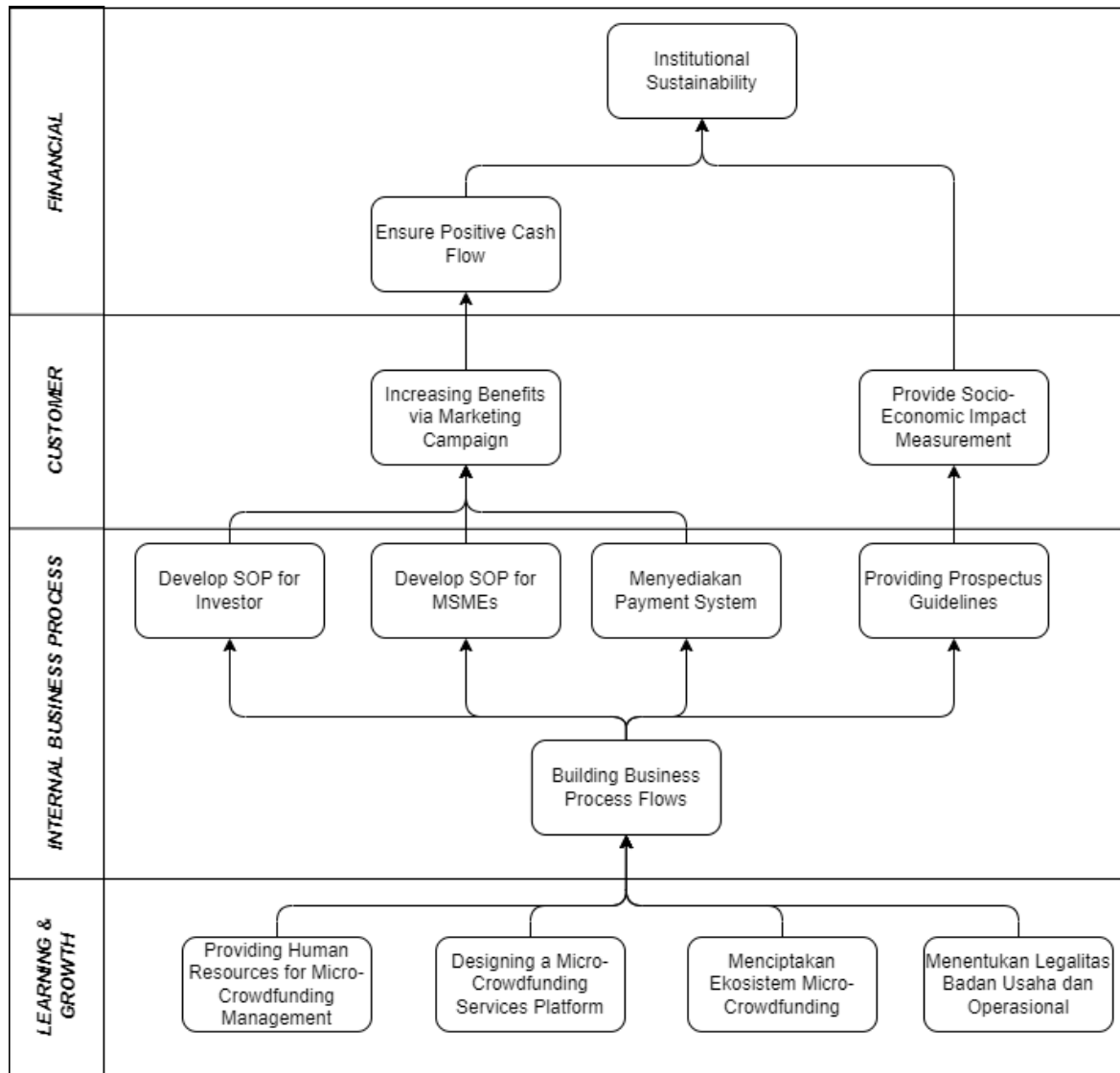


Figure 3. Strategy Map
Source: Authors' work (2023)

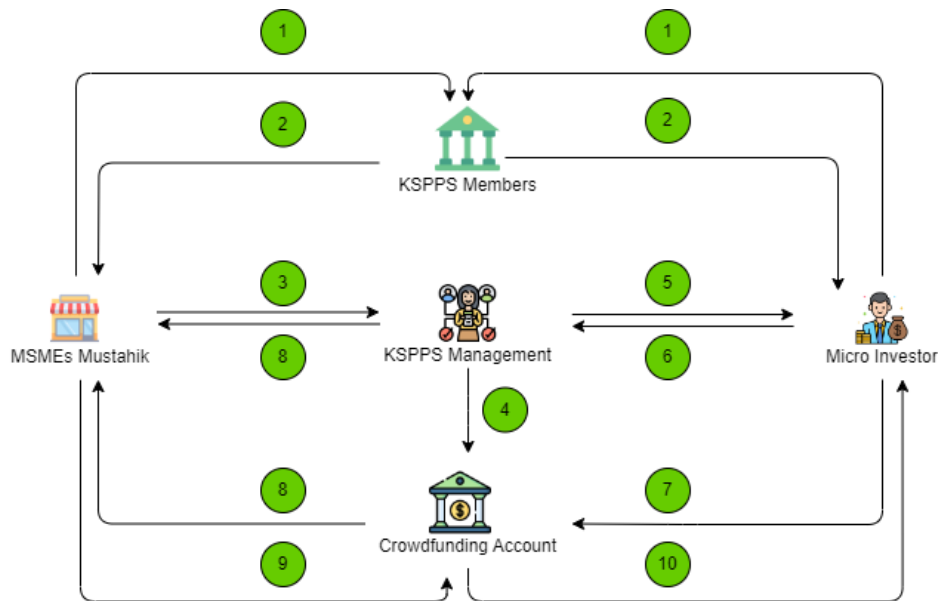


Figure 4. Business Process
 Source: Authors' work (2023)

BZM acts as a hub or liaison between the community as investors and MSMEs needing funds. The information on the business process above is as follows:

1. Member submission is a condition for participating in the micro-crowdfunding scheme consisting of old/new partners of Mustahik MSMEs, and the community is a micro-investor.
2. Furthermore, an assessment of the eligibility of members is carried out with criteria
 - a. MSMEs are assessed based on commitment, feasibility, and business sustainability
 - b. Investors are assessed based on the feasibility of the motive and the ability to invest
3. After becoming a member, MSMEs submit an application for funding needs to BZM.
4. If passed, the application for the needed funds was packaged as fundraising in a crowdfunding scheme. It will be submitted to the *Qardh* loan scheme if it does not pass.
5. KSPPS managers inform fundraising offers after the listing is collected through prospectuses to micro investors
6. Micro Investors interested in investing register as cooperative members and then buy transaction tools in the form of tokens.
7. Tokens purchased by micro investors are used as capital to invest in potential MSMEs according to investors' tastes.
8. The funds collected during the investment period are channeled to *Mustahik* MSMEs trained and nurtured to develop their businesses and achieve the target return. MSMEs are obliged to provide business activity reports to investors through BZM.
9. After the period ends, MSMEs provide profit-sharing returns to crowdfunding accounts.
10. The manager is entitled to a 5% fee before the profit share is distributed to investors according to the proportion of Investment as the cost of organizing micro-crowdfunding

1. Human Resources

In the work process, BZM requires a person to be in charge of the following fields.

1. The division that helps invite the public to become micro investors, as well as selects and regulates these human resources, is called the Networking and member Management division
2. The MSME Development & Feasibility Assessment division checks and assesses the feasibility of MSMEs listed on the micro-crowdfunding scheme. It helps develop them to generate returns according to the specified targets.
3. The Transaction Supervision & Compliance division organizes, supervises, and monitors the micro-crowdfunding transaction scheme and ensures that distributed funds reach eligible recipients.
4. The part that ensures the main system and support system runs by the operational workflow is the Chief Executive Officer or Manager

2. Operating Scheme for Investors

The following is an overview of BAZNAS's micro-crowdfunding operation scheme for investors as follows:

1. Complete the entire registration procedure
2. Selection of member eligibility based on institutional criteria
3. Socialization from the organizer to micro-investors on investment schemes risks
4. Opening an investment period during a predetermined time
5. Profit-sharing to all stakeholders involved

3. Operation Scheme for MSMEs

The following is an overview of BAZNAS's micro-crowdfunding operation scheme for partner MSMEs as follows:

1. Complete the entire registration procedure
2. Business Feasibility Selection based on institutional criteria
3. Socialization of MSME registration with communication strategies according to funding needs
4. Fundraising from micro-investors to funds raised at the right time and amount
5. Profit-sharing to all stakeholders involved

4. Transaction Scheme

This transaction scheme guides all BZMs that will implement the existing micro-crowdfunding system. Figure 5 shows the flow of the transaction scheme Figure 5. In this scheme, BZM requires a payment gateway to transfer existing funds. The payment gateway option with a token as the currency in the micro-crowdfunding scheme is determined. In the future, this token will be a medium of exchange from investors to MSMEs.

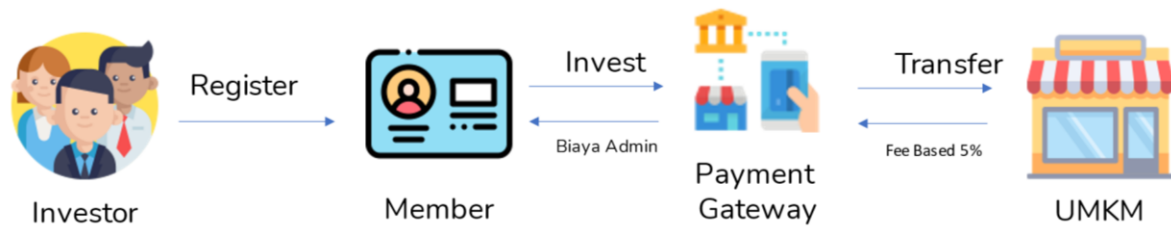


Figure 5. Transaction Scheme

Source: Authors' work (2023)

5. Prospectus Format Provisions

A prospectus is a document that elaborates on investment offerings from partner MSMEs to investors. The prospectus contains company profiles and annual reports to provide an overview of the business conditions of MSMEs offered to the public. The contents of the prospectus include the following:

1. Industry Highlight contains the potential of the industry in the business field that MSMEs are engaged in, where it will discuss Product Potential, Business Competitors, Sales Trends
2. Business Overview contains history, business description, address, and supporting data
3. Business Bio which contains: Business Name, Entrepreneur Biodata, Business Description, Business Address, Number of Employees, Employee Biodata, Legality Aspects
4. Income Statement & Balance Sheet
5. The Plan for the Use of Funds contains the number of Financing Applications, the Purpose of Use, the Plan of Use, the Term of Use, and the Draft Financing Needs.
6. Cooperation Scheme contains profit-sharing levels policies, rights obligations of MSMEs
7. Constraints & Handling

6. Campaign Plan

The campaign plan will reach the target consumers in an interesting, creative, and multi-media-engaging way. BZM requires a campaign plan consisting of the following components to promote the new micro-crowdfunding scheme.

1. The target, namely BZM, needs to compile and determine what targets to be achieved from this micro-crowdfunding scheme are more than just profits
2. The audit is that BZM needs to check what human resources and skills they have to carry out the existing campaign plan. If it is still far from capable, then BZM needs to determine what gaps need to be met so that the campaign plan can continue to run
3. Method: BZM needs to choose the form of the campaign plan that suits the budget
4. Prepare is to build a campaign plan with the following steps:
 - a. Business selection by selecting MSMEs that are suitable for Investment with criteria that BZM has previously determined
 - b. Prepare a campaign plan that includes success stories, attractive cooperation schemes, future business milestones, and projected fundraising profits.

- c. Campaign execution according to the plan made accompanied by periodic evaluations

7. Impact Measurement

Impact Measurement uses two methods, namely SROI and SLIA. As a test of the scheme micro-crowdfunding, Bank Zakat issued the Ramadan 2023 financing program, which is a loan Qardh with modified conditions adjusting the scheme micro-crowdfunding, namely the determination of a ceiling above 3 million to a maximum of 10 million with the condition of a maximum return of 2 months. Social Return on Investment (SROI) is a tool for measuring and calculating the broader concept of impact calculation by measuring the changes experienced by people or organizations in relevant ways. (Gargani, 2017; Hastono & Ratnasari, 2020; Venezia, 2020). The results of SROI's financing analysis show that 18 out of 33 MSMEs managed to increase business growth from the previous months.

Then, the Sustainable Livelihood Impact Assessment (SLIA) aims to measure changes in MSME assets by evaluating the program's sustainability in five assets: human, natural, financial, physical, and social. In this impact measurement analysis, a sample of data on Mrs. Narti's MSMEs from BZM *Sawojajar* was used in the prospectus. The results of the assessment of asset components produced a positive trend in all aspects, with an average value of 1,266 points or "Moderate." Blue line indicates before financing and orange line indicate after financing. This indicates that Ramadan financing positively impacts Mrs. Narti's MSMEs. The results of the visualization of the SLIA method can be seen in Figure 6.

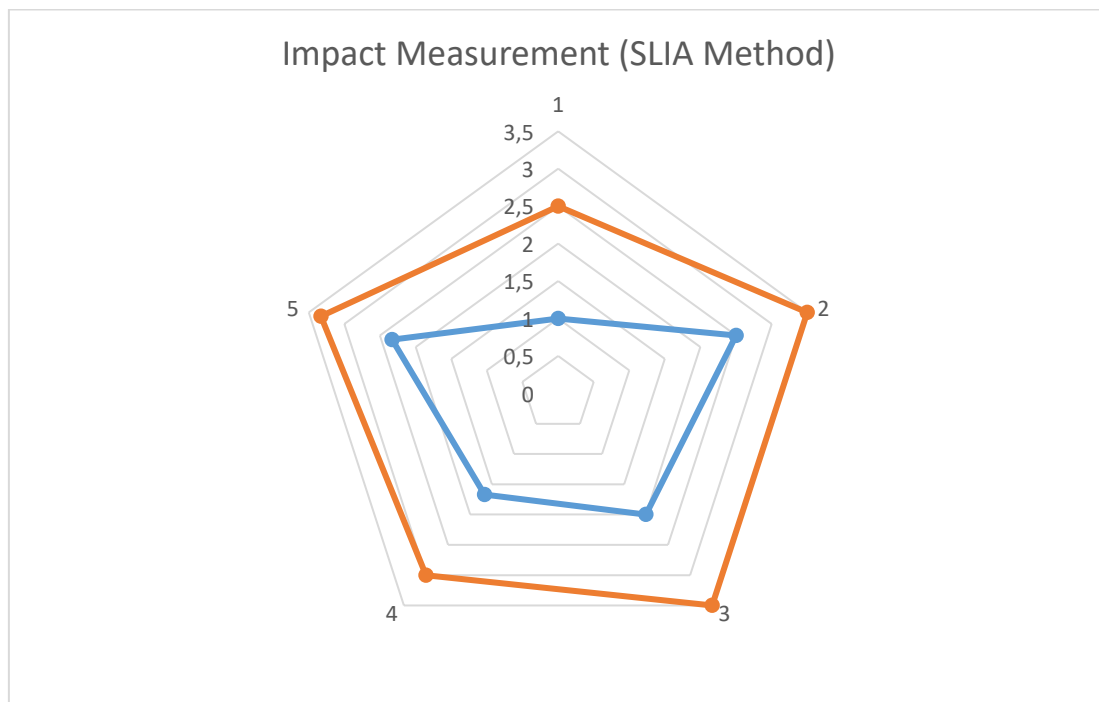


Figure 6. Visualization of Impact Measurement Using the SLIA Method
Source: Authors' work (2023)

8. Financial Scenario

In planning BZM's independence strategy, the most important thing is how BZM can run independently and generate positive cash flow, which is the remaining income minus needs per year. The financial feasibility analysis starts from the total cash budget on the balance sheet of BZM *Bojong Rangkas*, which can be seen in Table 1.

From the sample data of 33 MSMEs in BZM *Matraman*, it was found that the average profit of MSMEs was 140.5%, indicating that the existing capital can generate more than two times the profit of the running business. The data also found that for one semester, 66.7% of the total *mustahik* MSMEs needed a new ceiling where the funding needed was more than 5 million.

Then, in determining the percentage of return on Investment (ROI) and the number of profit-sharing turnovers in a year, it is necessary to model supply and demand simulations to determine the equilibrium point. The conclusion of equilibrium point modeling from the three simulations was obtained, and the criteria for determining the ceiling based on annual ROI turnover with a default ceiling standard of 10 million were achieved if the ROI of MSMEs had reached a rate of 15-20% and was considered able to achieve the ROI in 2x for a year.

Table 1. BZM Independence Business Model

ASSETS		PASSIVA	
CURRENT			
A	ACTIVATION	A	OBLIGATION
	Cash		Debt
	205.000,00		0,00
	Placement of Funds		
	in Banks (BSI)		<i>Total Liability</i>
	738.003.333,87		0,00
	Placement of Funds		
	in Banks (BPRS)		
	50.000.000,00	B	PROGRAM FUNDING
	<i>Qardh Loans</i>		BZM Initiation and
	552.402.500,00		Development Fund
			28.185.000,00
	Fees Paid in Advance		Program Grant Funds
	15.500.000,00		<i>Qardh BAZNAS</i>
	Office Supplies		Revolving Fund
	0,00		1.324.250.000,00
	<i>Total Current Assets</i>		Operating Surplus
	1.356.110.833,87		16.360.833,87
			<i>Total Program Funds</i>
			1.368.795.833,87
B	FIXED ACTIVITIES		
	Office Equipment		
	12.685.000,00		
	Accumulated		
	Depreciation		
	0,00		
	<i>Assets Remain Clean</i>		
	12.685.000,00		
	TOTAL ACTIVITIES		TOTAL PASSIVA
	1.368.795.833,87		1.372.795.833,87

Source: Authors' work (2023)

The existing balance sheet data was modeled into an analysis of BZM's financial feasibility with a positive cash flow target in a year; preliminary data was obtained, namely the total number of *mustahik* who have become partners of BZM *Bojong Rangkas* of 740 people and the annual needs of each BZM of Rp. 166,800,000. The following are the results of the financial projections of the Micro-Crowdfunding Scheme, which can be seen in **Appendix 6**. From the financial feasibility analysis, the following conclusions were obtained:

1. 10 out of 12 BZMs can implement a crowdfunding scheme with a partial subsidy scheme in the first year. And complete independence in the second year
2. 2 Other BZMs require additional *mustahik* to be independent in the second year
3. BZM must be committed to being able to collect card funds according to the existing collection target

MSMEs registered in the micro-crowdfunding scheme must commit to sharing 20% of profits with micro-investors.

9. Regulatory Scenarios

In carrying out its independence strategy, BZM will implement a micro-crowdfunding scheme, an innovation of the crowdfunding system referring to POJK regulations No. 16/POJK.04/2021, POJK No. 77/POJK.01/2016, and POJK No. 37/POJK.04/2018. The selection of financing scheme regulations with POJK rules will tend to encourage institutions to be bound in the form of MFIs (Microfinance Institutions) rather than KSPPS, which is more difficult to implement BZM in the regions due to the capacity of less qualified human resources and institutions. However, if BAZNAS continues to use POJK as a financing scheme, the directive on the form of a legal entity of KSPPS must be clarified whether to change to the MFI format or continue to maintain the form of KSPPS. Therefore, based on the conditions of institutional regulations, BZM has prepared three regulatory scenarios to overcome existing problems.

- a. Scenario 1: In the first year of operation, BZM uses the form of a KSPPS legal entity that distributes financing schemes from BZM funds and member funds to MSME partners as members. The system used is the *mudharabah - muqayyadah* scheme.
- b. Scenario 2: If the micro-crowdfunding scheme expands, BZM must license business activities as MFIs while still using the KSPPS legal entity.
- c. Scenario 3: If the micro-crowdfunding scheme is increasingly in demand and requires the participation of the general public in its operations, then BZM needs to take care of POJK licensing in implementing the scheme for the general public

These three scenarios are a win-win solution for the regulatory problems BZM faces. The selection of this scenario is also a consideration for approval by BAZNAS leaders to ratify the transformation of BZM institutions from microfinance to micro-crowdfunding. In the first year of operation, BZM can start with the first scenario and then gradually move on to the second and third scenarios, looking at the situation and conditions that will be faced later.

10. Ecosystem Strengthens the Concept of Micro-Crowdfunding

The micro-crowdfunding scheme is an innovation in the scope of micro and even ultra-micro business capital. The most important aspect BZM must achieve as the organizer is generating a relationship of trust between members involved in the scheme and creating economic stability in the

journey of MSMEs and investors. This can be achieved when BZM prioritizes management transparency to create a sustainable crowdfunding ecosystem.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis conducted for the independence strategy of Bank Zakat Micro (BZM), a suitable risk-based organizational design was obtained in the form of Sharia Savings and Loan and Financing Cooperatives (KSPPS) through a financing scheme with a crowdfunding concept with the branding BAZNAS Micro-Crowdfunding. Recommendations for BZM services in the future are a combination of several services in the form of *qardh*-based savings and loans, micro-crowdfunding in the form of micro-crowdfunding, and business assistance for *mustahik* MSMEs. The practical contribution of this research is that BZM can carry out micro-crowdfunding scheme guidelines in the future, starting from business processes and measuring the impact of the results of this research. The policy contribution to government regulation includes an analysis of the issuance of the Law of the Republic of Indonesia Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector. The PPSK Law says that KSP can collect and distribute funds to parties other than members. That is why, in the future, KSP supervision will be under the OJK, so there is an opportunity to develop the BAZNAS Micro-Crowdfunding concept without worrying about potential regulatory problems.

This research certainly has limitations where the context of the organizational design formulated only has the scope of work units in the BAZNAS Zakat Bank division, outside the scope of the BAZNAS enterprise. In addition, in connection with the scope within the work unit, the new business process produced in the form of work unit business processes and the designed risk management design is only limited to the scope of the transformation process in the work unit so that the identification of existing risks will only dwell on the activities carried out on the existing organizational design elements. In this context, the resulting organizational design is limited to important and urgent needs in the form of an implementation plan used in the early stages of organizational operations. So, future research is expected to analyze research at the stage of organizational sustainability and its impact on the economic and social aspects of the surrounding environment. The technical suggestion for implications to BAZNAS is to monitor the implementation plan that has been prepared as well as assess the Performance of the achievement of BAZNAS Micro-crowdfunding from the predetermined target. This monitoring task can be assigned to existing division members or add a special role in monitoring and evaluation in the Micro Zakat Bank division.

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APPENDIX

Appendix 1. Table of Indonesia's Crowdfunding Competitive Landscape

Aspects				
Description	Equity Crowdfunding SME Business Investment	Securities Crowdfunding through various types of securities such as stocks, bonds, derivatives, and others	Securities Crowdfunding based on Sharia principles.	Micro-Crowdfunding with a cooperative investment scheme for profit-sharing
Source of Funds	General Public through the purchase of <i>tokens</i> for investment	The investor's investment uses the <i>Danamon</i> Account and is subject to a financier transaction service fee of 4% of the investment value for each securities purchase.	Financiers through <i>balance top-up</i>	People who are recorded as members by purchasing <i>tokens</i> for investment facilities
Amount of Funds per Issuer (Maximum Collection)	10 billion (POJK 57 of 2020)	10 Billion	10 Billion	10 Million
Share Offering Period	60 Days	45 days	45 Days	60 days
Fee Collection	<i>annual fee</i> as marketing expenses and <i>maintenance</i> paid every annual (final) dividend distribution. The <i>annual fee</i> will be agreed in writing	<ul style="list-style-type: none"> <i>registration fee</i> for financiers & issuers. Publishers are required to pay <i>Platform Fees, Management Fees, Annual Fees</i>, and other fees to third parties related to the <i>Listing process</i> 	<ul style="list-style-type: none"> IDR 5,000,000 when the business is approved 7% of the value of the raised funding 	<ul style="list-style-type: none"> Transaction <i>token</i> fees <i>Fee-Based</i> 5% of profit-sharing
Contracts/Agreements	<i>Annual Fee</i>	<i>Platform Fee, Management Fee, Annual Fee</i>	Stocks (<i>Musarakah Musahamah</i>)	<i>Mudharabah - Muqayyadah</i>

Source: Authors' work (2023)

Appendix 2. Figure of Business Model Canvas BAZNAS Micro-Crowdfunding

<p><u>Key Partner</u></p> <ul style="list-style-type: none"> • Micro Investors • Community • Government Relief Fund • Corporate CSR 	<p><u>Key Activities</u></p> <ul style="list-style-type: none"> • Attracting investors • Providing a transaction system • Selecting MSMEs • Overseeing crowdfunding schemes 	<p><u>Value Propositions</u></p> <ul style="list-style-type: none"> • Easily Accessible to Local Communities • Presenting Trusted Investment Bonds • Sharia Ecosystem • Economic Empowerment of Micro Communities 	<p><u>Customer Relationships</u></p> <ul style="list-style-type: none"> • Incubation • Socialization • <i>Training</i> • <i>Listings</i> • Direct Friendship 	<p><u>Customer Segments</u></p> <ul style="list-style-type: none"> • Ultra Micro & Micro Vital Ventures
	<p><u>Key Resource</u></p> <ul style="list-style-type: none"> • Managers, Managers & Supervisors of KSPPS • <i>Platform Crowdfunding</i> • Secretariat 		<p><u>Customer Channels</u></p> <ul style="list-style-type: none"> • <i>Event</i> • Social Media • Grant Program 	
<p><u>Cost Structure</u></p> <ul style="list-style-type: none"> • Institutional Design & Attributes • Rent Office • Salary & Benefits • Office Operations 			<p><u>Revenue Streams</u></p> <ul style="list-style-type: none"> • <i>Fee-Based</i> • <i>Return on Investment</i> • <i>Operational Infaq</i> • <i>Independent Business Revenue</i> 	

Source: Authors' work (2023)

Appendix 3. Figure of PESTEL Analysis of Micro-Crowdfunding Business Actors

			<i>Strength</i>	<i>Weakness</i>
			TOWS Matrix Strategy	
Sizable revolving funds for initiation	The number and capability of human resources are still lacking in carrying out operations			
Opportunity	Politics	President Joko Widodo has given directions so that financial support to the MSME sector is a priority in the National Economic Recovery. In Indonesia, ALUDI ALUDI (Indonesian Crowdfunding Service Association) has been formed	Taking the moment of government support for MSMEs by targeting positive <i>cash flow</i> through an invitation to as many people as possible to get involved	Preparing human resources for managers in accordance with applicable regulations so that they can assist the community and MSMEs in participating in <i>the crowdfunding system</i>
	Economics	Based on data from the Ministry of Cooperatives & MSMEs in 2022, the contribution of MSMEs to GDP is 61.07% or worth Rp 8,573.89 trillion and is targeted to increase to 63% in 2022	With the great potential of existing MSMEs, a good marketing strategy will increase the beneficiaries even more	With limited operations, one way to regulate Micro MSMEs is to implement good SOPs for MSMEs
	Technology	The use of digital technology in financial institutions is an <i>enabler</i> to expand financial access to areas that have not been served optimally, in addition to an increase in technological literacy in the community	With many target <i>beneficiaries</i> , it is necessary to create a good payment system in regulating the transaction flow of the existing system	Creating a simple technology-based service platform that makes it easier for managers to manage transaction schemes ranging from: <i>Excel database</i> , <i>Online Form</i> , <i>Online Prospectus</i> , etc.
	Legal	OJK Regulation (OJK) Number 16/POJK.04/2021 concerning Amendments to Financial Services Authority Regulation Number 57/POJK.04/2020 concerning Securities <i>Crowdfunding Offerings</i> .	Determine the legality of the business in accordance with the provisions in order to become a <i>sustainable</i> institution in carrying out operations	Designing a business model scheme that is in accordance with <i>the applicable</i> crowdfunding rules.
Threat	Social	Investment traps ensnare small communities, those who are the largest economic strata in Indonesia have low financial literacy so they are vulnerable to being deceived by fraudulent investments	With a large number of segments but minimal financial literacy, a simple document containing overall business information is made so that it is easy for the general public to understand	With limited operations, one way to regulate the micro community is to implement good SOPs for investors
	Milieu	Various elements in society that have potential funds but cannot be properly empowered due to the lack of reach of investment facilities among small communities	Apart from the success of the transaction scheme, with the number of parties involved, the socio-economic impact given must be measured	Build an operational ecosystem that supports and engages all parties in the business to run existing systems

Source: Authors' work (2023)

Appendix 4. Table of List of Micro-Crowdfunding Strategies

No	List of Strategies	Risk Events	Causes of Risk	Risk Mitigation
1	Ensuring that BZM's <i>Micro-Crowdfunding</i> Independence Scheme can run by generating <i>positive</i> cash flow	BZM cannot meet its operational needs	The <i>Micro-Crowdfunding scheme</i> that is run is not financially feasible	Creating a financial scheme with various scenarios for MSMEs that are netted in order to generate <i>positive</i> cash flow
2	Increase community participation and funds collected	Fundraising <i>funding target</i> not achieved	There are no promotional means from MSMEs that reach target consumers in an attractive way	Creating a <i>marketing campaign</i> from a <i>micro-crowdfunding</i> scheme to increase MSMEs that partner
3	Ensuring <i>Micro-Crowdfunding</i> schemes can be economically and socially beneficial	Programs don't feel socially beneficial	There is no framework for measuring the impact of social financing	The creation of an impact measurement scheme from the scheme that is carried out so that it can be economically and socially beneficial
4	Regulating Micro MSMEs to run the <i>Micro-Crowdfunding</i> scheme properly	MSMEs do not run the scheme correctly	MSMEs do not have the necessary experience to run a <i>micro-crowdfunding scheme</i>	Making SOPs to regulate Micro MSMEs to help operational supervision schemes
5	Arrange Micro Investors to run <i>Micro-Crowdfunding</i> schemes properly	Investor Complaint for not understanding the scheme	Investors do not have the necessary experience to run a <i>micro-crowdfunding scheme</i>	Making SOPs to regulate Micro Investors to assist in the operational supervision scheme
6	Setting up and ensuring the payment system runs smoothly	Inhibition of financial transactions	Absence of a transaction scheme that accommodates the needs of members	Creation of a simple financial transaction scheme that regulates the payment system
7	Ensure overall business information is easily understood by the general public	Failure to make investment decisions	Asymmetric information about the business conditions of MSMEs offered to the public	Creating a simple Prospectus that contains information about the entire business so that it is easy for the general public to understand
8	Ensure BZM's business processes run in accordance with applicable rules	Failure of <i>Micro-Crowdfunding Scheme</i>	Absence of procedures or workflows in running a <i>Micro-Crowdfunding scheme</i>	Preparation of business processes in accordance with <i>crowdfunding rules</i> that strictly regulate the operation of the institution.
9	Preparing qualified human resources who can assist the community in using the <i>Micro-Crowdfunding scheme</i>	HR Management is not running optimally	Determination of duties and authorities is not based on existing business processes	Preparation of qualified human resources to be able to assist the community so that they can understand the <i>Micro-Crowdfunding scheme</i>
10	Creating a technology-based simple <i>Micro-Crowdfunding</i> service platform	Public Disinterest in Following the Scheme	The public does not understand the description of how the business or scheme will be carried out	Creation of a simple technology-based service platform
11	Creating a business ecosystem with the participation of various	Instability of <i>Micro-Crowdfunding Scheme</i>	There is no bond of trust between the parties involved (government,	Creation of a business model ecosystem that supports participatory sharing

No	List of Strategies	Risk Events	Causes of Risk	Risk Mitigation
	parties so that the scheme can be run smoothly		MSMEs, community) in the scheme	
12	Determine the basis for business legality in accordance with applicable regulations	Contradictions of regulatory analysis related to legal entities and operating schemes	The financing scheme from POJK will encourage legal entities to become MFIs that are heavy on BZM implementation	Determination of business legality scenarios that comply with the provisions

Source: Authors' work (2023)

Appendix 5. Table of Balanced Scorecard BAZNAS Micro-Crowdfunding

<i>Aspect</i>	<i>Objectives Based Risk Mitigation</i>	<i>Measures</i>	<i>Target</i>	<i>Initiatives</i>	<i>Primary Responsibility</i>	<i>Timeline</i>
<i>Financial</i>	Creating a financial scheme with various scenarios for MSMEs that are netted in order to generate <i>positive</i> cash flow	Rupiah	166.800.000	Creating a Financial Feasibility Scenario	BZM Manager	Q3 2023
<i>Customer Perspective</i>	Creating a <i>marketing campaign</i> from a <i>micro-crowdfunding</i> scheme to increase MSMEs that partner	% Existing Partners	30	Creating a Marketing Campaign Guide for MSMEs	MSME Division	Q4 2023
	The creation of an impact measurement scheme from the scheme that is carried out so that it can be economically and socially beneficial	Assessment	1	Making an Impact Measurement Tool	BZM Manager	Q3 2023
<i>Internal Process Business</i>	Making SOPs to regulate Micro MSMEs to help operational supervision schemes	Document	1	Making SOPs for MSMEs	MSME Division	Q3 2023
	Making SOPs to regulate Micro Investors to assist in the operational supervision scheme	Document	1	Making Investor SOPs	Investor Division	Q3 2023
<i>Learning & Growth</i>	Creation of a simple financial transaction scheme that regulates the payment of existing systems	Process Chart	1	Creation of Micro-Crowdfunding Service Transaction Scheme	Transaction Division	Q3 2023
	Creating a simple Prospectus that contains information about the entire business so that it is easy for the general public to understand	Document	1	Drafting simple prospectus creation rules	MSME Division	Q3 2023
	Preparation of business processes in accordance with <i>crowdfunding rules</i> that strictly regulate the operation of the institution.	Process Chart	1	Creating a Micro-Crowdfunding Service Business Process Flow	Transaction Division	Q 2023
	Preparation of qualified human resources to be able to assist the community so that they can understand <i>the Micro-Crowdfunding scheme</i>	Org-Chart	1	Workflow-Based Organizational Structure Creation	BZM Manager	Q 2023
	Creation of a simple technology-based service platform	Document	1	Determination of the Business Model of <i>Micro-Crowdfunding Services</i>	BZM Manager	Q3 2023
	Creation of a business model ecosystem that supports participatory sharing	Document	1	Creating a Transparency-Based Ecosystem	BZM Manager	Q3 2023
	Determination of business legality scenarios that comply with the provisions	Document	1	Phased Regulation Scenario Creation	BZM Manager	Q4 2023

Source: Authors' work (2023)

Appendix 6. Table of Financial Projections of Micro-Crowdfunding Scheme

	Y1	Y2	Y3	Y4	Y5	Y6
Total Mustahik	740	740	740	740	740	740
Requirements Per Year	166.800.000	166.800.000	166.800.000	166.800.000	166.800.000	166.800.000
Fee Based (Micro-Crowdfunding) Ratio	10%	30%	50%	70%	90%	100%
Qardh Loan Ratio	90%	70%	50%	30%	10%	0%
Cash + Bank - Operating Surplus	771.847.500	771.847.500	771.847.500	771.847.500	771.847.500	771.847.500
Micro-Crowdfunding Budget from Cash + Bank	77.184.750	231.554.250	385.923.750	540.293.250	694.662.750	771.847.500
Performance Qardh	200.635.000	200.635.000	200.635.000	200.635.000	200.635.000	200.635.000
Qardh Collection Performance Ratio	100%	100%	100%	100%	100%	100%
Fee Based Budget (Micro-Crowdfunding)	20.063.500	60.190.500	100.317.500	140.444.500	180.571.500	200.635.000
Qardh Loan Budget	180.571.500	140.444.500	100.317.500	60.190.500	20.063.500	-
Non-Performance Qardh	351.767.500	351.767.500	351.767.500	351.767.500	351.767.500	351.767.500
Qardh Collection Non-Performance Ratio	50%	50%	50%	50%	50%	50%
Fee Based Budget (Micro-Crowdfunding)	17.588.375	52.765.125	87.941.875	123.118.625	158.295.375	175.883.750
Qardh Loan Budget	158.295.375	123.118.625	87.941.875	52.765.125	17.588.375	-
Total Fee Based Budget	114.836.625	344.509.875	574.183.125	803.856.375	1.033.529.625	1.148.366.250
Target MSMEs netted	10%	30%	50%	70%	90%	100%
Initiation Fund	1.551.846	1.551.846	1.551.846	1.551.846	1.551.846	1.551.846
Portion of Funding	31%	31%	31%	31%	31%	31%
Number of MSMEs netted	74	222	370	518	666	740
Assumptions of the Average of Micro-Crowdfunding funds	5.000.000	5.000.000	5.000.000	5.000.000	5.000.000	5.000.000
Turnover Per Year	2	2	2	2	2	2
Return on Investment (20%)	45.934.650	137.803.950	229.673.250	321.542.550	413.411.850	459.346.500
Return from Fee based (5%)	37.000.000	111.000.000	185.000.000	259.000.000	333.000.000	370.000.000
Total Return Fee Based Income (A)	82.934.650	248.803.950	414.673.250	580.542.550	746.411.850	829.346.500
Qardh Loan Capital	1.033.529.625	803.856.375	574.183.125	344.509.875	114.836.625	-
Average Number of Loans ² / Person	1.551.846	1.551.846	1.551.846	1.551.846	1.551.846	-
Number of Mustahik Beneficiaries	666	518	370	222	74	-
Infaq Per Person/Month	5.000	5.000	5.000	5.000	5.000	-
Total Operational Contribution Per Person/Cycle (10 Months)	50.000	50.000	50.000	50.000	50.000	-
Total Operational Infaq Income (B)	33.300.000	25.900.000	18.500.000	11.100.000	3.700.000	-
Operational Surplus (Minus)	16.360.834	21.268.847	15.653.896	16.273.213	3.370.000	6.244.575
Profit Projection (C) (Return 20%)	3.272.167	4.253.769	3.130.779	3.254.643	674.000	1.248.915
Total Income	119.506.817	278.957.719	436.304.029	594.897.193	750.785.850	830.595.415
<i>Final Cash Flow</i>	- 47.293.183	112.157.719	269.504.029	428.097.193	583.985.850	663.795.415

Source: Authors' work (2023)