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### BMT AL - ITTIHAD STRATEGY TO FACE COMPETITION

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#### ABSTRACT

This research aims to formulate and select the BMT Al-Ittihad Rumbai strategy to face the changing competition of business environment the are from internal environment such as organization resources, finance, member and external business such as competitor, economy, politics and others. Method of this research used Analysis of EFAS, IFAS, IE Matrix, SWOT-8K Matrix, SPACE Matrix and TWOS Matrix. Our hope from this research, it can assist BMT Al-Ittihad in formulating and selecting strategies for the sustainability of BMT Al-Ittihad in the future. The sample in this research is using purposive sampling technique that is the manager and leader of BMT Al-Ittihad Rumbai Pekanbaru. The result of this research shows that the position of BMT Al-Ittihad using IE Matrix, SWOT-8K Matrix and SPACE Matrix is in growth position, stabilization and aggressive. The choice of strategy after using TWOS Matrix is market penetration, market development, vertical integration, horizontal integration, and stabilization (careful.)

**Keyword:** internal environment, external environment, strategy formulation, TWOS Matrix

#### STRATEGI BMT AL-ITTIHAD UNTUK MENGHADAPI PERSAINGAN

##### ABSTRAK

Penelitian ini bertujuan untuk merumuskan dan memilih strategi BMT Al-Ittihad Rumbai untuk menghadapi perubahan kompetisi di lingkungan bisnis yang dapat berasal dari lingkungan internal seperti sumber daya organisasi, keuangan, anggota, serta dari lingkungan eksternal seperti pesaing, ekonomi, politik dan lain-lain. Metode analisis yang digunakan dalam penelitian ini adalah EFAS, IFAS, IE Matrix, SWOT-8K Matrix, SPACE Matrix dan TWOS Matrix. Harapan kami dari penelitian ini adalah dapat membantu BMT Al-Ittihad dalam merumuskan dan memilih strategi untuk keberlanjutan BMT Al-Ittihad di masa depan. Sampel dalam penelitian ini dipilih menggunakan teknik purposive sampling, yang terdiri dari para manajer dan pemimpin BMT Al-Ittihad Rumbai Pekanbaru. Hasil penelitian ini menunjukkan bahwa posisi BMT Al-Ittihad menggunakan IE Matrix, SWOT-8K Matrix dan SPACE Matrix berada pada posisi pertumbuhan, stabilisasi dan agresif. Pilihan strategi berdasarkan pada TWOS Matrix adalah penetrasi pasar, pengembangan pasar, integrasi vertikal, integrasi horisontal, dan stabilisasi (hati-hati).

**Kata kunci:** lingkungan internal, lingkungan external, perumusan strategi, TWOS Matrix

##### INTRODUCTION

The competition of cooperatives in the city of Pekanbaru has intensified following the development of the area where the cooperative was established. Pekanbaru is a city where many tall buildings have been established and will continue to grow. Pekanbaru City is also the best investment destination in Indonesia for investors according to Sindo Weekly magazine (Antarariau, 2014). Currently there are 371 active cooperatives in the city of Pekanbaru, while there were 300 in the previous year. Including SMEs, the total number of cooperatives in

Pekanbaru is 900 (cooperatives and SMEs, 2014). This is also due to the involvement of government in the development of cooperatives in the city of Pekanbaru. The city government of Pekanbaru has launched several policies to assist the cooperatives and SMEs in their development and advancement.

Cooperatives cannot be separated from the community where the cooperative was built because the community will cooperate with each other to get what they want. By becoming a member of the cooperative, each member of the cooperative has different behaviors. For example if their wants and

needs are fulfilled, then the members of the cooperative will feel satisfied and trusty (Arizal N, Nofrizal, 2016)

BMT Al-Ittihad Rumbai is one of the non-bank financial institutions. BaitulMaalwaTamwil (BMT) as a mission-driven economic institution which empowers small and micro entrepreneurs applying the sharia principles, it has been proven to play a role in building the economy of the people, especially the lower segments. With the increase in Pekanbaru city's economic development, we can see that many emerging financial institutions start to apply the principles of Islamic Sharia such as Syariah banking, Sharia Pawnshops, Sharia Insurance, Sharia co-operatives and BaitulMaal Wat Tamwil (BMT) in Pekanbaru city. As a result, Sharia financial institutions are demanded to be more creative and innovative to face the increasing level of competition of non-bank businesses, survive and maintain superiority over their competitors.

In this condition, new non-bank financial institutions will enter the competition which will change the consumer behavior, and being a member of BMT Al-Ittihad Rumbai, BMT cannot stand alone in the position. As we know BMT Al-Ittihad is located close to the Chevron Fasifik Indonesia (CFI) complex. Of course, the full and voluntary members of BMT Al- Ittihad flat are the employees, but in 2020 the exploitation contract will be exhausted. Based on these circumstances, the formulation of activities and strategy implementation is needed for BMT Al-Ittihad Rumbai, which started operations on 15 June 2000 and currently has three branches in Pekanbaru City, in order to compete and survive in the increasingly competitive environment.

According to Hunger and Wheelen (2012) strategic management is a series of decisions and managerial actions that determine the company's performance in the long run. This includes environmental observations (external and internal), strategy formulation (long-term planning), strategy implementation, evaluation, and control. The field of strategic management science emphasizes on the observation and evaluation of opportunities and threats in the environment by assessing the strengths and weaknesses of the company. Strategic management is in principle a decision-making process that will determine whether an organization is superior, able to survive, or face death.

Porter M (Fred R David, 2012) proposed a five-force model to be used as a tool to analyze an industry's competitive environment, which can be defined as a group of companies that produce the

same product or service or are close substitutes. The internal factor evaluation emphasizes on the identification and evaluation of strengths and weaknesses of firms in the business's functional areas, including management, marketing, finance / accounting, production / operations, training and HR development, management information systems, and relationships between business areas. The strategic planner / development will be effective if the SWOT analysis is used to achieve the organization's objectives. The SWOT has four main components namely strength, weakness, opportunities and threats (Mahima Gupta, Charu Shri Dr, Anshu Agrawal Dr, 2015), while the SWOT-8K Matrix is a development of the SWOT-4K Matrix.

The purpose of using the IE Matrix and the Matrix SPACE is to examine the current strategic position of BMT Al-IttihadRumbi Pekanbaru. In the SPACE Matrix there are two internal aspects namely financial strength (FS) and competitive advantage (CA), while there are two external aspects namely environmental stabilization (ES) and Industrial Strength (IS). All these factors are critical to achieving the goals of the company and the overall position of the company (Augustina and Kevin, 2013).

## RESEARCH METHODS

The qualitative method is used in this research. Sugiyono (2011) stated that the qualitative method is the method of describing and understanding the meaning behind the data collected. In this research, in terms of the source of data, there are two types of data, namely primary and secondary data. The sampling technique in this research is the purposive sampling, in which the informants are the managers and leaders of BMT Al-Ittihad Rumbai Pekanbaru. The research methods used are the interview technique, questionnaire, observation and literature study. In this research, data analysis with the qualitative approach is conducted with the following stages: Vision and Mission Setting, IFAS Matrix (Internal Strategic Factors Analysis Summary), evaluation of the strengths and weaknesses of firms in the business functional areas, including management, marketing, finance / accounting, production / operations, training and HR development, management information systems, and relationships between business areas. In the EFAS Matrix (External Strategic Factors Analysis Summary), there are two analyses, namely the general environment and industrial environment. To determine the strategic position of the firm, the IE

Matrix, SWOT-8K Matrix and SPACE Matrix are used. As for the strategy selection, the TWOS Matrix is used.

## RESULTS AND DISCUSSION

BMT Al-IttihadRumbai is the development of the Islamic Education Unity Foundation (YKPI) Rumbai business, by implementing the principle of Cooperation in accordance with Act No. 25 of 1992 regarding Cooperatives, but using the principle of Sharia Cooperatives, which started their operations since June 15, 2000 with the name BaitulMaal Wat Tamwil Al-Ittihad, incorporated as of 31 January 2001 Number. 272 / BH / DISKOP & UKM / 3 / X / 2001, Letter of Business License (SITU) number 517 / H / UPT / WK-2003, and BMT Optional Certificate number 034 / PINBUK / Riau / XI / 2000, addressed Cemara No. complex. 418, Camp PT. CPI, RumbaiPekanbaru.

The vision carried by BMT Al-Ittihad is *“Become an integrated Islamic da’wah center to create a civil society that is prosperous materially and spiritually, and happy in the world hereafter”*.

Their mission is *“To encourage people to develop businesses in the field of Islamic muamalat businesses”*.

After we assess and analyze the vision and mission of BMT Al-IttihadRumbai, we are certain that the vision and mission is suitable with the core business management to capture opportunities in Pekanbaru City. Afterwards, with the general environmental and industrial environment analysis consisting of economic, social, politics, environment, technology, competitor, newcomer, buyer, supplier, product of substitute, hence the EFAS analysis of external environment of BMT Al-IttihadRumbai is shown in table 1 below. We found that BMT Al-Ittihad is in good condition with positive values.

**Table1. EFAS of (External Environment) BMT Al-IttihadRumbai**

<b>Opportunity</b>	<b>Weight</b>	<b>Scale</b>	<b>Score</b>
Implementation of cooperative laws by central and local government	0.02	4	0.08
Government programs on cooperative advancement opportunities	0.02	4	0.08
Public economic conditions such as (Revenue, Expenditure)	0.12	4	0.48
The state of Chevron's condition in the future	0.07	4	0.28
The opening of transportation bridges for access	0.05	3	0.15
The proliferation of continuous increases in the price of goods (inflation)	0.09	4	0.36
Slow market growth	0.05	4	0.20
The people residing near BMT Al-Ittihad are potential market shares	0.21	4	0.84
Population around BMT Al-IttihadRumbai is Islamic	0.09	4	0.36
Technological advancements (WA, Internet, Computers, etc.) are very rapid in the effort to improve business efficiency in the environment of BMT Al-Ittihad and society	0.12	4	0.48
<b>Threat</b>	<b>Weight</b>	<b>Scale</b>	<b>Score</b>
The high competition between similar financial institutions and other conventional financial institutions	0.03	4	0.12
It is easier now for institutions / individuals to open cooperatives	0.04	3	0.12
There are many substitute products that people can choose when they want to use cooperative services	0.05	4	0.20
The buyer's bargaining power has a major influence on the operations of BMT Al-IttihadRumbai	0.01	4	0.04
There are many suppliers that support the business operations of BMT Al-Ittihad	0.03	4	0.12
<b>Total</b>	<b>1</b>		<b>3.91</b>

Source: Processed data, 2018

Based on Table 1, which shows the analysis of the external environment of BMT Al-IttihadRumbai Pekanbaru, we know that BMT Al-Ittihad is in a

positive position with a value of 3.91. Then from the assessment of opportunities, it was found that technological advancement and economic

circumstances that the community's income is in good condition have a score of 0.48. This shows that BMT Al-IttihadRumbai has a great opportunity to capture the cooperative market in Pekanbaru City. Thus, with this condition BMT Al-Ittihad is certainly able to develop and grow larger.

As for the threat, it is known that the factors which have a large influence on the future of BMT

Al-IttihadRumbai is the high competition between similar financial institutions, ease to open cooperatives and there are many substitute products. With this condition, it will not be easy for BMT Al-Ittihad to go develop and compete, but these threats can be handled by harnessing the strengths they still have which are displayed Table 2

**Table 2.IFAS (Internal Environment) BMT Al-IttihadRumbai**

<b>Strength</b>	<b>Weight</b>	<b>Scale</b>	<b>Score</b>
Qualified human resources	0.05	4	0.20
Availability of development and motivation programs for employees	0.01	3	0.03
Have career development programs for employees	0.11	3	0.33
Having SOPs (Standard Operating Procedure) in running the business	0.07	3	0.21
There are rewards and punishments for outstanding employees and mistakes	0.05	3	0.15
The current financial condition of BMT Al-Ittihad	0.08	3	0.24
Amount of Debt to their ability to repay the debt	0.05	3	0.15
Have other business units to support BMT Al-Ittihad businesses other than cooperatives	0.09	1	0.09
Offer innovative products to the public / customers	0.09	3	0.27
Has a wide market segmentation for BMT Al-Ittihad products	0.08	4	0.32
It has facilities and several branches for easy reach by the community / customers	0.03	3	0.09
BMT Al-Ittihad is already known by the public	0.04	3	0.12
Ease of requirement to become a new member	0.05	4	0.20
<b>Weakness</b>	<b>Weight</b>	<b>Scale</b>	<b>Score</b>
The service capabilities of BMT Al-IttihadRumbai employees	0.01	3	0.03
The state of communication between employees and between leaders and employees	0.03	3	0.09
Employee welfare so far	0.05	3	0.15
Relationship between management and employees	0.03	3	0.09
Implementation of the SOP (Standard Operating Procedure) which has been made by the management	0.03	3	0.09
The physical condition (Building) of BMT Al-Ittihad	0.02	3	0.06
Not so much promotions to new customers	0.01	3	0.03
effective promotion through advertisements and newspapers	0.01	3	0.03
Have a programmed marketing strategy	0.01	3	0.03
<b>Total</b>	<b>1</b>		<b>3.00</b>

Source: Processed data, 2018

Based on Table 2, the internal calculation results of BMT Al-IttihadRumbai show the same positive results with what was obtained in the previous EFAS table. From the strength factors, it is known that the strongest strength factors are to have a career development program for employees, BMT Al-Ittihad's current financial condition and has a wide market segmentation for BMT Al-Ittihad products. While among weakness factors, there are some that have a large effect on BMT Al-Ittihad in which are the welfare of employees over the years and Implementation of SOP (Standard Operational

Procedures) that have been made by the management. Based on these factors the total score of BMT Al-IttihadRumbai is 3.00, which means that the condition of BMT at the current time remains in good condition but it must keep improving on the weakness. In addition, there are weaknesses from the piles of many human resource problems (HR). Therefore, this problem can be solved in many ways such as training, reward and punishment or they can also improve the system of employee recruitment to attain reliable manpower.

From the calculation of the IFAS and EFAS tables, the EFAS value obtained is 3.91 and IFAS score is 3.00. When converted into the IE Matrix

Diagram, then it is located in boxes 1 and 5, where the results of the firm enter into the Growth and Stability phases. This is shown in Table 3 as follows.

**Table 3. IE Matrix of BMT Al-Ittihad Rumbai**

	<b>Strong (3.0-4.0)</b>	<b>Medium(0.2-2.99)</b>	<b>Low (0.1-1.99)</b>
<b>Strong (3.0-4.0)</b>	<b>1. Growth</b> Concentration Through Vertical Integration	<b>2. Growth</b> Concentration Through Horizontal Integration	<b>4. Retrenchment</b> Restructuring
<b>Medium (0.2-2.99)</b>	<b>5. Stability</b> Careful	<b>5. Growth</b> Concentration Through Horizontal Stability Integration. No change in strategy profit	<b>6. Retrenchment</b> Partial Business Closure
<b>Low (0.1-1.99)</b>	<b>7.Growth</b> Concentric Diversification	<b>8. Growth</b> Diversified Conglomerate	<b>8. Retrenchment</b> Bankrupt or Liquidation

Source: Processed data, 2018

Based on the IE Matrix image above, the strategy that can be used is the growth through vertical integration of construction this means BMT Al-Ittihad can use the growth strategy. The integration strategy is a strategy to seek ownership or improve control of supplier companies. The strategy is particularly appropriate when the company’s suppliers are not reliable, overpriced, or do not meet the needs of the company or seek ownership of the distribution of products to customers by acquiring product distribution.

Besides using the IE Matrix, this research also uses SWOT 8K Matrix. This matrix has eight (sub) quadrants. The SWOT-8K matrix is useful for formulating corporate planning because this matrix will show what strategy is appropriate to use. This matrix is derived from the difference between EFAS and IFAS values. The resulted value of calculating the difference between the value of opportunity and threat from the external factors is 2.71. While the difference between the strengths and weaknesses from the internal factors is 1.80. Based on these results, it can be concluded that the suitable strategy for BMT Al-IttihadRumbai is the Stable Growth Strategy or in the IA quadrant as shown in Figure 1.

Based on Figure 1 above, it can be stated that the right strategy to be executed by BMT Al-Ittihad is the Stable Growth Strategy. This strategy is usually done by companies that have many strengths, while they are in an industry with high attractiveness. Simply put, the company has the strength or ability to expand, because of its attractive external conditions, and favorable internal conditions. Ability here could be in the form of financial resources (can be own funds or funds from third parties), or other kinds of resources. As a business organization, the intention to grow always exist. There are two strategies for growth, namely concentration and diversification.

Afterwards, with the SPACE Matrix which consists of a four-quadrant framework, namely aggressive, conservative, defensive, and comprehensive strategies, in which these four quadrants indicate which strategy best fits a particular organization. The SPACE Matrix Axis depicts two internal dimensions and two external dimensions. Two internal dimensions include strength (financial strength = FS) and competitive advantage (CA). The results attained from the SPACE Matrix by observing the four dimensions and distributing questionnaires to BMT Al-Ittihad, it was found that

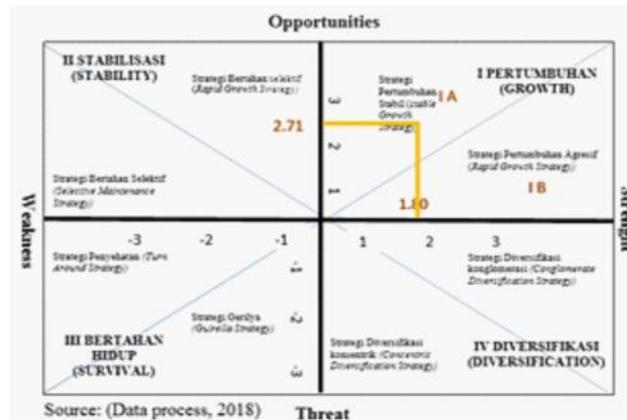


Figure 1. Matrix SWOT 8K BMT Al-IttihadRumbai

BMT Al-IttihadRumbai was in the Aggressive position with the total value of 1.75 for the horizontal axis, while the total value of the vertical axis is 1.70. This is shown in Table 4 and Figure 2.

Table 4. Matrix Space BMT Al-IttihadRumbai

Financial Strength (FS)	Rating	Environmental Stability (ES)	Rating
a. ROI	3	a. Technology changes	-3
b. Leverage	3	b. Competition Pressure	-2
c. Liquidity	4	c. Demand Diversity	-1
d. Working capital	4	d. Price competition	-1
		e. Inflation Rate	-2
<b>14/4</b>	<b>3.50</b>	<b>9/5</b>	<b>-1.8</b>
Competitive Advantages (CA)	Rating	Industrial Strength (IS)	Rating
a. Market share	-1	a. Growth Potential	3
b. Quality Products and awards	-2	b. Resource Utilization	3
c. Customer loyalty	-1	c. Ease of Entry into the Industry	3
d. Knowledge of technology	-2	d. Productivity	4
<b>6/4</b>	<b>-1.5</b>		<b>3.25</b>
		<b>Total Axis Horizontal</b>	<b>1.75</b>
		<b>Total Axis Vertical</b>	<b>1.70</b>

Source: Processed data, 2018

Based on the table above, it is known that a suitable strategy for BMT Al-Ittihad Rumbai is the aggressive strategy. This strategy being the suitable strategy means that the company is in a good position to use its internal strength to take advantage of external opportunities, overcome internal weaknesses, and avoid external threats. Thus,

market penetration, market development, product development, backward integration, forward integration, horizontal integration and conglomerate diversification (concentric diversification, horizontal diversification can be one effective strategy that can be used by BMT Al-IttihadRumbai.

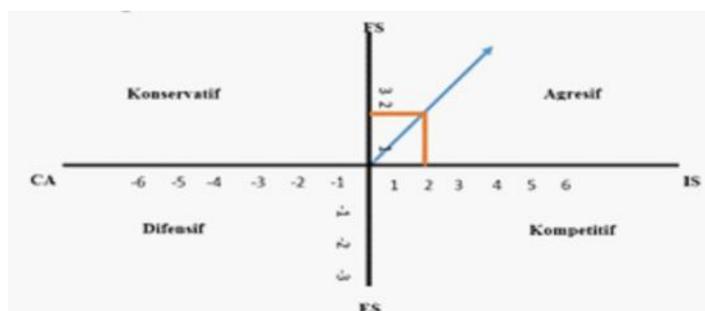


Figure 2. Matrix SPACE BMT Al-IttihadRumbai

The last stage in the strategy development process of BMT Al-IttihadRumbai is the strategy selection using the TWOS matrix. See table 6 after considering the EFAS Matrix, IFAS Matrix, IE Matrix, SWOT 8K Matrix and SPACE Matrix. Based on the TOWS Matrix, BMT Al-IttihadRumbai can choose and use the following strategy formulations to run the cooperative in the future:

1. Optimize the 4 branches that they own now by providing maximum service to customers.
2. Creating attractive programs for new and old prospective customers such as products for children’s education, umrah and haji.
3. Optimize human resource development programs to improve HR performance.
4. Create a growth strategy by opening new business units that are either related or unrelated to the current business unit.
5. Partnering with SMEs in the city of Pekanbaru.
6. Create an interesting campaign to aim for new prospective customers and old customers by comparing themselves to the cooperative

industry in Pekanbaru city such as promoting the credit interest and ease of lending.

7. Show the employees that our cooperative is the best cooperative in Pekanbaru city with a series of awards.

BMT Al-IttihadRumbai is a business unit that operates in the fields of savings and loans with the concept of sharia cooperative. With the development of the region and the increasing number of people by the day, it becomes an opportunity for entrepreneurs and investors to capture economic opportunities to generate profit. The cooperative as a financing mean has the attitude of mutual cooperation, which can be seen in BMT Al-Ittihad as a sharia cooperative. With the increasing number of emerging cooperatives and financial institutions, competition is inevitable. Therefore, a strategy in order to compete and survive in the future is needed.

The result of this research shows that BMT Al-Ittihad is in a good position. This is indicated by 3 matrices, that is IE matrix, SWOT 8K matrix and SPACE Matrix, which are shown in the table below.

**Table 5. BMT Al-Ittihad’s Strategic Position using IE Matrix, SWOT 8K Matrix, and SPACE Matrix**

Matrix IE	Matrix SWOT 8K	Matrix SPACE
Growth Strategy Vertical Concentration	Growth & Stable Strategy (stable Growth Strategy)	Aggressive Strategy

Source: Processed data, 2018

Based on the picture above, it can be concluded that BMT Al-IttihadRumbai is in a healthy position. Under these circumstances, BMT Al-Ittihad can do many things for future strategies such as market penetration, market development, product development, backward integration, forward integration (a strategy implemented by gaining control over the distribution channels, from distributors to retailers), horizontal integration and diversification of conglomerates.

The above strategies can be formulated into the TWOS matrix including maximizing the 4 branches that they own now by providing optimal service to the customers consistent with the opinion of Dony Waluya Firdaus (2013) in his research entitled, to build and implement balanced scorecard for the public sector, attractive programs for old and new prospective customers such as products for

children’s education, umrah and hajj and maximizing the human resource development program to improve HR performance.

The reason why BMT Al-IttihadRumbai should focus on maximizing the 4 branches and improving the ability of employees is in line with the findings by Supriyadi (2017) in which his research results show that motivation and managerial effect affects employee performance. This is because the good financial ability, the high number of customers and the pride of having a good image from the perspective of government and other institutions. The best way to convey this is to use the marketing strategy in line with the opinion of Saputro, Hidayat and Yulianto (2016) which showed that the appropriate strategy for PT. Telkomsel Malang Branch is an intensive strategy consisting of market penetration, market development, and product development.

**Table 6. TWOS Matrix of BMT Al-IttihadRumbai**

	<b>STRENGTH</b>	<b>WEAKNESS</b>
	<b>K.1</b> Qualified human resources <b>K.2</b> There are skill development and motivation programs for employees <b>K.3</b> Have career development programs for employees <b>K.4</b> Having SOP (Standard Operating Procedure) in running the business <b>K.5</b> There are rewards and punishments for outstanding employees and mistakes <b>K.6</b> The current financial condition of BMT Al-Ittihad <b>K.7</b> The amount of Debt and ability to repay the debt <b>K.8</b> Have other business units that are not cooperatives to support the BMT Al-Ittihad business <b>K.9</b> Offer innovative products to the public / customers <b>K.10</b> Has a wide market segmentation for BMT Al-Ittihad products <b>K.11</b> It has facilities and several branches for easy reach by the community / customers <b>K.12</b> BMT Al-Ittihad is already known by the public <b>K.13</b> Ease of requirement to become a new member	<b>W.1</b> The service capabilities of BMT Al-IttihadRumbai employees <b>W.2</b> The state of communication between employees and between leaders and employees <b>W.3</b> Employee wellbeing so far <b>W.4</b> Relationship between management and employees <b>W.5</b> Implementation of SOP (Standard Operating Procedure) which has been made by the management <b>W.6</b> The physical condition (Building) of BMT Al-Ittihad <b>W.7</b> Not so much promotion efforts to new customers <b>W.8</b> effective promotion through advertisements and newspapers <b>W.9</b> Have a programmed marketing strategy
<b>OPPORTUNITY</b>	<b>SO STRATEGI</b>	<b>WO STRATEGY</b>
<b>P.1</b> Implementation of cooperatives law by the central and local government. <b>P.2</b> Government programs on cooperative advancement opportunities. <b>P.3</b> Public economic conditions such as (Revenue, Expenditure) <b>P.4</b> The state of Chevron's condition in the future <b>P.5</b> The opening of transportation bridge access <b>P.6</b> The proliferation of continuous increases in the price of goods (inflation). <b>P.7</b> Slow market growth <b>P.8</b> The people residing near BMT Al-Ittihad are potential market share. <b>P.9</b> Population around BMT Al-IttihadRumbai is Islamic <b>P.10</b> Technological advancements (WA, Internet, Computers, etc.) are very rapid in the effort to improve business efficiency in the environment of BMT Al-Ittihad and society	<ol style="list-style-type: none"> <li>1. Maximize the 4 branches that they own now by providing maximum service to customers (<b>P10, P5, P2, K6, K9, K10, K12</b>)</li> <li>2. Creating attractive programs for new and old prospective customers such as products for children's education, umrah and hajj (<b>P9,P5,P10,K9,K12,K13</b>)</li> <li>3. Optimize HR development programs to improve HR performance (<b>K1,K2,K3,P3,P6</b>)</li> <li>4. Create a growth strategy by opening a business unit that is related or unrelated to the business unit (<b>K6,K10,K12,P4</b>)</li> <li>5. Partnering with the SMEs in Pekanbaru city (<b>P10,P3,P7,K6, K10</b>)</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide motivations to employees both morally and materially as well as to provide opportunities for employee growth (<b>P8, P9W1,W2,W3</b>)</li> <li>2. Make interesting promotional strategies such as creating religious events (<b>P3,P4,W8,W9,W7</b>)</li> <li>3. Create programs in the form of joint activities between the leaders and subordinates (<b>W4, P10</b>)</li> </ol>
<b>THREAT</b>	<b>ST STRATEGY</b>	<b>WT STRATEGY</b>
<b>A.1</b> The high competition between similar financial institutions and other conventional financial institutions <b>A.2</b> It is easier for institutions / individuals to open cooperatives <b>A.3</b> There are many substitute products that people can choose when they want to use cooperative services	<ol style="list-style-type: none"> <li>1. Creating an attractive promotion program for prospective customers and old customers by comparing themselves to the cooperative industry in the city of Pekanbaru such as the promotion of credit interest and ease of lending (<b>A1,A2,K6, K7,K10,K9</b>)</li> </ol>	<ol style="list-style-type: none"> <li>1. There should be special attention to the facilities BMT Al-Ittihad currently owns (<b>A1,A2,A3,W6</b>)</li> <li>2. Making a comparative study to banks and further apply the knowledge to BMT Al-Ittihad to improve customer service (<b>A1,A2,A3</b>)</li> </ol>

Source: Processed data, 2018

**CONCLUSIONS AND RECOMMENDATIONS**

From the results of this research, it can be concluded that the strategy formulations BMT Al-Ittihad as a sharia cooperative can use are the growth strategy, aggressive strategy and stability strategy. The strategy of BMT Al-IttihadRumbai is in a good position because it is in the positive

quadrant that is aggressive, growing, and stable. While from the three matrices: IE matrix, SWOT 8K matrix and SPACE matrix all show good performances, the suggested strategies are the growth strategy and stabilization strategy. Using the TWOS matrix analysis to formulate strategies, some strategies found that can be selected by BMT Al-

Ittihad are to optimize the 4 branches that already exist that is the Rumbai branches, Panam Branch and Duri Branch, initiate cooperation with SMEs, maximize the performance creating programs for customers, opening business units, and provide promotional products related to Islamic religious values.

The advice for BMT Al-IttihadRumbai is that they should be able to analyze the external and internal environment because these environments change rapidly and are sometimes unpredictable, create a list of top leaders and managers, maximize the advantages they possess now to create a positive image to both government and private customers, BMT Al-Ittihad can also use social media as a product promotion tool to potential customers or existing customers, BMT Al-Ittihad can use existing finance to create diversified products to society in accordance with the needs of today's society and religious programs that are quite often held in the city of Pekanbaru is also a good opportunity for BMT Al-Ittihad to serve as a sponsor to introduce their products to the city of Pekanbaru.

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