

# Business Growth Analysis for Micro and Small Enterprises, Post-Financing of Mudharaba by BMT Khalifah Amanah in Medan Tembung Sub-district

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## ABSTRACT

Micro and Small Enterprises (MSEs) are the primary drivers of the economic sector in trade and services. Generally, the obstacle that is often the spotlight of Micro and Small Enterprises is the classic problem of capital. The tendency of micro and small entrepreneurs to run a business is always focused on the lack of working capital. The purpose of this study is to analyze the differences and business growth of Micro and Small Enterprises past and post-financing which includes working capital, Business turnover, and profit. The object of this research is Micro, and Small Enterprises which is a member of BMT Kalifah Amanah with sample amounted to 95. The types of data collected are primary and secondary data. Methods of data analysis in this study include multiple linear regression analysis, and t-test. The research findings indicate that there is an increase in the amount of venture capital, Business turnover and profit from Micro and Small Enterprises (MSEs).

**Keywords:** MSEs, Financing, Venture Capital, Business turnover, Profits

## 1. INTRODUCTION

The development of science and knowledge to make the growth of innovations and systems that govern life in all aspects. By the progress of science, the pressure for changes in the economic system in society. Islamic Economics which has grown in Indonesia also applied to financial institutions, banks and non-bank financial. Baitul Maal Wat Tamwil (BMT) included in the category of non-bank microfinance institutions that are informal, informally known as BMT does not require the presence of the legitimacy governments. BMT performance was almost equal to the cooperative where there is also a broad range of products both for fundraising and disbursement of funds. For its operational practically is the same as those Sharia bank operations with application sharing system. Among the increasing age, many newly established financial institutions such as BMT (Baitul Maal Wat Tamwil) based on Sharia. BMT (Baitul Maal Wat Tamwil) is a non-governmental organization that was founded and developed by the community. BMT was established with capital from the public which is housed in the same location where it stands BMT. Establishment of BMT is not only for the people who reside in the position of the establishment BMT, but it takes advice from outside. This institution serves as Islamic financial institutions support and disbursement funds under Sharia principles. Shariah principles are often used in BMT is a fair system for decisions, both regarding the collection and disbursement of funds. Amidst the establishment of BMT will provide ease of services semi-banking services,

especially for entrepreneurs or traders in the economic group who will be able to explore the potential, increase the productivity, increase the revenues and develops the economy in Indonesia. The efforts to improve professionalism lead BMT to numerous innovations of business activities and business products. The problems faced by MSEs are bad loans. Since the existence of Baitul Maal Wat Tamwil (BMT) Kalifah Amanah in Medan Tembung Subdistrict, MSEs which become its member gets easiness to develop their business. Before the existence of BMT Kalifah Amanah, the number of MSEs in Medan Tembung is not enough. By the BMT can help MSEs to raise capital for business. The role of BMT received a good response from the community who are members of BMT Kalifah Amanah in Medan Tembung subdistrict, and this is disclosed because MSEs is a member of BMT Kalifah Amanah get revolving fund for the addition of MSEs capital consist of trade and service sectors. Noticing this phenomenon, BMT be one alternative financial institutions which can provide solutions to these problems. BMT is a non-governmental organization in the form of cooperative and Shariah-based banking bureaucracy, and the process is procedural and administrative which can be minimized and ease in obtaining a loan for MSEs sector can be met. Funding granted to members BMT Kalifah Amanah according to the business type and each model is different to get financing that provided by the kind of business distinguished by each trade sector and the service sector. Seeing the relationship between these phenomena underlying researchers to conduct scientific research with the title Business Growth Analysis for Micro and

Small Enterprises, Post-Financing of Mudharaba by BMT Khalifah Amanah in Medan Tembung sub-district.

## 2. LITERATURE REVIEW

### Micro and Small Enterprises

Micro and Small Enterprises is a business activity that can expand employment and provide economic services to the broader community and can have a role in the process of equalization and improvement of people's income, stimulating economic growth, and have a role in realizing national stability. Also, micro and small businesses are one of the leading pillars of the national economy should gain major opportunity, support, protection, and development of the broadest possible alignments to the economic as a manifestation of the people, without ignoring the role of large enterprises and State-Owned Enterprises. According to Law no. 20 The year 2008 Article 1 paragraph (1) Micro Business is productive business owned by an individual or individual business entity in fulfilling criteria of micro business as regulated by this law. The criteria for micro-enterprises can be seen in Article 6 paragraph (1), stated that: Micro has a net worth of at most Rp 50.000.000.00 (fifty million rupiahs), excluding land and buildings; or Have annual Business results Rp300.000.000.00 (three hundred million rupiahs) whereas in Article 1 (2) Small Business is a productive economic activities that stand alone, carried out by an individual or business entity that is not a subsidiary or not branches of companies owned, controlled, or be a part either directly or indirectly from medium or large businesses that fulfill the criteria of a small business as defined in this law.

### Problems Faced by Micro and Small Enterprises (MSEs)

The development of micro and small enterprises in Indonesia cannot be separated from a wide variety of the issues. The problem often faced by micro and small enterprises according to Tambunan (2009):

#### 1. Marketing obstacle

Marketing is often regarded as one of the critical constraints to the development of micro and small enterprises. One of the aspects related to marketing issues are competitive pressures, both on the domestic market similar products made significant efforts and imports, as well as in export markets.

#### 2. Financial Limitations

Micro and small enterprises, especially in Indonesia is facing two major problems in the financial aspects: the initial capital mobility (start-up capital) and access to working capital,

long-term financial investment is necessary for the long-term output growth.

### Baitul Maal Wattamwil (BMT)

According to Soemitra (2011), BMT is an abbreviation of the word of Independent Business Centers Integrated or Baitul Maal Wat Tamwil, namely micro noted that financial institutions (MFIs), which operates under the principles of Sharia. According to Izza (2010) BMT consists of two terms, namely:

- Baitul Maal is an Islamic financial institution whose principal business is receiving and channeling Islamic funds. Source of funds Baitul Maal comes from zakat, infaq, shodaqoh and grants and other donations.
- Baitut Tamwil is an Islamic financial institution whose principal business is to raise funds from the third parties (depositors) and provide financing to productive enterprises in return for profit.

### The function of Baitul Maal Wat Tamwil

According Izza (2012) as the name of BMT consists of two primary functions, namely:

- a. Baitul Tamwil (house property development), conducting productive business development and investment in improving the commercial quality of micro and small entrepreneurs with other inter encourage the activities of saving and supporting the financing of economic activity.
- b. Baitul Maal (treasure house), receives deposits zakat, donation, and charity as well as optimizing their distribution under the regulations and mandate.

## 3. RESEARCH METHOD

The location of this research was conducted at Medan Tembung Sub-district. The time research plan was six months in 2017.

### Research Methods and Designs

This research was a case study in BMT Khalifah Amanah, Medan Tembung sub-district. Collecting data in this study was intended to obtain materials that were relevant and accurate. The data used in this study were primary data and secondary data.

### Population and Sample Research

The population in this study was small and micro businesses that obtain financing from BMT Khalifah Amanah. BMT was chosen because many micro and small businesses that had managed to become a source of income for many people. The sampling method used in this study was a random sampling, in which samples were taken randomly (Hadi, 2013).

### Data Collection Technique

In this study, the data collection methods used were:

#### 1. Questionnaire

The technique was used to collect data by giving a list of closed questions to the object of study, and hereinafter respondent was asked to complete a questionnaire that covered. This questionnaire was prepared based on benchmark indicators had been set.

#### 2. Documentation

A method that aimed to obtain data related to research variable was the variable of financing, venture capital, Business turnover and profits earned directly from micro and small enterprises in sub-district of Medan Tembung.

#### Data Analysis

Methods of data analysis included qualitative analysis was used to assess where the object of study was based on specific properties where the properties of votes shall be declared in the figures and was used to describe the analysis of the data processed.

##### 1. Test Validity

Test the validity of this study was used to test the validity of the questionnaire. Validity indicated the extent to which the precision and accuracy of a measuring instrument in performing measuring function (Saifuddin Azwar, 2011)

The evaluation criteria for the validity test was:

- If  $r\text{-arithmetic} > r\text{-table}$  (at the level of significance of 10%), then it can be said the item was a valid questionnaire.
- If  $r\text{-arithmetic} < r\text{-table}$  (at the level of significance of 10%), then it can be declared the item was the invalid questionnaire.

##### 2. Test Reliability

Reliability was an index that indicated the extent to which the results of a measurement can be trusted. The means used to test the reliability of the questionnaire was using Cronbach Alpha coefficient formula (Saifuddin Azwar, 2011).

##### 3. T-test

The t-test was used as a paired test, it reasoned examined data derived from the same number of

respondents and were associated with different observation time periods (pre and post-financing from BMT Khalifah Amanah for MSEs that are members).

#### Hypothesis

A basis for a decision is as follows:

H0 = There is no difference between the variables tested pre and post-financing from BMT Khalifah Amanah.

H1 = There are different variables tested pre and post-financing from BMT Khalifah Amanah.

#### 4. RESULTS AND DISCUSSION

*Analysis of the difference pre and post the venture capital financed in BMT Khalifah Amanah.*

This data was analyzed whether or not there was a difference in their venture capital between pre with post-financing from BMT Khalifah Amanah. The results can be seen in a series of paired-test Table 1 below:

**Table 1**  
**Paired Test Venture Capital**  
**Paired Samples Statistics**

	Mean	N	Std. Deviation	Std. Error Mean
Venture Capital Pre-Financing	10029473.68	95	2485184.769	254974.577
Venture Capital Post-Financing	23115789.47	95	4600793.544	472031.458

The average results paired test models pre-financing venture capital of Mudharaba financing is Rp. 10.029.473.68 and post-financing venture capital of Mudharaba financing is Rp. 23.115.789.47. These results shown that there was a significant difference between pre and post-financing of BMT Khalifah Amanah. The difference lies in the average amount of capital increased from the beginning before they receive a Mudharaba financing that amounted Rp10.029.473.68 and average venture capital after obtaining a Mudharaba financing in BMT Khalifah Amanah is 23.115.789.47.

**Table 2**  
**Paired Test Venture Capital**  
**Paired Samples Test**

				95% Confidence				
	Mean	Std.	Std. Error Mean	Interval of the Difference		t	df	Sig. (2-tailed)
Paired pre venture capital	-1.309E	4E+06	426519	-1.39E+07	-1.22E+07	-30.6	94	0
1		71	1			82		

This case means that with significant value Sig. = 0.000 venture capital pre and post-financing from BMT Khalifah Amanah has a significant difference. Hypothesis: Sig. (2-tailed) = 0.000 < 0.05. The conclusions are, the venture capital is differences between the period pre-financing from BMT Khalifah Amanah compared with the period post-financing from BMT Khalifah Amanah.

*Analysis of business turnover difference pre and post-financing from BMT Khalifah Amanah*

This data will be analyzed whether or not, there was a difference between pre the Business turnover and post-financing from BMT Khalifah Amanah. The results can be seen in a series of table 3 below:

**Table3**  
**Paired Test Business Turnover**  
**Paired Samples Statistics**

	Mean	N	Std. Deviation	Std. Error Mean
Business Turnover Pra-Financing	1643684	95	417963.79	42882.2
Business Turnover Post-Financing	2954211	95	530889.62	54468.1

The average result paired test models before obtaining a business turnover of Mudharaba financing, Business turnover is Rp. 1.643.684.21 and post-obtaining the Mudharaba financing, Business turnover is Rp. 2.954.210.53. These results indicated that there was a significant difference between the business turnover pre and

post-financing in BMT Khalifah Amanah. The difference lies in the amount of average in business turnover increased from the beginning before they got Mudharaba financing is Rp. 1.643.684.21 and an average in business turnover post-obtaining a mudharaba financing in BMT Khalifah Amanah is Rp. 2.954.210.53.

**Table 4**  
**Paired Test Business Turnover**  
**Paired Samples Test**

	Paired Differences						Sig. (2-tailed)	
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		T		df
Paired Business Turnoverpre- mudharabah financing	-1E+06	6E+05	59231	-1E+06	-1E+06	-22	94	0
	316	0.709		30	0.302	26		

This case means that with significant value Sig. = 0.000. It means, pre and post-financing from BMT Khalifah Amanah have significant differences for a business turnover. From Hypothesis: = 0.000 < 0.05 the conclusions shown are there differences in business turnover between the pre-period financing from BMT Khalifah Amanah compared with the period post- financing from BMT Khalifah Amanah.

*Analysis of Business Profits pre and post-financing from BMT Khalifah Amanah*

This data will be analyzed whether or not there was a difference between before the business

benefits and after receiving funding from BMT Khalifah Amanah

**Table 5**  
**Paired Test Business Profits**  
**Paired Samples Statistics**

	Mean	N	Std. Deviation	Std. Error Mean
Business Profits Pre-Financing	493105.26	95	125389.137	12864.654
Business Profits Post-Financing	886263.16	95	159266.885	16340.438

The average results paired-test models pre-financing of Mudharaba, business profit was Rp. 493.105.26 and post-financing the

Mudharaba, business profit was Rp. 886.263.16 These results indicated that there was a significant difference between the business profit pre and post-financing in BMT Khalifah Amanah. The difference lies in the amount of the average profit increased from

the beginning before they got Mudharaba financing is Rp. 493.105.26 and the average business profit after obtaining a Mudharaba financing in BMT Khalifah Amanah is Rp. 886.263.16

**Table 6**  
**Paired Test Business Profits**  
**Paired Samples Statistics**

	Mean	Std. Deviation	Std. Error Mean	Lower	Upper	T
Business Profits Pre-Financing	-3931	173194	17769	-42843	-3578	-22.1
Business Profits Post-Financing	57.9	13	72	9.399	76.39	6

This case means that with significant value = 0.000, and it means that the business profits pre and post-financing from BMT Khalifah Amanah has a significant difference. Hypothesis: Sig. (2-tailed) = 0.000 < 0.05, the conclusions are differences between the business profits pre-financing period from BMT Khalifah Amanah compared with the post-financing period from BMT Khalifah Amanah.

## CONCLUSIONS

From the above analysis and discussion, it can be concluded as follows:

1. There is a significant difference between venture capital pre and post-financing from BMT Khalifah Amanah. The value of Sig evidences this. = 0.000 < 0.05 so the conclusion is that there is a difference of venture capital before getting financing from BMT Khalifah Amanah compared to a period after getting financing from BMT Khalifah Amanah.
2. There is a significant difference between business turnover pre and post-financing from BMT Khalifah Amanah. The value of Sig evidences this. = 0.000 < 0.05 so the conclusion is that there is a difference of own business turnover between the period before getting financing from BMT Khalifah Amanah compared to a period after getting financing from BMT Khalifah Amanah.
3. There is a significant difference between profit pre and post-financing from BMT Khalifah Amanah. The value of Sig evidences this. = 0.000 < 0.05 so the conclusion is that there is a difference of business profit between the period before getting financing from BMT Khalifah Amanah compared to a

period after financing from BMT Khalifah Amanah.

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