

Analysis of Islamic Finance as a Support Function in Supply Chain Management in Palembang

Yuhanis Ladewi^{#1}, Antoni^{#2}, Mizan^{#3}, Rima Melati^{#4}

^{#1, 3, 4} *Accounting Program Faculty of Economics and Business University of Muhammadiyah Palembang, South Sumatra, Indonesia.*

^{#2} *Faculty of Islamic Religius, University of Muhammadiyah Muhammadiyah Palembang, South Sumatra, Indonesia.*

¹yuhanisladewi@gmail.com

²ranaprima01@gmail.com

³m124n24@gmail.com

⁴rimapotter@gmail.com

Abstract- The aim of the study was to find out the finance collection strategy as a support function in supply chain management in the city of Palembang. The variable used in this study is the strategy of collecting finance and optimizing the potential of finance. The data analysis used was qualitative descriptive. The results of the research carried out were the finance collection strategy carried out by the supply chain management in Palembang, namely by establishing finance collection units which were placed in several government agencies such as government agencies and companies as well as cooperating with banks, government officials, and religious leaders. The strategy for collecting finance can be done by OPZ, LAZIS or BAZIS by collecting finance through the payment system, among others; 1) payment of finance with a payroll system, a form of payment of finance by deducting salaries of employees in a company. 2) finance payments via an Android-based E-Card, in this way every Muslim can pay finance via the finance mobile application made by OPZ, LAZIS or BAZIS. 3) Finance can also be paid through Islamic banking services, in this case OPZ, LAZIS or BAZIS can work together with Islamic banking in the process of collecting national finance. As for optimizing the potential for finance collection, finance management institutions in the city of Palembang conduct socialization, promotion and education to the community.

Keywords; *Islamic Finance, Supply Chain Management, Optimizing Finance Potential*

1. Introduction

Indonesia is one of the countries with the largest population of Muslims, namely 216.66 million people or with a percentage of Muslim population of 85% of the total population [1-7].

In Islam requires finance, finance is a certain amount of property required by Allah SWT to be given to people who have the right to receive it. Finance consists of finance fitrah and finance mal, Finance Al-Fitr is finance issued during Ramadhan or at the latest before Eid Al-Fitr prayer. Whereas finance mal is a property owned by an individual muzakki or a business entity that has full, developing, sufficient ownership conditions, more than basic excess, free of debt and has passed one year (haul).

The law of fulfilling finance is obligatory (fardhu) for every Muslim who has fulfilled certain conditions. One of the words of Allah SWT which commands finance is in QS.

Organizations and businesses have to keep up with customers' needs, demands and life styles in order to survive. Furthermore, they need also to consider SCM for competitiveness purposes. It is almost agreed that

successful management of supplies plays an influential role in the competitive advantage of firms and businesses. Consequently, firms and businesses are always under the pressure of adopting working and reliable SCM strategies in order to overcome these challenges and for better SCM.

In addition to the Al-Quran, there are also Bukhari historical hadiths which mean: from Ibn Abbas ra. In fact the Prophet SAW sent Mu'az to Yemen. In the hadith explained: Verily Allah obliges alms upon them namely the finance mal taken from the rich to give to the indigent ". (Narrated by Muttafaun alaih, lafaz hadist according to Bukhari's history).

In Indonesia mall finance is managed by certain institutions, in accordance with the contents of Law No. 23 of 2011 states that finance management institutions in Indonesia consist of two types, namely the National Finance Amil Agency (BAZNAS) formed by the government and the Finance Management Agency (LAZ) formed by the community [8]. The following is the number of finance management institutions in Indonesia:

Table 1. Number of Finance Management Institutions in Indonesia

No.	Finance Management Agency	Number of Institutions
1.	National Amil Finance Agency	1
2.	Provincial National Amil Finance Agency	23
3.	District / City National Amil Finance Agency	156
4.	National Amil Finance Institution	16
Total		196

Source : Wibisono, 2015 : 65

The data above shows that there are 196 finance management institutions spread throughout Indonesia. This indicates that the Indonesian government is quite attentive to the finance management institution. The data above shows that there are 196 finance management institutions spread throughout Indonesia. This indicates that the Indonesian government is quite attentive to the finance management institution. The number of BAZNAS and LAZ which appears will certainly encourage the collection of community finance funds. This is certainly good because the more finance funds collected, the more funds for social interests.

The amount of finance management institutions should be able to make a maximum potential finance collection. The potential of finance is the ability of finance in the effort to utilize finance to optimize the finance which is used to be used optimally [9, 10].

However, this is different from the search results relating to the collection of finance carried out by [11] as Chairperson of the National Amil Finance Agency which said that this year's finance potential reached Rp. 217 trillion but the realized finance collection only reaches around Rp. 5 trillion. [12] as the chairman of Fozwil in South Sumatra said that according to data released by the South Sumatra Fozwil, South Sumatra has the potential of finance which reached Rp. 2.3 trillion per year, but in fact the achievement of the total finance collection in South Sumatra is only around Rp. 56 billion or only 2 percent of finance. In this case the amil finance must have a strategy in the finance collection process. The strategy of collecting finance is a way needed to collect a number of finance funds so that they can be handed over to the rightful ones. The strategy for collecting finance itself aims to optimize the potential of finance collected by finance management institutions [13, 14].

2. Literature Study

2.1. Understanding of Finance Collection Strategies.

Finance collection strategy is a method needed to collect a number of funds so that they can be handed over to those who are entitled to receive them [1, 12]. While [5] suggests that the strategy of raising funds is an activity to raise funds or raise ZIS funds and other resources from the community both individuals, groups, organizations and companies.

2.2. Finance Collection Strategy measure

Finance Collection Strategy can be implemented in various ways that can be reflected as follows: [2, 4].

1. Determination of segments and muzakki targets

Segmentation is a process of identifying, determining segments and targets carried out by paying attention to several characteristics, styles, needs, and characteristics to be directed to the same goal. The muzakki segments and targets are as follows:

- a. Government and private institutions such as SKPD and banks.
- b. Companies.
- c. Individual

2. Preparation of resources and operating systems

Resources are a value or potential that someone has, while operating systems are software that regulates the resources of hardware and software. The preparation of resources is related to:

- a. Human resources (HR) such as competent speakers and reliable employees.
- b. Increasing the finance collection unit (ZCU) both in terms of quality and quantity.
- c. Finance data and maps as operational references.

The preparation of the operating system is related to:

- a) Socialization, namely in the form of publications, campaigns through mass media both print and electronic, internet such as websites, blogs, facebook, twitter, and in the form of brochures that are practical in nature and

contain information about finance and finance management institutions.

b) Education, namely conducting counseling on aware of finance to schools, publishing books, bulletins, etc.

c) Consultation, which is preparing and providing a person, where people ask about the finance and complaints of the people.

d) Direct and indirect collection or pickup (online and payroll).

3. Building a communication system

Communication system is a group of people, guidelines and media that do an activity to process, store, pour ideas, ideas into messages in making decisions to reach an agreement and process the message to be a source of information. finance management institutions need to establish communication with:

a. Government and private institutions such as offices, banking, and public service offices.

b. Religious institutions such as MUI and Islamic mass organizations.

c. Individually, such as traditional leaders, community leaders and muzakki.

4. Arrange and carry out a service system

The service system is a unified whole of an interconnected circuit, if the part or subsidiary branch of a service system is disrupted it will disrupt the whole service itself. A good service system is a service system that provides:

a. Quality human resources both in terms of quality and quantity. Human resources working in finance services must at least have the following characteristics:

1) Siddiq is truly his intention to work because of Allah SWT. Working on jihad and community, acting on the basis of Islamic law and applicable regulations.

2) Tabligh is conveying, implementing and succeeding in the management of finance in accordance with Islamic law and applicable rules.

3) Trust is honesty, transparency and trustworthiness.

4) Fathonah is intelligence, namely intellectual intelligence, emotional intelligence, spiritual intelligence and berukhuwah intelligence.

b. Offices that are good, easy to reach, comfortable and decent.

c. Good communication tools such as telephone and website.

d. Adequate and good transportation, such as having special operations such as motorbikes or cars.

e. Complete administrative tools such as computers, photocopiers, standard receipts of finance payment forms that facilitate control, recording of receipts and payments that are easy and transparent.

f. Availability of deposit points that are easily accessible by muzakki, such as Islamic banks.

2.3. Understanding Optimizing Finance Potential

Optimizing the potential of finance is the ability to use finance to be used and utilized better [5, 9].

2.4. Measurements Optimizing Finance Potential in supply chain management

1. Socialization

Socialization is an attempt to change individual property into public property and efforts to promote something that is better known. Dissemination activities carried out by finance management institutions are a way to provide knowledge about everything about finance and how to manage it and indirectly will make Muslims who are obliged to finance obediently to pay finance. Dissemination activities regarding finance must be programmed, because finance is intended as one of the means to develop the life of Muslims.

2. Promotion

Promotion is a tool to bind consumers to always be one part as a buyer of a product. Promotion is a tool for communicating messages to the public in this case marketing finance. The objectives of conducting promotions are as follows:

a. Disseminate product information to the target muzakki.

b. Get an increase in the number of muzakki. Mendapatkan kenaikan jumlah pengumpulan dana finance.

3. Education

Education is a learning process that aims to develop self potential that aims to develop personality and intelligence. The objectives in educating finance are as follows:

- a. Amil Finance
 - b. Government apparatus
 - c. Public figure
 - d. Politician
 - e. Prospective muzakki
 - f. General public
- ### 4. Publication

Publication is an activity where a person or group announces the results of research, discussion or a matter that needs to be known by the public. The level of need for a publication is done from what will be published.

Publications other than those aimed at disseminating information also aim to raise funds in certain cases. Publication is an important thing to do because this publication is one of the barometers to prove the extent to which the finance management institution or agency can carry out its mandate accountably to the people's funds [3, 6, 13]. This article addressed the issue of exploring the ways the principles of Islamic economics be useful in sustaining the SCM theory and practice.

3. Research Methodology

The study uses the empirical-inductive method, one of the methods of the analytical methodological framework, for establishing the relationship between Finance and SCM and determining how Finance as an Islamic economic principle can play an influential role in SCM processes. The type of research used in this study is descriptive research which is to find out the finance collection strategy to optimize the potential of finance on finance management institutions in Palembang City [8]. This research was conducted at the National Amil Finance Agency of the Province of South Sumatra, Palembang

City National Finance Amil Agency, and South Sumatra LAZISMU.

The operationalization of the variables used in this study are as follows:

Finance Collection Strategy (X)

The strategy of collecting finance is a method needed to collect a number of finance funds so that they can be handed over to the rightful ones [1, 12]. With indicators; Segment determination and muzakki target

1. Preparation of resources and operating systems
2. Building a communication system
3. Arrange and implement a service system [3, 4].

Optimizing Finance Potential (Y)

Optimizing the potential of finance is the ability to use finance to be used and utilized better [5, 9, 11]. With indicators; Promotion, Promotion, Education, Publication [3, 6, 13].

The data used in this study are primary data obtained directly through interviews and secondary data obtained from reference literature and data from finance management institutions in Palembang (Sujarweni, 2014: 73). The data collection method used is interview and documentation which is done by submitting a set of questions verbally to the informants to be answered.

The data analysis method that will be used in this research is qualitative analysis which is a method that describes, describes, compares data and circumstances and explains a situation in such a way that a conclusion can be drawn about the finance collection strategy to optimize the potential of finance in the Finance Management Institution in the City Palembang.

The analysis technique used is descriptive qualitative data analysis technique that is to explain and present data obtained from institutions that manage finance by providing a general description in accordance with the facts that exist at the time of conducting research.

4. Research Results and Discussion

4.1. Finance Collection Strategy

1. Determination of segments and muzakki targets,

In this case the finance management institution in the city of Palembang is right in terms of determining the segment and target of the muzakki, according to the mandatory requirements of the muzakki, namely Muslims, understanding, perfect property, enough haul and Nisab.

However, finance management institutions in the city of Palembang also have to target prospective muzakki among government institutions such as agencies, banks, and also companies both public and private. This is done so that the finance collected by the finance management institutions in the city of Palembang can increase and be able to reach the potential finance that has been set.

2. Preparation of resources and operating systems

The finance management institution in the city of Palembang in the process of preparing resources and operating systems has done it well, such as selecting employees who have educational backgrounds in accordance with the work as amil finance which aims to amil the charity that is reliable and competent.

The finance management institution in the city of Palembang also increasingly increases the number of finance collection units spread in several places so that the collection of finance is more focused and the service

becomes maximum. However, finance management institutions in the city of Palembang do not yet have finance data and maps as their operational reference, while finance data and maps are important to be a reference for amil to maximize services to muzakki.

In conducting the operating system, finance management institutions in the city of Palembang do it directly, through print, online and social media. This is done so that more muzakki will pay their finance to the finance management institution in Palembang so that the potential of finance can be optimal.

3. Building a communication system

In terms of building a communication system, finance management institutions in the city of Palembang have developed a communication system well. Both with muzakki, government officials and community leaders. This is done so that the muzakki get information in accordance with the activities carried out by the finance management institution.

This was done by the finance management agency in the city of Palembang so that the communication system between amil and muzakki is well established and the finance funds collected can be better utilized.

4. Arrange and carry out a service system

The service system that has been prepared by the finance management institution in the city of Palembang is already good because the service system prepared aims to maximize services to the muzakki who come to the finance service office.

This is done by the finance management institution in the city of Palembang in order to have a good service system in order to facilitate muzakki in carrying out finance to optimize the potential of finance collected.

4.2. Optimizing the Potential of Finance

1. Sosialisasi

In the context of finance, finance collection agencies or agencies must prepare resources that have the ability to interact well. This is to support the socialization of finance in the midst of the community through the pulpit of sermons, lectures or door to door.

This makes it possible to increase finance collection because prospective muzakki or the community will be more free to ask about finance.

2. Promotion

The promotion carried out by the finance management institution in the city of Palembang is good because it includes promotions through print out and electronic media. These promotional tools are important to be implemented in a finance management institution to seek optimal collection of finance.

3. Education

In this case the finance management institution is good at providing education to employees, but education should not only be given to employees but also to muzakki. Providing education to muzakki can be done through recitation funnels, religious lectures, and Friday sermons. This is done so that muzakki knows things about finance and activities carried out by finance management institutions so that the heart is tighter to pay finance to finance management institutions in the city of Palembang.

4. Publication

Regarding publications, both the South Sumatra National Amil Finance Agency, the Palembang City National Amil Finance Agency, and South Sumatra LAZISMU did not publish to muzakki in the form of weekly, monthly, or annual reports.

While publication itself is an important thing to do because this publication is one of the barometers to prove the extent to which the finance management institution can carry out its mandate credibly and accountably to the people's funds.

5. Conclusion

The strategy used by finance supply chain management institutions in the city of Palembang is to establish finance collection units which are placed in several government agencies such as agencies and companies and establish cooperation with banks, government officials and religious leaders. The strategy for collecting finance can be done by OPZ, LAZIS or BAZIS by collecting finance through the payment system, among others; 1) payment of finance with a payroll system, a form of payment of finance by deducting salaries of employees in a company. 2) finance payments via an Android-based E-Card, in this way every Muslim can pay finance via the finance mobile application made by OPZ, LAZIS or BAZIS. 3) Finance can also be paid through Islamic banking services, in this case OPZ, LAZIS or BAZIS can work together with Islamic banking in the process of collecting national finance. This is done by finance supply chain management institutions to increase the collection of finance in the city of Palembang so that the potential of finance can be achieved.

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