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# STRATEGIES FOR PREVENTING AND HANDLING MURABAHAH TROUBLED FINANCING AT BMT AL-BINA TASIKMALAYA

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***ABSTRACT.*** *This study aims to determine the factors that cause Non Performing Financing of murabahah financing at BMT Al- Bina Tasikmalaya and the strategies used by BMT Al- Bina Tasikmalaya in preventing and handling non-performing financing. This research uses descriptive analysis with a qualitative approach using SWOT analysis. The stages use EFE and IFE, followed by a SWOT matrix, and the last is QSPM. The data collection techniques used were interviews, observation, and documentation, and questionnaires. The results of this study indicate that customer character is the biggest factor and a serious threat to BMT. Priority strategy analysis shows that the approach to customers is the biggest contribution in the strategy to prevent Non-Performing Financing of murabahah.*

***Keywords:*** *Non-Performing Financing, Murabahah, Strategy, SWOT*

## 1. INTRODUCTION

In Indonesia, there is a financial industry that continues to be pursued in its development, in addition to financial institutions in the form of banks, there are non-bank financial institutions that play a major role in driving the economy of the lower middle class, such as *Baitul Maal wa Tamwil* (BMT). According to Muttaqien in (Sriyana & Raya, 2013) the development of BMT is driven by concern for people who are entangled in moneylenders to get access to capital to develop their businesses where people cannot access capital to bank financial institutions because the businesses they have are still small or micro. Thus, a microfinance institution was born in 1992 which combines the concepts of *Baitul Maal* and *Baitut Tamwiil. The* institution is named *Baitul Maal wat Tamwil* (BMT) which has targets for micro-entrepreneurs. Given the fact that BMT takes a role in providing access to capital to people who cannot take access to financing from banks, BMT has accepted risks that have a negative impact on financing owned by BMT (Sudrajat & Rachmawati, 2019). The activity of disbursing financing by financial institutions does not always run smoothly as expected, as well as low income, or even investment losses can occur. Delay and failure or inability of customers to pay their obligations is a risk of disbursement of financing. The category of substandard, doubtful, non-performing financing is included in non-performing financing (Elwardah, 2020). Financing products that are in demand and dominated by customers are *murabahah*, the large number of financings used by customers. There is also a risk of non-performing financing that will occur.

Table 1.1 Collectability of Troubled Murabahah Financing at BMT Al-Bina Tasikmalaya Period 2017-2019

| **Information** | **31 December 2017** | | **31 December 2018** | | **31 December 2019** | |
|---|---|---|---|---|---|---|
| | **Nominal** | **%** | **Nominal** | **%** | **Nominal** | **%** |
| Total Distribution Financing | Rp. 386,197,300 | 100 | Rp. 370,417,850 | 100 | Rp. 396,231,100 | 100 |
| Current | Rp. 348,736,162 | 90.3 | Rp. 321,522,694 | 86.8 | Rp. 336,796,435 | 85 |
| Substandard | Rp. 10,041,130 | 2.6 | Rp. 27,040,503 | 7.3 | Rp. 39,623.110 | 10 |
| Doubtful | Rp. 16,220,287 | 4.2 | Rp. 4,815,432 | 1.3 | Rp. 9,113,315 | 2.3 |
| Loss of perfoming | Rp. 11,199,722 | 2.9 | Rp. 17,039,221 | 4.6 | Rp. 10,698,240 | 2.7 |
| **Total Financing Non-perfoming** | **Rp. 37,461,138** | **9.7** | **Rp. 48,895,156** | **13.2** | **Rp. 59,434,665** | **15** |

*Source: Processed Data*

It can be seen from the financing collectibility table, the percentage offinancing in 2017 amounted to 9.7% in 2018 increased to 13.2% and in 2019 to 15%. This figure has exceeded the NPF limit set by the Cooperative Regulations. Levels that have been regulated by Cooperative Regulation No. 07/Per/Dep.6/IV/2016 concerning the assessment of the health level of savings and loan cooperatives and sharia financing and savings and loan units and sharia financing cooperatives article 5 regarding the scope of health assessment described in appendix III regarding *the* maximum limit of the NPF rate, which is around 5% that must be met by the cooperative itself (Sudrajat & Rachmawati, 2019).

The provision of financing by BMT plays a major role in supporting the improvement of the economy, especially for the lower middle class who are not covered by banks. To launch its business, BMT collects funds from the public in the form of savings to channel them back to people who need it for business capital purposes and so on in the form of financing, therefore proper and effective prevention and handling strategy are needed to minimize problematic financing. Based on the background of these problems, the authors are interested in conducting research to find out what factors cause problems in financing *murabahah*, preventing and handling the problems carried out by

BMT Al-Bina Tasikmalaya, as well as finding out effective prevention strategies using SWOT analysis on the BMT Al Bina Tasikmalaya.

## 2. LITERATURE REVIEW

### 2.1 Financing

Financing based on policies and procedures for financing the MFI BMT guideline is defined as a transaction that provides funds or goods and other facilities to the partners or members of the public (Msaidhisyam, 2014, p. 199). While the definition of financing with sharia principles according to Law No. 10 of 1998 article 1 point 12 is the provision of money or an equivalent claim based on an agreement or contract between the bank and another party that requires the party being financed to return the money or claim after a certain period of time with compensation or profit-sharing ("Law of the Republic of Indonesia Number 10 of 1998," 1998). Therefore, it can be concluded that financing is the provision of loan funds to the debtor or borrower in which in the future the debtor is obliged to return the funds along with profit-sharing within the agreed time with the lender.

Types of Financing based on its use are divided into 3, namely: 1) Sharia working capital financing, which is usually used for production capital. The ones commonly used are *murabahah contracts* (buying and selling), *mudharabah, or musharaka* (cooperation). 2) Sharia consumptive financing, namely financing that is not used for capital, this financing is used for consumptive purposes. The contracts commonly used are *murabahah* and *ijarah* contracts (transfer of usufructuary rights). 3) Sharia investment financing, usually used to purchase goods needed to build projects, to expand, to replace factory machinery, or to rehabilitate. The contracts commonly used in this financing are the *murabahah* (transaction) contract and the IMBT (*Ijarah Muntahia Bit Tamlik)* contract or the lease agreement that results in ownership (Anna, 2017).

Financing has elements that must be attached, namely as follows: 1) Trust, which is a belief given by financial institutions to customers, that the financing provided will be returned within a predetermined period. 2) Agreement between the two parties, namely the customer and the financial institution. 3) The period, namely the time limit for the return that has been agreed by both parties. 4) Risk, namely the risk of negligence on repayment of installments, the occurrence of *side streaming,* and concealment of profits by customers. 5) Remuneration, is the profit obtained by the bank on the financing that has been given to the recipient of the financing or commonly referred to as profit sharing (Fathimah, 2019).

Before providing financing, financial institutions first analyze prospective financing customers using 5c analysis, namely: (*Character, Capacity, Capital, Collateral,* and *Conditions of Economy). Character,* the financial institution assesses the character of the prospective customer and it can be concluded that the prospective customer has a good character, is honest, and will not make it difficult for the bank in the future. *Capacity,* financial institutions assess the management and business capabilities of prospective financing customers, so that financial institutions believe that the business is managed by the right people. *Capital*, the ability of financial institutions in analyzing and knowing the capital of prospective financing customers in supporting the customer's business. *Collateral,* is a bank's assessment of the collateral owned by prospective financing customers. *Conditions of Economy, the* ability of banks to analyze economic conditions both now and in the future so that they can find out the prospects of the debtor's business being financed (Eprianti, 2019).

## 2.2 Financing Murabahah

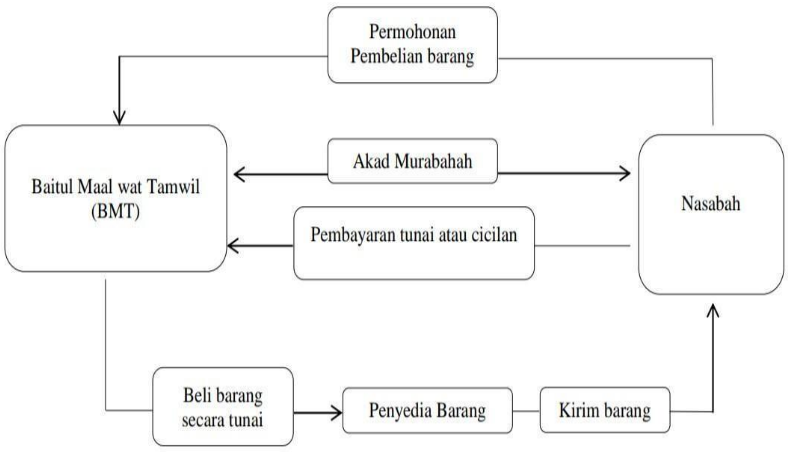
The definition of murabahah financing in the Regulation of the Supreme Court of the Republic of Indonesia Year 2008 concerning Complications of Sharia Economic Law in article 20 point 6 "Murabahah is a mutually beneficial financing carried out by shahib al-mal with parties in need through transactions with an explanation that the price of procurement of goods and the selling price has an excess value which is a profit for the sahib al-mal and the return is made in cash or in installments." (The Supreme Court of the Republic of Indonesia, 2011, p. 10). Initially, Murabaha financing was a trading activity, not a financing model, where someone entrusted another party to buy an asset and then that party after obtaining the asset sold it to someone who entrusted it with costs and benefits that were known and agreed upon by both parties. However, over time the need for demand for sharia products has emerged, especially from Muslims, because it is not allowed to take usury. Given the high prices of some assets and customers cannot pay them in cash, installment payments are needed. Then the selling price is deferred for a time in the future and payments are made in installments on an agreed schedule and are linked to sources of income for individuals or entities (Nor et al., 2020).

In transactions, it is required to meet the requirements and pillars so that the transactions carried out are valid in accordance with Islamic law. As for the pillars, namely the main elements in something, if these elements are not present then it will not be realized. While the terms are something that is not a basic element but an element that must be in it if it does not exist, then the transaction is considered invalid (Mujiatun, 2014). The pillars of *murabahah* are 1) The existence of a contracting party, namely the seller and the buyer. 2) There is an object to be contracted, namely the goods to be traded. 3) Sighat or contract, namely handing over or consent qabul. The conditions for *murabahah* are: 1) In terms of the parties to the contract, they must be legally capable and happy or not in a state of necessity. 2) In terms of the object being traded, the goods must be halal and have benefits, the goods are the full rights of the contracted property, the specifications of the goods must be appropriate, the delivery can be made from the seller to the buyer. 3) In terms of *sighat, it* must be clear and it must be stated who the parties to the contract are, between *ijab* and *qabul* must be transparent both in the specifications of goods and prices, not inviting clauses that depend on the validity of the transaction on future events (Haryoso, 2017).

*Murabahah* based on the type is divided into two, namely *murabahah* based on orders and without orders. *Murabaha* which is based on order is categorized by binding and non-binding properties. The binding nature means that the order is binding to be purchased by the customer, while the non-binding is not required to be purchased. Meanwhile, in terms of payment, it can be done in cash or installment (Yusuf, 2013).

In murabahah transactions, there are procedures that must be carried out. The financing scheme *murabahah* is an illustration of a financing transaction procedure *murabahah* from starting to apply for financing until the completion of the transaction, while the murabahah financing scheme is described as follows:

**Figure 2.1 Murabahah Financing Scheme**




*Source: (Melina, 2020)*

From the picture it can be explained the financing scheme, *murabahah* namely: *First, the* customer submits an application for the purchase of goods to the BMT following the needs. *Second,* BMT purchases goods from providers (third parties), goods purchased according to the criteria ordered by customers. Purchases are made in cash so that the ownership rights of the goods have fallen into the hands of BMT. *Third,* after providing the goods ordered by the customer, before the goods are handed over to the customer. Then the BMT with the customer enters into a contract agreement *murabahah*, where the BMT mentions the cost of goods acquired and states the benefits that will be obtained by the BMT. After both parties agree, BMT is allowed to ask for a down payment when the customer signs the sale and purchase agreement. *Fourth,* BMT sends ordered goods to customers. *Fifth, the* customer pays for the goods according to the agreed price, the payment can be made in cash, or tough (Melina, 2020).

According to Antonio (2001) in the journal (Fikruddin, 2015) in the provision of murabahah financing some risks will be faced by financial institutions, namely as follows: 1) Customer negligence in paying installments *murabahah.* 2) Comparative price fluctuations where there is an increase in the price of goods in the market after the bank buys them, while the agreed price cannot be changed. 3) The customer does not buy the ordered goods due to one thing, for example, due to damage in transit. 4) The customer sells the goods before the installments are paid off, because the goods belong to the customer when the contract is signed, the customer is free to do anything with the goods, so this is likely to cause a high risk of *default*.

In financing, there is a rate of return on installments which is commonly referred to as collectibility. Financing collectibility is the rate of return or repayment made by customers (Indonesian Bankers Association, 2014). According to Baharudin, in the journal (Puspita & Filianti, 2019) the collectibility of financing at the Islamic Financial Services Cooperative (KJKS) is classified into 4, specifically for products, *murabahah* namely as follows:

1. Current financing is said to be smooth if the customer does not have monthly installment arrears (principal and margin) up to 3 months or not yet due financing.
2. Substandard Financing
   a) Monthly payment
   Contract in this contract, the financing is said to be substandard if the customer's monthly installments (principal and margin) are in arrears beyond 3 months to 6 months, or the financing is due from 1 month (principal and margin installments) in arrears of 3 months.
   b) Weekly payment
   Contract Financing in the contract is categorized as substandard if the customer's weekly installment period (principal and margin) is in arrears for 3 weeks to 6 weeks, or the financing is due from 1 week (principal and margin installments) and 3 weeks in arrears.
   c) The daily payment
   The contract is categorized as substandard in the contract if the customer experiences arrears in daily installments (principal and margin) for 3 days to 6 days, or payments are due from 1 day (principal and margin installments) are 3 days in arrears.
3. Doubtful
   a) Financing Monthly
   financing agreement The financing is categorized as doubtful if the customer's monthly installment period (principal and margin) is past 6 months to 12 months in arrears, or the financing maturity period has exceeded one month to two months.
   b) Weekly
   financing contract It is said to be doubtful in the financing of the contract if the customer's weekly installment period (principal and

margin) occurs in arrears that exceed 6 weeks to 12 weeks, or the financing is due past 1 week or 2 weeks.

c) Daily
financing contract Financing in the contract is categorized as doubtful if the customer's daily installment period (principal and margin) is past 6 to 12 days in arrears, or the financing maturity period is 1 to 2 days.

4. Loss

a) Loans Monthly
financing contracts Financing in such contracts is categorized as non-performing if the customer's monthly installment period (principal and margin) is in arrears that have passed 12 months, or the financing maturity exceeds 2 months. Or until it is submitted to BPUN, district court, or compensation is submitted to a financing or credit insurance company.

b) Weekly
financing contract Financing in the contract is said to be stuck if the customer's weekly installment period (principal and margin) is in arrears that have passed 12 weeks, or the financing maturity has passed 2 weeks, or the financing maturity exceeds 2 months. Or until it is submitted to BPUN, district court, or compensation is submitted to a financing or credit insurance company.

c) Daily
financing contract Financing in the contract is said to be stuck if the customer's daily installment period (principal and margin) occurs in arrears that have passed 12 days, or the financing maturity has passed 2 days, or until it is submitted to the BPUN, district court, or compensation is submitted to the financing or credit insurance companies.

## 2.3 Problematic

Financing Non-performing financing if interpreted in general terms is financing caused by customers who do not fulfill installment payments according to schedule and do not meet the requirements in the contract (Elwardah, 2020). Mahmoeddin in the journal (Ibrahim & Rahmati, 2017) stated that non-performing financing specifically, non-performing financing is financing that is substandard, where customers do not meet the requirements stated in the contract, then financing that does not comply with the installment schedule, resulting in arrears, non-performing financing is financing whose payment promises are not kept, thus requiring legal action to collect them. Non-performing financing causes potential losses to the Bank so that it affects the health of the bank.

Problem financing is caused by several factors, both internal and external, Wahyuni and Maulida (2020) explain that these factors are as follows:

1. Internal Factors The
   a) analysis conducted by banks on customers is not accurate, so it cannot predict what will happen to customers during financing time.
   b) Bank officials who handle financing and customers collude so that financing is easily given by banks to customers who should not be eligible for the financing.
   c) The bank's limited knowledge of the debtor's business, so it can't do a precise and accurate analysis.
   d) There is great interference outside the financing management, such as commissioners, bank directors, so that the financing management is not independent in deciding financing.
   e) Weakness in conducting coaching or monitoring recipients of financing.
2. External

   The factors causing non-performing financing are apart from internal factors. There are external factors or outside the bank, whether it is an element intentionally committed by the customer or unintentionally, namely as follows:

   a) Deliberate element of the customer:
      1. The customer has no willingness to do his obligations, so the customer intentionally does not pay installments to the bank. This is a character of customers who are not responsible for their obligations.
      2. Customers carry out large-scale expansion efforts, so the required funds are quite large. This affects the bank's finances in meeting working capital needs.
      3. Funds used by customers are not used properly. The customer misuse the financing fund so that the fund was not used following the original purpose.
   b) The element of accident committed by the customer: The
      1. The customer has the willingness to pay the installments in accordance with the agreement, but the customer has limited ability to return the installments which ultimately the customer does not pay the installments.
      2. The business that the customer owns is unable to compete with the market, so the sales volume decreases and causes losses to the business.
      3. There are regulations and policy changes from the government that have an impact on the businesses owned by customers.
      4. Natural disasters can harm the customer's business.

To avoid the occurrence of non-performing financing in BMT which can cause losses, it is necessary to prepare prevention from the beginning so that the risk of non-performing financing can be anticipated. *First*, sort out potential financing customers. The selection of prospective financing customers must go through a mature financing analysis because the decision to provide financing or not is the main point determining the possibility of problematic financing (Hadianto et al., 2019). *Second, the* process of supervising customers is carried out by establishing a relationship between the bank and the customer. If there is customer negligence in returning his obligations, then the BMT can find out the causes or obstacles experienced by the customer. Meanwhile, if the obstacle is a business problem, then the BMT can provide direction and guidance in the customer's business (Istutik & Putri, 2020).

When the prevention process has been carried out, but non-performing financing still occurs, the efforts made when there is problem financing are commonly known as financing restructuring, which means the efforts made by banks in dealing with non-performing financing customers to settle their obligations to the bank. : *Rescheduling,* namely making changes to the payment schedule for customer obligations or the payment period as agreed. Then by way of *reconditioning,* namely changes to the requirements either partially or completely including changes in the payment schedule, the number of installment payments, the time period, giving discounts without adding the remaining customer obligations that must be paid to the bank. Then by *restructuring,* changes in financing requirements are not limited to rescheduling and reconditioning including adding financing facility funds, converting financing contracts, converting financing into medium-term sharia securities, converting financing into temporary equity participation in customer companies (Sholihin, 2010). , p. 714).

The specific steps to deal with non-performing financing are as follows: 1) Approaching customers. It aims to seek information from customers directly related to the problems they are facing, this method is done by visiting customers and discussing with them. 2) *Collections* or intensive billing. This can be done in 2 ways, the first way is to collect persuasively by sending warning letters to customers who are in arrears in payments. The second way is to do direct billing by going directly to his house. 3) *Rescheduling* or granting an extension of maturity by BMT to customers in repayment of financing. 4) *Restructuring,* namely by increasing the amount of financing and increasing obligations by depositing cash and additional funds from the owner. 5) Withholding repayments, BMT provides relief to customers who experience problematic financing by providing repayment discounts within a predetermined period of time. 6) Carrying out collateral confiscation, is an alternative if the customer is unable to pay off his obligations. 7) Delete the book, which is the last step taken by BMT, this is to free the customer from his obligations when he is unable to repay the loan, while the collateral cannot cover his debt, and the business he can do is no longer expected (Siswadi, 2017).

### 2.4 Strategy for Prevention and Handling of Problem Financing

Strategy according to Pearce and Robinson (2012) in the journal (L, 2020) is a tool that can determine the company's steps, both in the long and short term and David (2013) reveals that strategy has a multidimensional or multifunctional function. As for the implementation of the formulation, it is necessary to consider the internal and external factors faced by the company. The non-performing financing prevention strategy is a step taken that aims to avoid the occurrence of non-performing financing carried out by financial institutions in the form of banks and non-banks. As for deciding a strategy, it is necessary to know and consider the internal and external factors of the financial institution.

Handling non-performing financing is an effort made by financial institutions to save non-performing financing, either through reviewing financing decisions, financing restructuring, or financing settlements, so that financing can be repaid by customers (Soetopo et al., 2016).

## 3. RESEARCH METHODOLOGY

The type of research is a descriptive study with a qualitative approach. According to Meleong (2014) in the journal (Qonaatillah et al., 2019) descriptive research using a qualitative approach is a type of research that seeks to describe an event or phenomenon as it is.

The types of data used in this study are primary data and secondary data. Primary data was obtained directly from interviews with the BMT. While the secondary data in this study were obtained from a literature study relevant to this research, documentation obtained directly from BMT Al-Bina Tasikmalaya, data on the number of Murabahah financing customers and the number of problematic Murabahah financing customers, as well as financial reports for 2017, 2018 and 2019 periods.

Data collection techniques are the methods used by researchers to collect data. In research, it is necessary to use data collection techniques to obtain the data that is expected to complete the research (Wanto, 2018). The data collection techniques carried out by the author are interviews, observation, documentation, and distributing questionnaires.

An interview is a conversation carried out by both parties with a specific purpose, the interview is carried out by the interviewer *(interviewer)* or who asks questions and the interviewee *(interviewee)* or who provides answers to the interviewer's questions (Moleong, 2010). The interview was conducted with the aim of digging up information about the actual phenomenon of events at BMT Al-Bina Tasikmalaya. Interviews were conducted with the BMT, the finance department as well as the teller, namely Mrs. Tetin Hartini, Amd and the manager as well as the financing division, namely Mr. Dudung Durahman S.Sos, as well as the billing and field department, Dede Hermawan Se.sy.

Documentation technique is a data collection technique that is carried out by taking data from publications or documentation of related agencies

(Saputra et al., 2016). The related agency documentation was obtained directly from BMT Al-Bina Tasikmalaya in the form of profiles of BMT Al-Bina Tasikmalaya, data on the number of murabahah financing customers, data on the number of non-performing financing, and financial reports for 3 years, namely the period 2017, 2018, and 2019.

Observations by Sugiyono in the journal (Susanti, 2020) is an activity to observe and observe and record information or data in accordance with the research context which is expected to explain or describe broadly and in detail about the problem being studied. In this case, the author went to BMT Al-Bina directly to find out information about financing problems at BMT Al-Bina Tasikmalaya. The distribution of the questionnaire according to Ridwa (2013) in the journal (Anugra et al., 2013) the questionnaire is a series of questions arranged systematically which will then be filled out or answered by the respondent. The purpose of the distribution is to find complete information about the problem from the respondent without worrying about the respondent's answer, not being in accordance with reality and filling out a list of questions. This questionnaire was given to 3 respondents from the BMT, namely Mr. Dudung as manager as well as handling financing, Mrs. Tetin as finance as well as teller, and Mr. Dede as part of the field as well as billing.

The data analysis technique is a way to analyze data that has been collected to solve problems (Kurniawan & Setyawan, 2018). This study using the SWOT analysis technique, which is a technique that provides a detailed environmental condition both external and internal which aims to determine the factors that influence the success of an organization in the category of strengths *(Strengths)* and opportunities *(Opportunities),* but simultaneously can minimize threats *(Threats)* and weaknesses *(Weaknesses).* (Ilman & Cita, 2019)

### *1.* Matrix IFE *(Internal Factor Evaluations)* and EFE *(External Factor Evaluations)*

The very first stage in formulating this strategy is the data input stage using the IFE and EFE matrices. According to Umar (1999) in the journal (Rusdiansyah, 2016) there are five steps in developing the IFE matrix. Making factors according to the *internal audit process is* about ten to twenty factors including strengths and weaknesses.

1. Assign a weight from 0.0 (not important) to 1 (very important) for each factor. The greatest weight is given to the factors that greatly affect the company's performance.
2. Give a rating (value) between 1 to 4, number 1 means big weakness, number 2 means small weakness, number 3 means small strength, number 4 means great strength.
3. Multiply between the weight and rating on each factor to get the score.
4. Sum up the total score for each variable. The average total score is 2.5. If it has a value below 2.5, it indicates that the internal company is weak. Meanwhile, those who have a value above 2.5 indicate that the internal company is strong.

While the steps to determine the EFE matrix according to Umar (1999) in the journal (Rusdiansyah, 2016) are as follows:

1. Making factors according to the *external audit process* about ten to twenty factors including opportunities and threats.
2. Assign a weight from 0.0 (not important) to 1 (*very* important) for each factor. All the total weights of the various factors must be 1.
3. Give a rating to each factor from numbers 1 to 4 *which* has the following meanings: 1 = below-average response, 2 = average response, 3 = above-average response, 4= very good responses. This rating is based on the effectiveness of the company's strategy, so the value is based on the company's condition.
4. *Multiplying* each weight by the rating to get the *score* for each factor.
5. Add up all the *scores* factor to get the total *score* companies. The largest value of the total *score* is 4 and *the* smallest is 1. A value of 4 indicates that the company is responding to opportunities and avoiding threats to the maximum

After determining the IFE and EFE matrices, the next is to use coordinates *stepCartesian* which aims to determine the location of the company's quadrant. The way to determine it is by calculating the difference between *Strengths* and *Weaknesses* which acts as the first point. While the difference between *Opportunities* and *Threats* is the second point. The calculation requires firmness from each position on its axis in the form of strengths and weaknesses, as well as opportunities and threats, all of which are depicted in positive or negative lines (Zuraidah, 2020).

## 2. SWOT Matrix

The second stage in strategy formulation is to use the SWOT matrix. This stage is the matching stage. By using the SWOT matrix, the company's strategy can be described *clearly* based on the strengths and weaknesses of the company to respond to existing opportunities and threats. There are 4 types of strategies that will be produced, namely: SO, WO, ST, and WT strategies. (Zuraidah, 2020).

Table 3.1 Matrix SWOT

| | **Strength (S)**<br>List of Strength | **Weaknesses (W)**<br>List of Weakness |
|---|---|---|
| **Opportunities (O)**<br>List of Opportunities | **SO Strategy**<br>Use strengths to take opportunities | **WO Strategy**<br>Overcome weaknesses by taking advantage of the opportunities |
| **Threats (S)**<br>List Treats | **ST Strategy**<br>Use strengths to avoid threats | **Strategy WT**<br>Fix weaknesses and avoid threats |

*Source: (Hilmawan, 2011)*

After gaining strategies in accordance with the quadrant that was previously obtained, the next step is the stage to determine the priority strategy using the QSPM matrix.

### 3. QSPM *(Quantitative Strategic Planning Matrix)*

QSPM *(Quantitative Strategic Planning Matrix) is* useful for determining priority strategies. The results of the QSPM analysis are strategies that are prioritized in terms of strengths and opportunities and can be relied on in dealing with weaknesses and threats owned by the company.

According to David (2002) in the journal (Puspitasari et al., 2013) the steps for forming the QSPM matrix are as follows:

1. Compile the strengths, weaknesses, opportunities and threats that are the same as in the SWOT matrix, weaknesses, opportunities and threats. The weights given must be the same as those listed in the IFE and EFE matrices.
2. Develop alternative strategies that will be evaluated.
3. Determine the attractiveness score (US) from numbers 1 to 4, number 1 means no attractiveness, 2 means low attractiveness, 3 means moderate attractiveness, while number 4 means high attractiveness.
4. Calculate the total alternative score (TAS), then multiply the weight by the attractiveness value (AS) on each factor.

After all the alternative strategies are calculated, the alternative strategy that has the largest TAS value is an alternative priority strategy that can be applied to the strategy of preventing financing problematic *murabahah* at BMT Al-Bina Tasikmalaya.

## 4. RESULTS AND DISCUSSION

### Murabahah Problematic at BMT Al Bina Tasikmalaya

*Murabaha* financing is financing interest and dominated by the customer compared to other financial products. This can be proven by the data on financing distribution, as follows:

Table 4.1 Distribution of Financing Products at BMT Al-Bina Tasikmalaya

| No | Financing Products | Year 2017 | Year 2018 | Year 2019 |
|---|---|---|---|---|
| 1 | Murabahah | 386,197,300 | 370,417,850 | 396,231,100 |
| 2 | Mudharabah | 11,411,750 | 8,426. 750 | 8,396,750 |
| 3 | Qardul Hasan | 12,918,000 | 30,841,800 | 26,687,800 |

*Source: Processed Data*

In the table it can be concluded thatfinancing products *murabahah* excel every year. However, thefinancing *murabahah* provided by BMT does not always run smoothly as expected, sometimes there is congestion caused by certain factors, the principle of prudence is needed in sorting out prospective financing customers.

**Internal Factor Analysis**

After conducting observations and interviews at BMT Al-Bina Tasikmalaya, the authors found the strengths and weaknesses of the internal BMT Al-Bina Tasikmalaya.

Strengths:

1. There entity legal financing *murabaha* is a financing which is dominated by the customer.
2. financing *murabaha* financing is needed by society.
3. Adequate SOP Weaknesses:
   a. Lack of human resources resulting in the double duty.
   b. Less thorough in analyzing prospective financing customers.
   c. Too easy requirements.

**External Factors Analysis**

After conducting an analysis of external factors, it is known threats and opportunities faced by BMT, namely:

opportunities:

1. financing *murabaha* financing is dominated by customers.
2. financing *murabaha* Financingis needed by society.

Threats:

1. There are customers who change their domicile before paying off their installments.
2. There are customers who have problems in the family so that it affects the repayment of installments.
3. Natural disasters.
4. Misuse of realization murabahah.
5. Lack of emphasis on evidence in the form of a note of realization of *murabaha.*
6. Declining customer business.

**Efforts to Prevent Troubled Murabahah Financing at BMT Al-Bina Tasikmalaya-Bina Tasikmalaya**

Prevention efforts are carried out by BMT Alwhen financing has not been provided, namely by analyzing prospective financing customers, BMT Al-Bina Tasikmalaya using analysis with the 5c principle *(character, capacity, capital, conditions, collaterals)*. Meanwhile, after the financing is provided, the BMT approaches the customer so that the friendship remains established, namely by providing a ball pick-up system, where the BMT will bill the customers, most of whom make a living as traders in the market. Thus the business that customers run can be monitored by the BMT.

**Efforts to Handle Troubled Murabahah Financing at BMT Al-Bina Tasikmalaya**

When there is a financing problem, the BMT will carry out *handling* efforts, namely: 1) Providing warning letters in 3 stages, namely warning letters 1, 2, and 3. 2) Providing summons or visiting the residence of the customer when using the warning letter does not work, this is done to find out the obstacles experienced by the customer in paying the installments, and to discuss the appropriate solution for the customer. 3) *Restructuring is* carried out in two ways. *First*, rescheduling *(rescheduling)* where the customer's installment schedule changes, for example, initially the customer makes installments for 2 years and changes to 3 years, thus the nominal installment of the customer becomes smaller can help ease the customer's burden. *Second*, the requirement *reconditioning* where the customer is allowed to pay the principal first and delay the margin payment, but that does not mean that BMT frees up the margin, but the margin can be paid after the customer has the ability to pay. Then the customer's installment schedule changes the time period automatically to be extended.

**Murabahah Financing Prevention Strategy at BMT Al-Bina Tasikmalaya, Using SWOT Analysis**

**1. IFE and EFE Matrix**

This stage is the data input stage in the form of strengths and weaknesses factors possessed by internal BMT as well as opportunities and threats faced by BMT which have been known from factor analysis internal and external factors that have been described previously, the researchers added factors from internal and external aspects that were found in accordance with the observations that had been made.

Table 4.2 Matrix IFE *(Internal Factor Evaluations)*

| Strength (Strength) | | Weight | Rating | Score |
|---|---|---|---|---|
| 1 | The existence of legality | 0.15 | 4 | 0.6 |
| 2 | Provide a ball pick-up system | 0.20 | 3 | 0.6 |
| 3 | SOP is adequate | 0.15 | 3 | 0.45 |
| | **Total Strengths** | | | **1.65** |
| **Weaknesses** | | **Weight** | **Rating** | **Score** |
| 1 | Lack of HR | 0.10 | 3 | 0.30 |
| 2 | Less thorough in analyzing potential customers | 0.30 | 3 | 0.90 |
| 3 | Easy requirements | 0.10 | 3 | 0.30 |

| | | | | |
|---|---|---|---|---|
| | **Total Weaknesses** | | | **1 .50** |
| **Total Internal** | | **1** | | **3.15** |

Table 4.3 Matrix EFE *(External Factor Evaluations)*

| **Opportunity** | | **Weight** | **Rating** | **Score** |
|---|---|---|---|---|
| 1 | Majority of customers as traders | 0.25 | 2 | 0.50 |
| 2 | Murabahah financing is needed by the community | 0.25 | 3 | 0.75 |
| | **Total Opportunities** | | | **1.25** |
| **Threats** | | **Weight** | **Rating** | **Score** |
| 1 | Change of domicile | 0.075 | 3 | 0.225 |
| 2 | Misuse of murabahah realization | 0.075 | 3 | 0.225 |
| 3 | Natural Disasters | 0.075 | 3 | 0.225 |
| 4 | Family problems | 0.075 | 2 | 0.15 |
| 5 | Lack of emphasis on proof of realization | 0.10 | 3 | 0.30 |
| 6 | Business customers decreased | 0.10 | 3 | 0.30 |
| | **total Threats** | | | **1,425** |
| **total External** | | **1** | | **2,675** |

Based on total value IFE table y The value obtained from internal is 3.15, meaning that the internal owned by BMT Al-Bina is very strong, while the total external value from the EFE table owned by BMT Al-Bina has a total of 2.675, which means that BMT has responded well to the opportunities and threats that have arisen. there is.

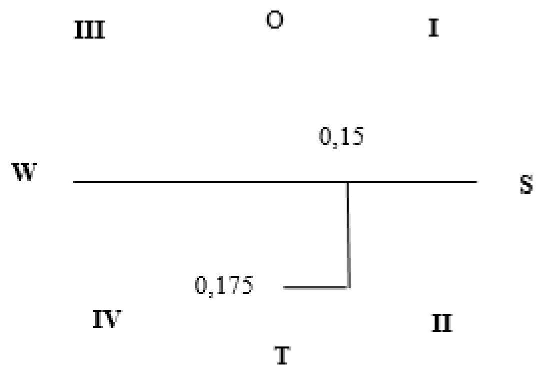
For the analysis of the IFE and EFE tables, it can be concluded that the detailed values of various factors are:

1. *Strength* of 1.65
2. *Weakness* of 1.50
3. *Opportunity* of 1.25
4. *Threat* of 1.425

So it can be seen that the value *strength* is greater than the value *weakness* with a positive difference (+) 0.15. While the value opportunity is smaller than the value *threat* with a negative difference (-) of 0.175.

After calculating the difference, it can be seen the location of the BMT Al-Bina Tasikmalaya quadrant, which is as follows:

Figure 4.1 **Position** of BMT Al-Bina Tasikmalaya in the SWOTQuadrant




From the quadrant above it can be seen that the position BMT is in quadrant II *(Diversification Strategy)* which means BMT Al-Bina has internal strength to deal with various external threats. The right strategy for companies in this quadrant is to use strength to take advantage of long-term opportunities.

## 2. SWOT Matrix

After inputting data using the IFE and EFE matrices, the next step is the matching stage, which is to combine internal factors in the form of strengths and weaknesses with external factors in the form of opportunities and threats, the purpose of making this matrix is to generate alternatives. The strategy presented uses a SWOT matrix with the following format:

Table 4.4 SWOT Matrix

| | ***Strength* (S)**<br>List of Strengths:<br>1. Provides a ball pick-up system<br>2. Has adequate SOPs<br>3. There is legal legality | ***Weaknesses* (W)**<br>List of Weaknesses:<br>1. Lack of HR<br>2. Lack of thoroughness in analyzing potential customers<br>3. Requirements that are easy |
|---|---|---|

| | | |
|---|---|---|
| ***Opportunities*(O)**<br>List of Opportunities:<br>1. Majority of customers trade<br>2. Murabaha financing is needed by the community | **SO Strategy**<br>1. Improve service even better to increase | **WO Strategy**<br>1. HR by recruiting recruited HR must have qualifications according to BMT needs.<br>2. Involving management or employees in seminars or studies with the theme of cooperatives to increase the quality of HR |
| ***Threaths* (S)**<br>1. Change of Domicile<br>2. Misuse realization of financing<br>3. Natural disasters<br>4. Family problems<br>5. Lack of emphasis on a memorandum of evidence for the realization<br>6. Customer's business that has decreased | **ST Strategy**<br>1. Build closeness with customers by holding a regular monthly review to improve the spirit of members<br>2. Conducting guidance on customer business | **WT Strategy**<br>1. Carefully Analyzing potential financing customers with detailed and in-depth 5 c analysis. |

After the matching stage is carried out, alternative strategies can be taken according to the quadrant that has been generated, namely the ST strategy which is in quadrant II, which means BMT must use internal strengths to deal with various external threats. The alternative strategies are:

1. Establishing a closeness with customers by holding regular monthly recitations to improve the spirituality of members.
2. Conducting coaching on customer business

The next step is to choose a priority strategy from the two alternative strategies using the QSPM matrix.

### 3. QSPM Matrix

This stage is the final stage in strategy formulation. At this stage, you will find priority strategies in preventing problematic financing by inputting data on factors that already exist in the IFE and EFE tables and entering alternative strategies obtained in the SWOT matrix according to the quadrants that have been generated.

Table 4.5 Matrix QSPM

| factorsStrategy | Weights | Alternative I | | Alternative II | |
|---|---|---|---|---|---|
| | | AS | TAS | AS | TAS |
| **Opportunity *(Opportunity)*** | | | | | |
| 1. The majority of the customers trade | 0.25 | 4 | 1 | 4 | 1 |
| 2. financing murabaha needed masyaratkat | 0.25 | 2 | 0, 5 | 4 | 1 |
| **Threat *(Threat)*** | | | | | |
| 3. Move Domicile<br>4. Abuse realization of financing | 0.075 | 4 | 0.3 | 2 | 0.15 |
| 5. Lack of emphasis on proof of realization | 0.075 | 2 | 0.15 | 1 | 0.075 |
| 6. Natural Disasters | | | | | |
| 7. Family Problems | 0.075 | 2 | 0.15 | 1 | 0.075 |
| 8. Customer businesses that are | 0.10 | 4 | 0.40 | 1 | 0.10 |
| decreased | 0.10 | 2 | 0.20 | 4 | 0.40 |
| **Strength *(Strength)*** | | | | | |
| 9. Providesystem | | | | | |
| proactive | 0.15 | 4 | 0.6 | 4 | 0.6 |
| 10 Having SOP | | | | | |
| adequate | 0.20 | 2 | 0.40 | 1 | 0.20 |
| 11. the existence of legal entity | | | | | |
| **weakness *(weakness)*** | 0.15 | 4 | 0.6 | 2 | 0.30 |
| 12. Lack of HR | | | | | |
| 13. Less scrupulous in | 0.10 | 1 | 0.10 | 1 | 0.10 |

| | | | | | |
|---|---|---|---|---|---|
| analyze candidate customers | 0, 30 | 1 | 0.30 | 2 | 0.60 |
| an easy 14. Term | 0.10 | 1 | 0.10 | 1 | 0.10 |
| **Total** | | | **5.10** | | **4.85** |

Visible results from the matrix QSPM greatest value is an alternative TAS first strategy with the acquisition value of 5.10, namely the approach strategy kinship with members or customers by holding regular monthly recitations, in addition to strengthening the relationship as well as to increase the spiritual quality of members in order to minimize bad traits. While the second alternative strategy is to provide guidance to the customer's business with the acquisition of a TAS value of 4.85.

Of the two alternative strategies, the priority strategy is the first alternative strategy, namely establishing closeness with customers by holding regular monthly recitations.

## 5. CONCLUSION

Based on the results of the analysis and discussion in the previous chapter, it can be concluded that: *First,* financing problems at BMT Al-Bina Tasikmalaya are caused by 2 factors, namely, internal and external factors. The internal factors are caused by: Lack of human resources in BMT, causing a build-up of tasks, lack of thoroughness of the BMT in analyzing prospective financing customers where some in the 5C analysis BMT does not do it in-depth, this is very vulnerable for BMT to have problematic financing, then in terms of BMT procedures still provides concessions to new members, ideally, financing is given to people who have been members for at least 3 months (a procedure that is too easy).

In addition to internal factors, there are external factors that cause financing problems, namely, changes in the character of customers who initially pay current installments to be hampered due to certain factors, including divorce and there are also customers who move domicile, then misuse of financing realization, natural disasters, government policies which resulted in a decrease in customer business.

*Second,* the prevention and handling of problematic murabahah financing carried out by BMT Al-Bina Tasikmalaya are starting from prevention, namely analyzing prospective financing customers and taking an approach, while handling actions are carried out by giving warnings or warning letters 1, 2, 3, giving summons or come to the customer's residence, then with restructuring efforts, namely by *rescheduling* or *reconditioning*, and finally executing guarantees.

*Third, the* results of the SWOT analysis show that an alternative strategy for preventing problematic murabahah financing with the largest TAS value (5.10) is to approach customers by holding regular monthly recitations, in addition to establishing closeness with customers as well as increasing the customer's spirituality to minimize the negative nature of customers. which has an impact on non-performing financing, because the character of the customer is difficult to predict because it can change. This is a serious threat to BMT Al-Bina Tasikmalaya.

Based on the data and information that the authors get, the authors intend to provide advice to related parties, namely: *First, it is* hoped that monthly regular recitation activities will be held to establish closeness with customers and increase the customer's spirituality. *Second,* Adding qualified human resources in their fields so that there is no duplication in terms of work and tasks that cause unfocused and piled up work. *Third,* BMT in analyzing prospective financing customers is expected to continue to use the 5 C principles and be more thorough in analyzing these principles. When BMT finds prospective financing customers who do not meet these criteria, BMT is expected to firmly reject them. *Fourth,* it is hoped that there will be further research that discusses the feasibility analysis of customers to obtain financing.

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