

## SUMMARY

R.A. LITA WULANDARI. Spin off Strategic Planning of Syariah Financing Business Unit (Case study: Adira Finance). Supervised by HERMANTO SIREGAR and HENDRI TANJUNG

Regulation of the Minister of Finance No. 43 / PMK.010 / 2012 concerning Advances on Financing of Motor Vehicles in Financing Company sets Down Provisions of at least 20% - 25% of the sale price, making the amount of credit received by finance companies declining. This condition requires finance companies to implement new strategies to maintain market share.

One of the strategies undertaken by financing companies is by adding new business units by carrying sharia principles. Sharia financing began to increase significantly since the advent of the policy set in relation to the down payment in 2012. However, total sharia financing assets are still lower than conventional financing (5.25%: 94.75%), as well as the number of financing receivables sharia is still smaller than conventional financing receivables (5.57%: 94.43%) (OJK 2016).

The Financial Services Authorization (OJK) as the regulator of the financing industry has issued a policy set forth in the POJK. 28 / POJK.05 / 2014 which explains that multifinance which has sharia portfolio as much as 50% from total business or five years from POJK is lawfully obliged to do spin off sharia (segregation of sharia business unit). With this policy, sharia business unit can be more focus on business development.

However, the spin off policy that has been applied to the banking industry does not have an impact on the growth of sharia bank financing generated from spin off, this is because the operational cost in the sharia bank which is produced from the spin off is higher than the operating income, especially in the early spin off period. Therefore, sharia banks resulting from spin off will be more careful not to increase the operational cost of financing portfolio (Al Arif 2015). This is supported by research conducted by Al Arif *et al.* (2017) which states that the operational cost variable shows a negative effect on the asset growth in the sharia bank result of spin off.

Adira Finance as one of the largest finance companies in Indonesia has owned a sharia business unit established on June 15, 2012 and under Marketing Directorate. The operational activities of sharia financing sales still join the conventional office of financing (office channeling). Until 2016 with the number of branches of 203, as many as 162 branches have served the sales of Islamic financing spread across nine regions.

As reported by Kompas on June 08, 2015, sharia financing of Adira Finance has contributed 12% of total sales with 90% sales increase compared to 2014. The sales growth of sharia financing of Adira Finance causes the market share in every year to increase. Given the positive growth of sharia financing of Adira Finance's market share and asset acquisition per year 2016, sharia financing of Adira Finance has good potential to spin off. However, based on the performance of the banking industry that first spin off, sharia financing unit of Adira Finance needs to conduct a feasibility study and analyze more deeply related to several action plans if the spin off business is conducted, so that after

the separation of sharia market share business unit can be maintained and has a positive positive growth.

The purpose of this research is to analyze the feasibility of sharia financing business unit of Adira Finance in fulfilling the aspect of business unit spin off and formulate the strategy that will be applied to sharia business unit of Adira Finance to spin off. The method used in this research is business feasibility study, investment analysis, sensitivity analysis and strategic planning.

Based on the research result sharia financing unit of Adira Finance has the ability to be spin off. But it should be noted by sharia financing unit of Adira Finance on aspects of technology and human resources aspects. In the implementation of the spin off of the sharia business unit into a business unit, it is necessary to prepare an IT system tailored to the new sharia agreements that will be used in product development. Having done his spin off employees who are in it must understand the overall financing of sharia.

Investment analysis stated that sharia financing unit of Adira Finance is not worth spin off if funding is fully charged to sharia financing unit of Adira Finance and joint financing scheme becomes solution for sharia financing unit of Adira Finance if it will be spin off. The sensitivity analysis results obtained that two-wheeled motor vehicle more susceptible to changes in scenario compared with four-wheeled vehicles. From the result of strategy formulation with combination method of SWOT-AHP, the priority of strategy that need to be done by sharia financing unit of Adira Finance to spin off is "Diversify product according to sharia principle".

Keywords: sharia financing business unit, spin off, strategic planning

