

Cash Waqf Optimization of Baitul Maal wat Tamwil in Indonesia: A Business Model Canvas Strategy

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Abstract. *This research aims to create a Cash Waqf model using a canvas model approach that can be applied to Islamic microfinance institutions (BMT), taking into account opportunities and challenges. The Analytic Network Process (ANP) method was employed in this research through interviews, Focus Group Discussions (FGD), and questionnaires processed with SuperDecision software. The research results indicate that, first, the researcher proposes a Cash Waqf microfinance fund model for BMT. Second, respondents showed a high level of agreement in selecting the criteria for the Cash Waqf model. Third, in its implementation, BMT will face opportunities such as the use of IT in management systems, the ability to reach out to the poor, special financing schemes, emotional closeness to customers, ease of customer access to offices, and MSME interest in this Cash Waqf micro fund model. The challenges faced include low public trust, lack of management certification, limited customer identification, competition with moneylenders, limited financing amounts, and suboptimal customer identification.*

Keywords: *Cash Waqf; Business Model Canvas; Financing; Islamic Microfinance*

Abstrak. *Penelitian ini bertujuan untuk membuat model wakaf tunai menggunakan pendekatan model kanvas yang dapat diterapkan pada lembaga Keuangan Mikro Syariah (BMT), dengan mempertimbangkan peluang dan tantangan. Metode Analytic Network Process (ANP) digunakan dalam penelitian ini melalui wawancara, FGD, dan kuesioner yang diolah dengan software SuperDecision. Hasil penelitian menunjukkan bahwa, pertama, peneliti mengusulkan model dana keuangan mikro wakaf tunai untuk BMT. Kedua, responden menunjukkan kesepakatan yang tinggi dalam memilih kriteria model wakaf tunai. Ketiga, dalam penerapannya, BMT akan menghadapi peluang seperti: penggunaan IT dalam sistem pengelolaan, kemampuan merangkul masyarakat miskin, skema pembiayaan khusus, kedekatan emosional dengan nasabah, kemudahan akses nasabah ke kantor, dan minat UMKM terhadap model dana mikro wakaf tunai ini. Tantangan yang dihadapi meliputi: rendahnya kepercayaan masyarakat, kurangnya sertifikasi pengelola, keterbatasan identifikasi nasabah, persaingan dengan rentenir, keterbatasan jumlah pembiayaan, dan identifikasi nasabah yang belum optimal.*

Kata kunci: *Wakaf Tunai; Business Model Canvas; Pembiayaan; Keuangan Mikro Islam*

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Introduction

The microfinance system is one financial sector providing capital for poor people. Microfinance services are provided by various financial institutions such as village banks, cooperatives, and other private institutions, also called microfinance institutions. Microfinance is a unit that has the principle of providing subsidies to businesses and small entrepreneurs.

One Islamic microfinance fund source directly tied to Muslims' socioeconomic systems is the *Waqf*. *Waqf* can be used to meet needs and provide welfare to people in need (Zakariyah et al., 2020). Additionally, the *Waqf* model has improved and is currently more effective than *Waqf* in the form of land (Aldeen et al., 2020; Nurhayati, 2021). Islamic microfinance that is based on Cash *Waqfs* must, be sustainable.

Behind the success and sustainability of Islamic microfinance in supporting the economy of small communities, many obstacles still prevent Islamic microfinance -institutional businesses from meeting their targets. (Tambunan, 2019) concluded that the three primary difficulties most MSEs face in the manufacturing industry are access to capital, marketing, and getting raw materials. According to Ascarya (2012), Islamic microfinance institutions specifically serve MEs, but Islamic microfinance has limited capabilities to serve 55.9 million MSMEs, especially in funding. This is where it is needed he expansion of business and promotion networks, the use of business data, the need for human resources with high technical expertise, challenges obtaining raw materials, and high transportation costs are other issues that Micro, Small, and Medium-Sized Enterprises (MSMEs) in Indonesia (Adhikary et al., 2021).

The majority of the reasons micro and small firms do not receive capital assistance from financial institutions are that they do not know where to look for it (55.95%), do not grasp the procedures (13.99%), and are refused (1.45%) (Hidayah et al., 2021). In this context, the role of financial institutions in providing financing for establishing micro and small firms is equally crucial.

Ascarya, Sukmana, et al., (2017) wrote about using Cash *Waqf* for microfinance in Indonesia. They said that Cash *Waqf* can strengthen the role of Baitul Maal wat Tamwil (BMT) as a whole-person financial inclusion agent for micro-business growth. Currently, three BMTs play the role of nazir and ask for Cash *Waqf* donations to help small businesses in the country. (Sanyinna et al., 2018) try to solve the problem of small and medium-sized businesses (SMEs) not getting enough money from traditional banks by suggesting that SMEs and Cash *Waqf* institutions work together.

As an alternative to the problem of inadequate funding for Islamic microfinance, the Business Model Canvas (BMC) and the Social Enterprise Model Canvas (SEMC) have been developed to aid the identification and resolution of the most significant challenges faced by these hybrid businesses (Dobrowolski & Sułkowski, 2021). Academics interested in the study of social entrepreneurship in the context of Islamic microfinance will find the SEMC and this article's analysis of its characteristics to be of interest because they provide a new analytical tool that is particularly useful for disentangling and comparing different types of social enterprises (SEs). In addition, it is important for Islamic social microfinance, which also focuses on entrepreneurship, to use SEMC as a platform that may be utilized to overcome financial challenges (Ormiston & Seymour, 2011).

This paper aims to examine the financing of *Waqf* social resources, whose funds never deplete but are always productive as the financing in Islamic Microfinance in Indonesia (BMT) with a business canvas model approach. And explain various opportunities and challenges of Implementing the Cash *Waqf* Microfinance Funds Model in Baitul maal wa Tamwil (BMT). Therefore, it is hoped that this research will provide the answer and solution for Islamic microfinance institutions that lack capital.

Literature Review

Analytic Network Process Selection

ANP provides a general framework for dealing with decisions without making assumptions about the freedom of higher-level elements (Thomas, 2008). The ANP methodology obtains the primary data from in-depth interviews with experts, practitioners, and regulators. Experts and competent practitioners are selected as respondents by considering the obtained data to be more accurate than the distribution of questionnaires to the public, who do not understand the modeling, opportunities, and challenges of Cash *Waqf* correctly as financing in Islamic microfinance. Sampling for these three groups of respondents was done using purposive sampling techniques.

The application of this method uses interviews, focus group discussions, and questionnaires filled out by the respondents; thus, the results will be processed using SuperDecision software to determine the tendency of respondents to a problem. Some of the selected respondent characters must be determined for sampling in this study. Therefore, several criteria of respondents have been determined for the sampling of this study. First, respondents from both expert

groups, practitioners, and regulators must understand the issues discussed related to modeling, opportunities, and challenges in producing a Cash *Waqf* model as financing in Islamic microfinance. Second, respondents from academic groups have been teachers conducting research or becoming resource persons in the field of *Waqf* in Indonesia, as well as more local or even global coverage. Third, respondents from practitioner groups are respondents who have been involved and actively contributed to micro-Islamic financial institutions in Indonesia as well as in the global realm. Lastly, respondents from the regulatory group serve in regional and national institutions.

Data collection at the model development stage can be conducted through in-depth interviews or FGD (Focus Group Discussion). In-depth interviews are conducted with several experts and practitioners. According to Mishra (2016), FGD is generally done by gathering at least 10 to 12 people moderators guide. And the ideal participants in an FGD are 6 to 12 people. Therefore, based also on the set criteria, this study uses 7 (seven) respondents to be taken on behalf of respondents of academic groups, practitioners, and regulators.

Methods

The present study employs the ANP – a mathematical theory developed by Saaty in 1996 – as a new generation of analytic hierarchy process – to permit one variable to deal systematically with dependence and feedback, which can capture and combine tangible and intangible factors by employing a ratio scale (Saaty, 2004, 2006) ANP permits researchers to investigate intricate interrelationships between decision levels and attributes. The ANP strategy replaces hierarchies with networks in which the interaction between levels is not simply expressed as higher or lower, dominant or subordinate, directly or indirectly (Lee, 2010). ANP network is formed based on clusters of criteria and alternatives.

Data collection will be conducted through the study of various media, among others: literature studies from academic journals, reports, and publication materials from credible sources, data and field observations, interviews (in-depth interviews), and Forum Discussion Groups (FGD) with stakeholders who have expertise and experience in their fields, namely practitioners of Islamic microfinance institutions, regulators or activists in the field of Cash *Waqf*, Indonesia *Waqf* Agency (BWI) and academics. Using initial and later questionnaire tools, we can confirm and declare the validity of respondents' answers individually during Forum Discussion Group (FGD) conducts.

In addition to using questionnaire instruments, data collection also uses in-depth interview techniques to build a model as a prefix conducted in interviews. The interview results will be used to make a model useful in creating research questionnaires that will be disseminated back to previously interviewed experts. The researcher begins the first stage by finding several problems, namely, understanding the problem being researched. Understanding these problems is carried out by distributing questionnaires to expert respondents, practitioners, and academics and in-depth interviews with respondents. Then, the authors reconstruct a model that respondents and researchers easily understand. After the model is finished, the researcher validates the model with one of the respondents, who is considered the main expert among other experts. This aims to ensure that the problem models generated by opinions from various sources are correct and can represent the problems under study

Table 1. Respondents of Academic Groups, Practitioners, and Regulators

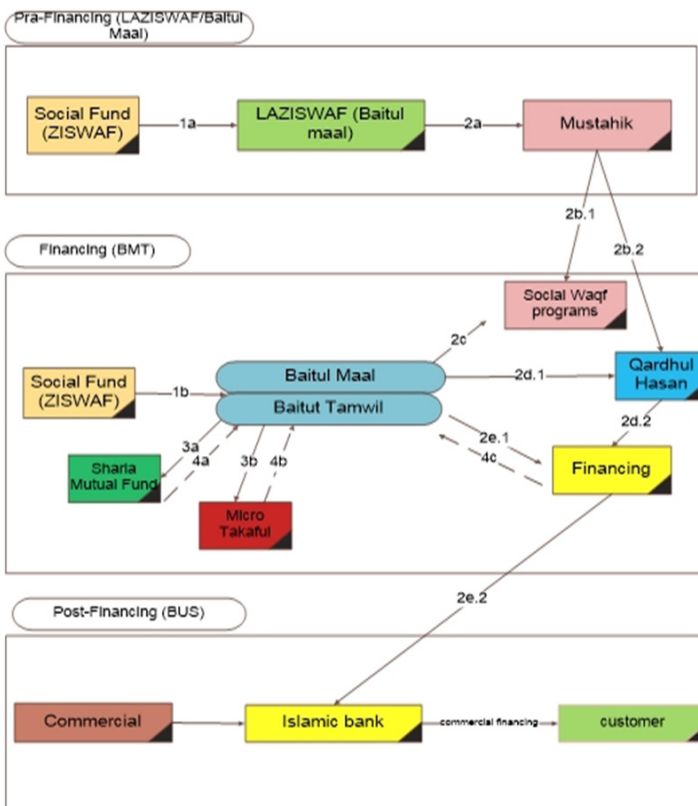
Representative	Institution	Affiliation
Practitioner	BMT TAMZIS wonosobo	Manager
	BMT Bringharjo Jogjakarta	Manager
	BMT BEE MAS Ngawi	Manager
	BMT Binama Semarang	Manager
	BMT Hafidz Lampung Selatan	Manager
	BMT Laa Riba Islamic Center Cirebon	Manager
	BMT MITRA SADAYA Bandung	Manager
Regulator	BWI (Indonesian <i>Waqf</i> Board)	Head of the Nazhir Empowerment and Management Division
	BMT Amanah Jogjakarta	BMT Sharia Supervisory Board
	BWUT MUI Jogjakarta	Manager
	LAZISWAF UNIDA Gontor	Director
Academics	University of Darussalam Gontor	Vice Chancellor for Human Resources at the University of Darussalam Gontor
	University of Darussalam Gontor	Head of the Foundation for Darussalam Gontor University
	University of Darussalam Gontor	Head of the Sharia Economic Law Postgraduate Study Program
	University of Darussalam Gontor	Dean of the Faculty of Sharia Economics

Research steps of the analytic network process

First, the researcher must comprehend the problem. To understand these difficulties, experts, practitioners, and academics are sent questionnaires and interviewed in-depth. The authors build a model that responders and researchers can understand. After finishing the model, the researcher validates it with a major expert. This ensures that problem models developed by multiple sources are correct and can describe the studied problems (Miñambres et al., 2022).

From the steps of the research method that have been carried out, there are several objectives of the model that have been obtained. After collecting and analyzing data from academic journals, reports, credible sources, data, and field observations, interviews (in-depth interviews), and pilot projects with stakeholders with expertise and experience in their field, namely BMT practitioners who have received a Cash *Waqf* certification from BWI, regulators from BWI members, and academicians, the researcher develops the model as figure 1 as follows:

Figure 1. Steps of The Analytic Network Process



The researcher will explain the model's tale using Figure 4.1. *Laziswaf* receives infaq zakah, charity, and *Waqf*. *Baitul Maal wa Tamwil* receives fundraising or outside *Infaq*, *Zakat*, alms, and *Waqf*. *Laziswaf* has direct authority to distribute collected monies to the disadvantaged. *Laziswaf*'s direct connection with the impoverished has advantages. The BMT manager cannot be optimal in direct engagement with people with low incomes since the institution has two special functions, *Baitul Maal* and *Tamwil*. BMT emphasizes financing and empowerment (Kurniawan, 2021).

Laziswaf delivers customer recommendations from the impoverished who have enterprises but lack funds to receive loans at BMT (Masrifah, 2021). It also serves as *Baitul Maal*, which distributes social monies through initiatives like social *Waqf* (Ascarya, Rahmawati, et al., 2017b; A. Ascarya & Masrifah, 2022). *Laziswaf* recommends using BMT's social money to finance the underprivileged through the *Qardhul Hasan* contract.

BMT has various obligations to prospective consumers before offering this finance. This obligation is to identify customers to ensure their eligibility for *Qardhul Hasan* financing and to identify businesses to ensure they are authentic and deserving of finance. Business review and support follow. This helps consumers grow their businesses and avoid collapse (Kurniawan, 2021). BMT provides customer financing using Cash *Waqf* with *Murābahah*, *Mushārahah*, or *Mudhārahah* contracts as the customer's business grows (Sunu, n.d.). The customer must pass the *maal* phase or *Qardhul Hasan* contract with good value. The customer has a good payment history. The customer can then upgrade *Tamwil* finance (Masrifah, 2021).

Waqf Cash funds are not allowed to depreciate. BMT takes precautions to reduce this danger. BMT invests Cash *Waqf* to create additional financial capital. BMT has appointed two institutions to protect Cash *Waqf*:

Sharia Mutual Fund

A Sharia mutual fund is a venue for collecting public funds managed by an investment manager and invested in equities, bonds, and money market instruments in compliance with Islamic Sharia. Islamic finance such as Islamic stocks and sukuk (Fathonih et al., 2019). BMT works with Sharia mutual funds to invest Cash *Waqf*. Because Islamic mutual funds are cheap, they don't require much Cash. Islamic mutual funds have a slight risk yet are competitive (A. Ascarya & Masrifah, 2022). The investment proceeds will be used as additional

financing capital or for social *Waqf*. (A. Ascarya et al., 2022) suggests several *Waqf*-based IFI, including an integrated commercial-social *Waqf*-based bank, an integrated commercial-social *Waqf*-based venture capital firm, and an integrated commercial-social *Waqf*-based cooperative, depending on the mutually agreed upon qualities.

Micro Takaful

BMT collaborated with micro takaful as a guarantor in the event of a failure in the operations of BMT. Ascarya, Rahmawati, et al., (2017b) stated micro takaful or *ta'awun* reduces financing risk in case of default because the consumer is removed from the guarantee. Some *Waqf* funding can be channeled through takaful-based microfinance. Once reserves grow, more *Waqf* monies can be used for microfinance. IMFI can increase its loan breadth and reach without compromising its profit margins. The Tamwil phase funding returns will be used for additional financing or the social *Waqf* scheme (Imaroh & Tanjung, n.d.; Rokhman, 2014). Larger businesses will need more funds for Tamwil funding. Due to its financing limits, BMT will refer consumers to Islamic banks for larger financing. So their businesses can prosper (Rofiqoh et al., 2022). This technique can finance micro, developing, medium, and industry-level firms.

Methods to apply Cash *Waqf* as Islamic Microfinance funding in Indonesia

1a: Social funds (*Zakat*, *Infaq*, Alms, and *Waqf*) channeled to Laziswaf (*baitul maal*), 1b: Social funds (*Zakat*, *Infaq*, Alms, and *Waqf*) channeled to BMT. 2a: Laziswaf (*baitul maal*) allocates social funds to mustahik and dhuafa, 2b.1: Laziswaf (*baitul maal*) recommends to BMT to include mustahik (dhuafa) into the social *Waqf* program. 2b.2: Laziswaf (*baitul maal*) recommends BMT for *mustahik (dhuafa)* who have businesses but are still relatively small and need capital, 2c: Baitul maal distributes social funds in the social *Waqf* program. 2d.1: Baitul maal provides financing with *qardhul hasan* agreement to customers who have been recommended by Laziswaf. 2d.2: Customers who are in the *maal* phase (*qardhul hasan*) will rise to the Tamwil phase if they get a good report on *maal* phase financing. 2e.1: Customers who have gone up to the Tamwil phase will be financed using *Murābahah*, *Mudārabah*, and *Musyārakah*. 2e.2: Customers who have passed the Tamwil phase and have a good report will be recommended to Sharia Banks to obtain a larger amount of financing. 3a: BMT

invests in sharia mutual funds, 3b: BMT reserves funds on micro takaful. 4a: The return received from the mutual fund will be added to the financing capital. 4b: The return received from the micro takaful will be added to the financing capital.

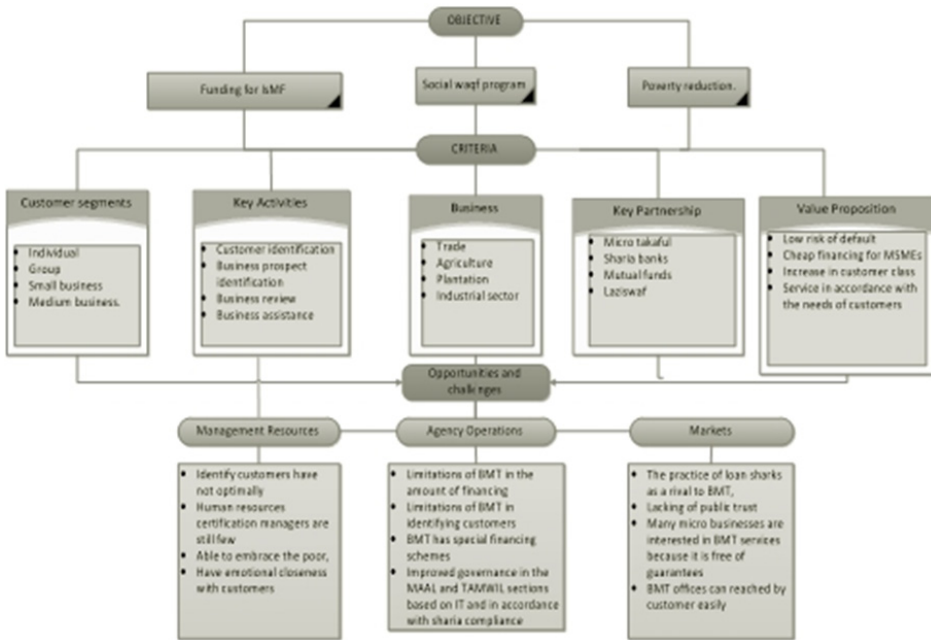
Ascarya, Sukmana, et al., (2017) studied Cash *Waqf* but did not engage with Laziswaf parties to identify customers and Islamic banks in funding. BMT can't identify clients optimally due to its constraints. BMTs have funding limits therefore they can't supply more. Mohsin, (2013) Cash *Waqf* model doesn't work with other institutions to identify customers or reserve Cash *Waqf*, hence it has a significant failure risk. Failure risk occurs both within and externally with customers. Failure threatens *Waqf*'s worth. Next is Kachkar, (2017) In his paradigm, other institutions do not help identify customers or MSMEs. In contrast, *Waqf* financing clients should be considered.

There are many unique aspects of this proposed model by the author, namely, first, this model makes the channel with other institutions, which can cover the inadequacy of BMT as *Nazir Cash Waqf* (Mafaza et al., 2020). The second unique feature of this model is that it can deliver financing customers from micro businesses to developing businesses rapidly to medium and even to the industry level. The third unique of this model is the business canvas approach using the ANP method until this model can create opportunities and challenges to apply this Cash *Waqf* model. The next chapter will discuss the opportunities and challenges of applying this model.

Results and Discussion

In evaluating this case and developing models, the researcher exhibits the frame of mind that will map out the author's thoughts via the business canvas model and a variety of sources to conclude a suitable model for modeling Cash *Waqf* as financing in Islamic microfinance. Figure 2 shows the researcher's framework after conducting focus groups and in-depth interviews.

Figure 2. Researcher's Framework



Customer Segments

ANP data suggest that BMT's Cash *Waqf* financing type (30%) remains a mainstay in the client segment. The synergy between Cash *Waqf* and manager or *Nazir Waqf* through BMT in the Cash *Waqf* financing model tends to be easy (like research findings (Ascarya Ascarya & Masrifah, 2022)) and able to welcome people with low incomes, so individuals (29%) and small businesses (26%) become the next target market choice. Medium enterprises (15%) are the last customer sector because they can manage themselves financially and don't need BMT to grow. BMT practitioners agree that a 32% consumer category has the potential as a Cash *Waqf* model customer for BMT financing (Kurniawan, 2021). According to *Waqf* regulators and academics, it is a group (30%). However, overall, BMT practitioners and *Waqf* experts agree with an agreement value of 28.2%, and a group substantially influences modeling Cash *Waqf* microfinance funds as Islamic microfinance financing. Individuals, small businesses, and medium-sized businesses are Islamic microfinance's major Cash *Waqf* consumer groupings. *Waqf*-based Islamic MFIs, according to (Abdullah et al., 2017), will be able to offer low-cost capital to underprivileged business owners. Furthermore, it is advised that the

microfinance fund be exclusively funded by *Waqf* property revenues to guarantee the *Waqf*'s longevity.

Key Activities

Meanwhile, the most important key activities in modeling Cash *Waqf* as financing in BMT are customer identification (31%) and business support (28%). After customer identification and business assistance, business identification (25%) has become the third priority. Business review (16%) is the last priority. Overall, practitioners and experts think that key activities element substantially impact the Cash *Waqf* model as BMT financing with a value of $W=0.369$ and a 1% rate. According to BMT practitioners and *Waqf* specialists, customer identification and business assistance make up 36% and 35% of this funding strategy. This is vital since BMT must identify clients before financing, and customers need business assistance to develop their business. This is supported by A. Ascarya, Sukmana, et al., (2023) research that the most preferred financing is "financing for ordinary Micro and Small Businesses" belonging to BMT members.

Business Sector

The business sector in the Cash *Waqf* financing model still makes the trade sector (38%) a mainstay sector for this model, in addition to the agricultural sector (30%), plantation sector (21%), and industrial sector (12%). BMT practitioners and *Waqf* experts agree to promote trade (41.4%) to seek Cash *Waqf* financing as a source of funds for their firm, and the business sector has a substantial impact on the growth of Cash *Waqf* microfinance funds model as a source of funds financing at BMT with a significant level of 1%. According to BMT practitioners and *Waqf* specialists, this Cash *Waqf* financing technique targets the commerce company (43%) and agriculture (25%) sectors. BMT practitioners agreed to boost commerce with a $W = 65.7\%$ Cash *Waqf* microfinance funding model.

Key Partnership

Any important partnerships or parties that helped model Cash *Waqf* as BMT loans among others, Laziswaf (44%), micro takaful (30%), sharia mutual fund (14%), and sharia bank (11%). BMT practitioners and *Waqf* specialists agree (43% and 41%) that BMT must work with Laziswaf. According to BMT practitioners and *Waqf* specialists, micro takaful is the second most important to Laziswaf (35% and 26%). Overall, BMT practitioners and *Waqf* experts agree that

all major partnership factors considerably influence Cash *Waqf* microfinance funds on BMT, with $W = 49.2\%$ and 1% . Therefore, Cash *Waqf* microfinance funds in BMT require the most important focus as a marker of the success of Cash *Waqf* distribution to accelerate the development of MSMEs so that society is prosperous (Waldan et al., 2022).

Value Proposition

This model's value propositions are cheap financing for MSMEs (34%) using Cash *Waqf* as financing capital, and minimal default risk (26%). Financing consumers selected through the *maal* phase and with a good report value can only acquire Cash *Waqf*, then service according to customer needs (23%) and customer class (17%). A. Ascarya, Husman's, et al., (2023) research shows that the value proposition model between types of Islamic financial institutions with a business orientation must be appropriate to the target, such as *Waqf*-based IFIs in the form of cooperatives that can be implemented in the community or micro level. According to BMT practitioners and *Waqf* specialists, This Cash *Waqf* financing is meant for MSMEs to acquire reasonable financing (31% and 38%). Overall, BMT practitioners and *Waqf* experts concluded that this value proposition strongly impacts the Cash *Waqf* model as BMT financing with $W = 33.1\%$ and 1% .

Human Resource

Opportunities and challenges on Cash *Waqf* model as BMT funding consists of HRM, OPs, and Mkts. ANP HR findings BMT can embrace people with low incomes (30%) because of Cash *Waqf* finance. Then comes the issue of minimal HR certifications (25%), the possibility of emotional closeness with clients (24%), and the challenge of detecting subpar customers (16%). According to (Ahmad Andi Kurniawan, 2021) as BMT practitioners, certification *Nazir* or HR manager is most important in this financing model (30%). Supported by (A. Ascarya & Masrifah, 2023) research, *Nadzir* must have professional Shiddiq, Amanah, and *Nazir* criteria, instill Islamic values in BMT employees and members, standard operational procedures and operational standards for Cash *Waqf* management, technical assistance for *Nazirs* in managing Cash *Waqf* and systems. IT for BMT-Cash *Waqf* administration. *Waqf* experts consider embracing people with low incomes to be the main opportunity for BMT in developing the Cash *Waqf* microfinance fund model in BMT (31%), while the second priority is less optimal customer identification.

Operational Institution

The second opportunity and challenge is operational institutions. The specific ANP results for operational institutions on the Cash *Waqf* model as BMT financing demonstrate that this model is a potential for IT-based management to be essential in system operation (31%) as findings of Sukmana et al., 2022; Wang et al., (2018), then BMT has a special financing scheme (27%). The third priority is the challenge of BMT's inability to recognize clients (21%). Last is the financial challenge (20%) for BMT. BMT practitioners consider that this model has a special financing scheme according to the customer's business sector (37%). The expert *Waqf* feels BMT must limit its lending, but this is small-business financing.

Market

The third opportunity and challenge is the market. The detailed results of ANP related to the market on Cash *Waqf* microfinance funds model show that the current challenge is a lack of community understanding (32%), followed by BMT, which has offices spread across various regions and with digital applications already owned by several BMT will facilitate customers in reaching BMT offices (24%), then after Cash *Waqf* capital as financing in BMT in the future many small businesses are interested in the financing (23%). According to research by R. A. Ahmad et al., (2022), the factors that contribute to donating Cash are knowledge, spiritual understanding, and financial attitude. BMT practitioners agree that the primary challenge BMTs face today is a lack of public faith in Cash *Waqf* (35%), which can be utilized to finance businesses for poor clients. It is supported by Z. A. Ahmad & Rusdianto (2020) that the transparency of *Waqf* funds significantly influences the trust and intention of a person giving *Waqf* money to Sharia financial institutions.

Objective

Observers found considerable disparities in goals. According to the data above, Islamic microfinance institutions' first purpose of capital has a low geometric average of 0.29. Social *Waqf* and poverty alleviation programs have similar values of 0.35 and 0.36. This suggests the third goal is more significant than the second, even though their geometric values are close. From a BMT practitioner's perspective, the second and third objectives are equally vital for building a Cash *Waqf* model for Islamic microfinance. *Waqf* poverty alleviation value of 0.47 suggests this objective is more essential than others. As the results of 's (2021) research show, the idea

of a "global Cash *Waqf* model" is an alternative for overcoming the problem of poverty in Muslim countries. Then, IsMF 0.30 and a 0.23 social *Waqf* program.

Criteria

In this study, each node has four branches. 1) customer segments 2) key activities, 3) business sectors 4) key partnerships, and 5) value propositions. The graph above demonstrates that key activities have the highest geometric average of 0.28, which means they are the most significant criteria in this model to ensure customers. Customer segments with a geometric average value of 0.24 are the second most significant. Since the client is the major actor in finance, customer segments are second. Then, a 0.18 key collaboration means BMT must work with other institutions to adopt this approach. The fourth has a 0.17 geometric mean. Last is the business sector at 0.13.

Based on this temporary result, five factors from BMT practitioners and *Waqf* specialists deserve immediate consideration. According to BMT practitioners, the most essential business sector criterion is commerce. According to the expert *Waqf*, *Laziswaf* is the top partnership criterion. *Laziswaf* is the most essential partnership criterion overall.

Opportunities and Challenges

From these data, it can be stated that BMT will encounter three opportunities and challenges when adopting the Cash *Waqf* microfinance funds model. These can be viewed from the perspectives of a BMT practitioner, a *Waqf* specialist, and overall. BMT's specific funding plan is its biggest opportunity and challenge for practitioners. The most significant opportunity and difficulty, according to *Waqf* experts, is that consumers can easily find BMT offices because, in addition to the widespread distribution, BMT applications make it easier for customers to reach BMT offices.

Discussion

This model's value propositions are cheap financing for MSMEs (34%) by using Cash *Waqf* as financing capital, and minimal. This subchapter discusses the study's results, financing schemes with a Cash *Waqf* model based on business canvas, and opportunities and challenges Islamic microfinance institutions may face in implementing Cash *Waqf* financing models.

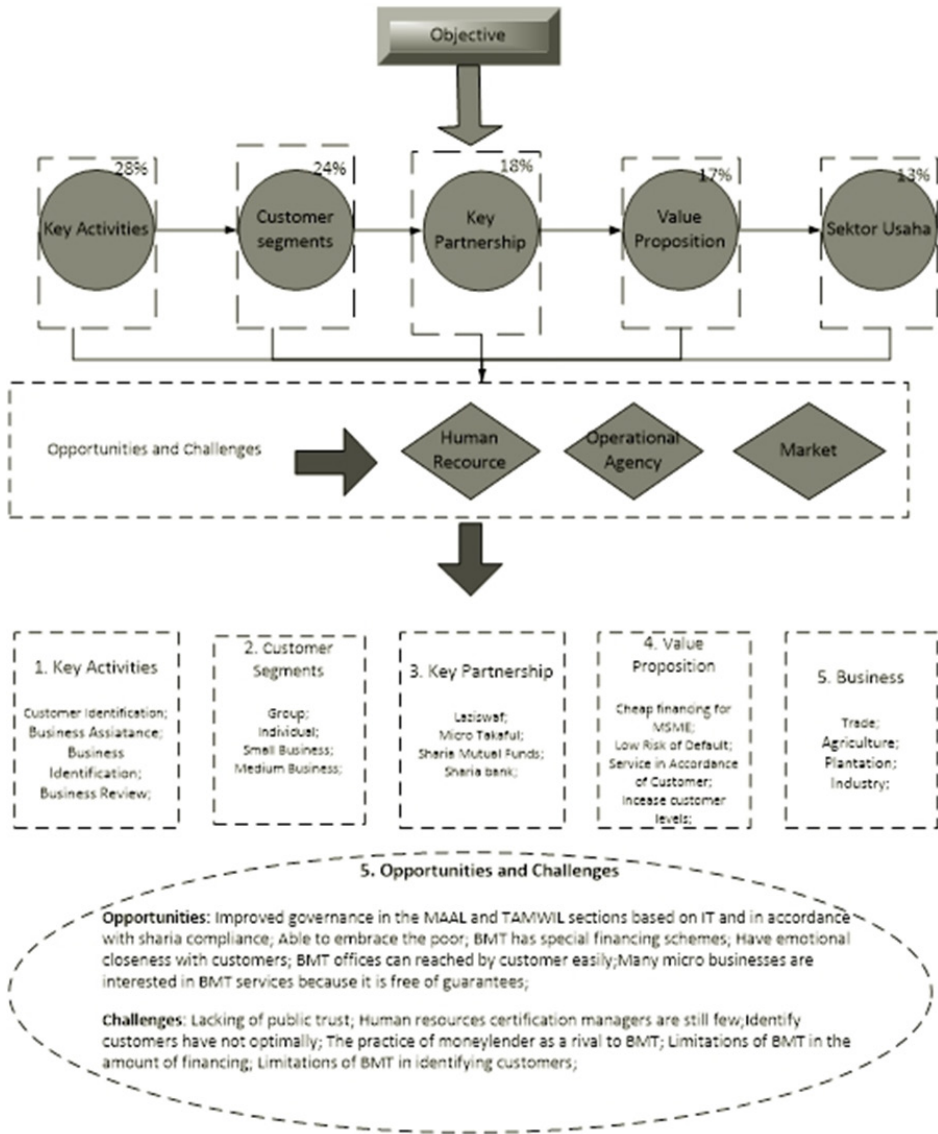
Cash *Waqf* Microfinance Funds Schemes Based on Business Canvas Approach in Islamic Microfinance Institutions

In practice, many Islamic microfinance institutions have closed because they lack capital. After Indonesia legalized Cash *Waqf*, there is potential for Islamic microfinance institutions, especially the unique aspects of this institution (Rokhman, 2014; Wulandari et al., 2016). One solution to the problem of Islamic microfinance institutions in the absence of capital is to use Cash *Waqf* as funds (Haneef et al., 2015). In this study, BMT's Cash *Waqf* financing model parameters include client segments, important activities, business sector, key collaboration, and value proportions.

After obtaining results through practitioners and *Waqf* experts as stakeholders who have expertise and experience in their fields, namely, BMT practitioners who have received Cash *Waqf* certification from BWI, regulators from BWI members, and academics, the highest priority criteria for business canvas elements for developing a Cash *Waqf* model are:

First, Prioritize key actions. Before providing customer financing, BMT must complete important tasks such as customer identification, business assistance, business identification, and business review (A. Ascarya, Sukmana, et al., 2023). It's a vital step before granting consumers finance and assessing their viability as Cash *Waqf* customers (Fauzan et al., 2024). *Second*, customer segmentation. After all BMT's major activities, the next stage is identifying the consumer segment to receive Cash *Waqf* funding (R. S. Ascarya & Rahmawati, 2017). BMT must choose customers carefully because only *Laziswaf*-recommended consumers have good value after being identified. *Third* is essential partnerships. After completing all major tasks and consumer segments, BMT must form critical partnerships because partnering with key partnership nodes will make the Cash *Waqf* model with a low risk of failure. The next, fourth priority is value proposition. The benefit of this Cash *Waqf* model is that the consumer must be presented with a value proposition after completing BMT, key activities, and customer segmentation. Because this model's benefit is not present in the other funding model (Ghaouri et al., 2023). *The fifth* priority is the business sector. It means the last step of BMT is to handle the business sector that customers will carry out and ensure that the business sector is following the financing model (A. Ascarya & Masrifah, 2022). With will be illustrated in Figure 3 as follows:

Figure 3. Financing Model Illustrated



The conclusion of this financing scheme based on the business canvas approach begins with BMT's capacity to discover, evaluate, and help what are known as key customer segment activities. Then, in carrying out this financing, BMT builds strategic alliances with relevant institutions to ensure they avoid undesirable risks. According to (Ambrose, 2021), natural risks can be resolved

by integrating *Waqf* risk management, especially Cash *Waqf*, with an Islamic spiritual approach. A value proposition creates added value for a market segment by combining elements according to the market segment's needs. Added value can be quantitative (Sort & Nielsen, 2018). After that, the value proposition that will be offered to customers will be the advantage offered by this Cash *Waqf* financing model. Meanwhile, the business sector that customers will carry out must follow this financing model.

Opportunities and Challenges of Implementing Cash *Waqf* Microfinance Funds Model in Baitul maal wa Tamwil (BMT)

Islamic microfinance institutions using the Cash *Waqf* microfinance funds model are one of the means to make Cash *Waqf* more productive (Kachkar, 2017; Kamaluddin, 2021; Masyita et al., 2005). Future priorities and rankings of potential for Cash *Waqf* microfinance funds model for BMT, according to practitioners and *Waqf* specialists, include:

First, strengthen BMT IT governance. BMT can engage IT expertise to operate *Maal* and Tamwil tools. BMT must advance its IT processes to facilitate record-keeping (Kurniawan, 2021) as stated (Thaker, 2018). Next, BMT can embrace the impoverished. Make the community issue Cash *Waqf* before BMT may utilize it as funding. And helping the poor in developing their small businesses.

The third option is BMT's special finance. BMT must create a community-friendly financing plan. By examining the livelihoods of small communities, such as trade, plantations, cattle, and fish ponds, the community of MSMEs can develop their business (Nurjannah, n.d.). The fourth opportunity is BMT customer emotional closeness (Afif, 2021; Wulandari & Pramesti, 2021). Only Islamic microfinance organization (BMT) that asks about family, children's schooling, etc. Conventional banks or microfinance can not do this opportunity (Rahim Abdul Rahman, 2010).

Thirdly, the client identification process has not been optimal (Nurjannah, n.d.). BMT channeling or collaboration with Laziswaf to identify the consumer is the solution to this difficulty (A. Ascarya, Rahmawati, et al., 2017a). The practice of moneylenders constitutes BMT's fourth major challenge. Because the majority of individuals believe that borrowing money from moneylenders is practically uncomplicated, then BMT should develop a funding plan that is more pragmatic than moneylenders (Anwar et al., 2019; Surayya, 2021).

Fifth, BMT funding is limited. BMT cooperates with Sharia Bank to recommend more finance to business-developing consumers (Tanjung, 2021). Sixth, BMT's human resource management is poor for customer identification. BMT must have many HR managers to hold all sides together. BMT must be prepared for opportunities and problems in Cash *Waqf* microfinance funds. BMT can apply the Cash *Waqf* model by examining many opportunities. BMT must collaborate with other institutions, provide a straightforward financing plan, be transparent in its reports, and add qualified people and resources to meet its many challenges (Tanjung, 2018).

Conclusion

The importance of Cash *Waqf* is very beneficial to poverty alleviation, empowering the poor, having social *Waqf* programs, and funding for IsMF. The author proposes the modeling of Cash *Waqf* as financing in Islamic microfinance. *First*, the research recommends a Cash *Waqf* funds model in Islamic microfinance (BMT). BMT collaborates with Laziswaf, Sharia Bank, Sharia Mutual Fund, and Micro Takaful on this Cash *Waqf* approach. This model collaborates with Laziswaf and Sharia Bank, unlike the previous one. *Second*, the research involved seven practitioners, four academicians or specialists, and three regulators in *Waqf* and Islamic microfinance. Using Kendall's Coefficient Concordance, the respondents' agreement is 0.297. This signifies that the respondent agrees with the author's business canvas strategy for BMT's Cash *Waqf* microfinance fund concept.

The Cash *Waqf* model with a business canvas approach starts with BMT's capacity to identify, review, and help consumer segments. BMT then forms essential agreements with linked organizations to avoid undesirable risks. The Cash *Waqf* financing model's value proposition to clients will follow. Customers' businesses must follow this funding strategy. BMT institutions will face challenges and problems when using the Cash *Waqf* model. According to the respondents, the highest opportunity is BMT's use of IT, the second is BMT's ability to embrace the poor, the third is BMT's special financing schemes, the fourth is BMT's emotional closeness with customers, the fifth is easily reaching the offices, and the sixth is MSME's interest in this Cash *Waqf* microfunds model. The main difficulty is a lack of public trust, followed by few manager certificates, limited customer identification, moneylenders as BMT rivals, the limitations of financing amount, and identification of customers has not been optimal.

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