AHMAD SAPUDIN, Development Strategies of Islamic Microfinance Institution (Case study in BMT Tawfin, Jakarta). Supervised by MUKHAMAD NAJIB and SETIADI DJOHAR.

Micro, Small and Medium Enterprises (MSMEs) have grown significantly by 52.02% in 2012 comparing to 1998. In addition MSMEs have strategic role in the national economy, but still face many obstacles and constraints, such as capital, human resources, and marketing. Baitul maal wat tamwil (BMT) has a role as agent of asset distribution for the economic empowerment of the community, through Baitul Maal activities which is served as a social institution and Baitul Tamwil which is serve as business institutions with Islamic patterns.

BMT Tawfin is an Islamic microfinance institution that has business in assemble and distribute the fund based on shariah principle that focus on financing MSMEs. BMT Tawfin is expected to grow and able to provide solutions to capital constraints for MSMEs.

The objectives of this research are to identify health assessment performance and influencing strategic factors of BMT Tawfin business to formulate alternative strategies in developing business, and to recommend the priority strategies that could be applied on BMT Tawfin business development in financing MSMEs.

The approach used in this research was descriptive method with case study in BMT Tawfin. The research was conducted in May – August 2016. Data used was primary (interview and questionnaire) and secondary data with purposive sampling technique of data collection. The research used descriptive, health assessment performance analysis based on assessment model from Ministry of Cooperative and Small Medium Enterprise, internal, eksternal, IE matrix, SWOT and BOS (blue ocean strategy).

The result from health assessment performance analysis shows that BMT Tawfin obtained score of 51.85 which categorized as under supervisory criteria. The result from Internal External (IE) matrix analysis put BMT Tawfin in Quadrant V with position in hold and maintain. The results of alternative strategy using SWOT matrix and BOS provides five alternative strategy recommendations to develop business of BMT Tawfin. The priority strategy recommendations to BMT Tawfin are as follow 1) Strengthening synergy with the alumni’s FOSSEI in obtaining funds, and develop a linkage program with other Islamic microfinance institutions and Islamic banking in obtaining alternative liquidity, 2) Hiring one account officer who has ability to manage funding and lending, 3) Improving risk management oversight functions in operating activities through the improvement of standard operating management and standard operating procedures, the establishment of Sharia Supervisory Board (DPS), and improvement non performing finance management as well as the empowerment of the committees set up in the organizational structure, 4) Improving services to members, customers and communities through facilities and infrastructures, providing affordable products and quick services but still in accordance with shariah principles and providing collection and distribution services of zakat, infaq,
shadaqah and endowments (ZISWAF), 5) Improving the employee’s competence through training and coaching and giving rewards based on performance in order to focus on business development.

Key words: micro, small and medium enterprises (MSMEs), BMT Tawfin, health assessment performance, strategy.