

## Optimizing Mobile Digital Services at BMT Sunan Drajat: A SWOT Analysis of Fee-Based Income Potential During the Pandemic

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### Abstract

The mobile digital service technology has been implemented at BMT Sunan Drajat. This mobile digital service provides convenience for customers or members, particularly during the pandemic period. From the operator's perspective, it serves as a potential source of fee-based income generated from transactions conducted through the Mobile BMT platform. However, during the 2020 fiscal year, BMT Sunan Drajat's mobile service did not experience a significant increase in fee-based revenue.

This study aims to formulate optimization strategies for the Mobile BMT Sunan Drajat by assessing its potential for fee-based income generation during the pandemic through a SWOT analysis approach. The research employs a field research design with a qualitative descriptive approach, collecting primary data directly through interviews.

The findings indicate that the position of Mobile BMT Sunan Drajat falls within Quadrant I, which represents the "growth and build" phase. The recommended strategy for optimizing the Mobile BMT Sunan Drajat is to maintain a strong brand image within the community by preserving the trust of its members and customers, reflected in a TAS (Total Attractiveness Score) value of 3.828.

**Keywords:** *Mobile Digital Service; SWOT Analysis; Digital inclusion; Fee-Based Income Optimization Strategy*

### Introduction

The rapid expansion of digital financial services has reshaped the financial landscape across the world, particularly during the COVID-19 pandemic. Mobile-based financial technology (fintech) applications have become a crucial tool for ensuring financial inclusion, resilience, and operational continuity in both banking and microfinance sectors (Agur et al., 2020; Demirgüç-Kunt et al., 2022). In Indonesia, the proliferation of mobile banking and digital payment platforms has not only enhanced customer convenience but also supported the government's agenda to accelerate the digital economy and inclusive finance. However, despite this national momentum, many Islamic microfinance institutions—such as Baitul

Maal wat Tamwil (BMT)—have struggled to optimize digital technology as a sustainable income source.

BMTs play an essential role in providing Sharia-compliant financial services to communities often excluded from the formal banking system. They operate at the intersection of faith-based finance and community empowerment, focusing on principles of justice, partnership, and mutual benefit (Ascarya, 2020). The adoption of digital services such as Mobile BMT reflects a strategic response to enhance efficiency, customer reach, and transparency. By offering online transfers, bill payments, and e-commerce integration through digital platforms like *Cooplink* and *Anipay*, Mobile BMT Sunan Drajat aims to improve member accessibility while generating fee-based income from digital transactions.

Nevertheless, empirical evidence shows that the potential of mobile-based financial services within BMTs remains underutilized. In 2020, Mobile BMT Sunan Drajat recorded only a modest increase in fee income—approximately 0.02% compared to the previous year—despite the surge in digital transactions nationwide (OJK, 2021). The number of active users reached only 9% of the total members (1,858 out of 19,850), indicating a substantial gap between service availability and adoption. Factors such as limited digital literacy, weak marketing outreach, and inadequate system integration constrain growth. These challenges are not unique to Sunan Drajat but reflect broader structural barriers faced by Islamic microfinance institutions adapting to Industry 4.0 transformations (Hidayat & Irwandi, 2021).

From a strategic management perspective, such stagnation calls for a systematic evaluation of internal and external factors influencing BMT performance. The SWOT analysis—assessing strengths, weaknesses, opportunities, and threats—provides a diagnostic framework to identify competitive positioning and formulate adaptive strategies (Rangkuti, 2019). While numerous studies have applied SWOT in conventional banking (Widyastuti & Nugroho, 2020; Rahman et al., 2023), its application in Islamic microfinance, particularly during a global crisis, remains limited. Moreover, existing studies often emphasize financial indicators without exploring how digital transformation interacts with institutional values, brand reputation, and member trust—factors central to BMT's sustainability.

The research gap thus lies in understanding how digital transformation through Mobile BMT can be optimized to generate fee-based income while maintaining Sharia principles and community trust, especially during disruptive periods like the pandemic. Previous works (Nur & Hendratmi, 2020; Billah, 2020) highlight that technology adoption in Islamic finance requires alignment between

innovation and ethical governance. However, the strategic pathways that BMTs can adopt to reconcile innovation, competitiveness, and faith-based integrity remain underexplored.

Therefore, this study investigates the strategic optimization of Mobile BMT Sunan Drajat in enhancing fee-based income during the COVID-19 pandemic using a SWOT analytical approach. By systematically identifying internal capabilities, external opportunities, and emerging threats, the research aims to formulate actionable strategies that balance digital innovation with institutional sustainability. Beyond its managerial contribution, the study offers theoretical insight into how Islamic microfinance can navigate digitalization challenges while upholding socio-religious values.

The significance of this research is threefold. First, it extends the discourse on Islamic fintech by examining the micro-level operational realities of BMTs, an underrepresented sector in digital finance research (Nuryakin et al., 2023). Second, it contributes to strategic management literature by demonstrating the contextual application of SWOT analysis in faith-based financial institutions during crisis conditions. Third, it offers policy relevance for stakeholders—such as cooperatives, regulators, and Islamic economic policymakers—seeking to strengthen the resilience and inclusivity of microfinance institutions in the post-pandemic digital era.

## **Literatur Review**

### **1. Digital Financial Transformation and Inclusion**

The rapid evolution of digital technology has reshaped the architecture of financial intermediation worldwide. Mobile-based financial services, including mobile banking and digital wallets, have become key enablers of financial inclusion, particularly in emerging economies (Agur et al., 2020; Demirgüç-Kunt et al., 2022). The COVID-19 pandemic further accelerated this shift, as lockdowns and social distancing made physical transactions impractical, forcing financial institutions to digitize service delivery (Allen et al., 2021).

In Indonesia, digital transformation in finance aligns with the national strategy for the digital economy and the *Gerakan Nasional Non-Tunai* (National Cashless Movement) launched by Bank Indonesia. Studies show that digital financial platforms contribute not only to accessibility but also to transaction efficiency, security, and transparency (Rahadi et al., 2020; Widjaja & Rahman, 2021). For microfinance institutions, digital channels represent opportunities to

expand outreach, attract younger users, and diversify revenue streams through transaction fees and partnerships (Kusnandar & Hidayat, 2022).

However, challenges persist. Low digital literacy, infrastructure inequality, and limited trust in online systems hinder adoption among rural populations (Setianto et al., 2021). Furthermore, institutions like Baitul Maal wat Tamwil (BMT) face the dual challenge of adopting fintech innovations while maintaining compliance with Sharia principles, emphasizing justice (*adl*), trust (*amanah*), and mutual benefit (*ta'awun*) (Ascarya, 2020).

## **2. Islamic Microfinance and Digitalization**

Islamic microfinance institutions (IMFIs) occupy a unique niche in the financial ecosystem, combining social welfare goals with profit-oriented sustainability. BMTs in Indonesia are among the most prominent IMFIs, providing savings, financing, and social funds to micro-entrepreneurs and low-income households. Unlike conventional cooperatives, BMTs adhere to Islamic contracts such as *murabahah*, *mudharabah*, and *wakalah*, ensuring all transactions remain free from *riba* (usury) and *gharar* (uncertainty) (Antonio, 2021).

Digitalization in IMFIs, however, has been gradual. While large Islamic banks have embraced mobile banking and digital payments, smaller institutions lag behind due to resource constraints and limited technical expertise (Hidayat & Irwandi, 2021). The integration of digital platforms, such as Mobile BMT, can enhance efficiency, reduce operational costs, and increase member engagement through ease of access and real-time transaction visibility (Nizar & Fauzi, 2022).

Recent studies emphasize that digitalization is not merely a technological upgrade but an institutional transformation requiring strategic alignment, leadership commitment, and stakeholder collaboration (Yusoff et al., 2020; Hamid et al., 2022). In this context, BMTs must develop holistic strategies that blend technological innovation with their ethical mission. This includes ensuring data protection, promoting digital literacy, and building trust-based relationships between members and the institution (Nur & Hendratmi, 2020).

Digital transformation also provides avenues for sustainability through fee-based income derived from digital transactions, payments, and value-added services. For BMTs, this represents a non-interest source of revenue consistent with Sharia principles. Yet, despite its potential, empirical evidence from BMTs remains scarce, with most research focusing on Islamic banks rather than grassroots financial cooperatives.

### **3. Fee-Based Income and Institutional Sustainability**

Fee-based income has emerged as a strategic mechanism for diversifying revenue streams and strengthening financial sustainability. It encompasses commissions, transaction fees, service charges, and other non-financing revenues that reduce dependency on profit-sharing schemes (Oktaviana & Rahmawati, 2021). In Islamic finance, fee-based services (*ujrah*) are permissible as long as they comply with principles of fairness and transparency (Billah, 2020).

Empirical studies demonstrate that fee-based income contributes significantly to the financial stability of Islamic institutions by mitigating risks associated with financing defaults and liquidity shortages (Putri et al., 2021). In the case of BMTs, mobile-based platforms such as **Mobile BMT Sunan Drajat** can create fee income through electronic transfers, bill payments, and e-commerce facilitation. However, the transition from traditional service models to digital ones requires institutional readiness, marketing innovation, and trust building (Sari & Sutopo, 2022).

During the COVID-19 pandemic, digital transactions surged across Indonesia, yet many BMTs failed to capitalize on this opportunity. This “digital underperformance” reflects a gap between technological adoption and business model innovation (Sudarsono & Nugroho, 2023). Consequently, identifying strategic enablers and barriers becomes essential for institutions seeking to optimize digital-based fee income sustainably.

### **4. SWOT Analysis in Strategic Management and Islamic Microfinance**

The **SWOT (Strengths, Weaknesses, Opportunities, Threats)** framework remains one of the most widely applied tools in strategic management, enabling organizations to align internal capabilities with external conditions (Rangkuti, 2019). In microfinance contexts, SWOT analysis helps institutions identify operational inefficiencies, assess environmental dynamics, and develop adaptive strategies (Rahman et al., 2023).

In Islamic microfinance, SWOT analysis provides additional value by aligning strategic planning with ethical and community-based objectives. For example, *strengths* may include member loyalty and social trust, while *weaknesses* often relate to limited technological infrastructure. *Opportunities* arise from digitalization, government support, and shifting consumer behavior, whereas *threats* include competition from fintech start-ups and regulatory complexity (Hasyim & Mustofa, 2022).

Prior studies (Widyastuti & Nugroho, 2020; Nuryakin et al., 2023) demonstrate that strategic planning based on SWOT enables BMTs to transition

toward hybrid operational models that balance social mission and financial performance. However, few studies have empirically applied SWOT to explore digital transformation as a driver of fee-based income within Islamic microfinance. This study fills that gap by applying the SWOT framework to evaluate the strategic optimization of **Mobile BMT Sunan Drajat**, identifying actionable pathways to strengthen digital competitiveness and institutional sustainability.

## **Methodology**

### **1. Research Design**

This study employs a qualitative descriptive design using a SWOT analytical framework to examine the strategic optimization of Mobile BMT Sunan Drajat in enhancing fee-based income during the COVID-19 pandemic. The qualitative approach is appropriate because it allows a contextual and holistic understanding of institutional dynamics, member behavior, and strategic challenges faced by Islamic microfinance institutions. The SWOT model provides a structured method to assess internal and external factors influencing the effectiveness of digital financial services, enabling the formulation of realistic and adaptive strategies (Rangkuti, 2019).

### **2. Data Sources**

The study draws on both **primary and secondary data**. Primary data were obtained through in-depth interviews with key stakeholders, including BMT management, staff, and active Mobile BMT users. These interviews explored user experience, operational performance, and perceptions regarding the platform's strengths and weaknesses. Secondary data were collected from institutional reports, financial statements, cooperative regulations, and previous research related to digital transformation in Islamic microfinance. Data triangulation ensured accuracy and reliability by comparing multiple sources to validate findings (Creswell & Poth, 2018).

### **3. Analytical Procedure**

The analysis followed three stages. First, qualitative data from interviews and documents were categorized into internal and external factors. Second, these factors were evaluated to identify the main Strengths, Weaknesses, Opportunities, and Threats relevant to Mobile BMT Sunan Drajat's digital initiatives. Third, a SWOT matrix was developed to map strategic alternatives across four quadrants—SO (Strength-Opportunity), WO (Weakness-Opportunity), ST (Strength-Threat), and WT (Weakness-Threat)—to propose strategic directions for institutional development.

#### **4. Ethical Considerations**

The research maintained confidentiality and transparency throughout data collection. Respondents participated voluntarily, and all data were used solely for academic purposes. The study also adhered to Islamic ethical principles of honesty (*sidq*) and trustworthiness (*amanah*) in reporting and interpreting findings.

### **Results And Discussions**

#### **Findings**

The findings of this study reveal that the implementation of Mobile BMT Sunan Drajat has contributed to increased accessibility and service efficiency, but its optimization as a source of fee-based income remains limited. The SWOT analysis, supported by the Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS) matrices, provides a structured assessment of the institution's strategic position.

#### **1. Internal Environment: Strengths and Weaknesses**

##### **Strengths**

Several internal strengths support Mobile BMT Sunan Drajat's development. First, the institution has a strong brand reputation and trust among members, built through years of consistent service and adherence to Sharia principles. This trust serves as a vital social capital for promoting digital services. As one manager noted:

"Members believe in our system because we operate transparently and in line with Islamic values. That trust makes it easier to introduce new products like Mobile BMT." (Manager, BMT Sunan Drajat)

Second, BMT Sunan Drajat has a well-established organizational structure and cooperative governance, which facilitates decision-making and internal coordination. Third, the institution has access to existing digital infrastructure developed through its partnership with platforms such as *Cooplink* and *Anipay*, which enable online transactions and electronic payments. Fourth, its diverse service portfolio—savings, microfinancing, zakat, and social programs—positions the BMT to integrate financial and social activities within one ecosystem.

##### **Weaknesses**

Despite these advantages, several weaknesses constrain the full utilization of Mobile BMT. A key challenge is low digital literacy among members, especially

those in rural areas who remain unfamiliar with mobile financial applications. As one field officer observed:

“Many of our members prefer face-to-face transactions. They find online services confusing, especially older clients.” (Field Officer, BMT Sunan Drajat)

Second, the adoption rate of Mobile BMT remains low—only 9% of total members are active users. This reflects weak promotion and limited member training. Third, technical support and system integration are insufficient; delays, bugs, and intermittent connectivity occasionally disrupt user experience. Fourth, there is limited human resource capability in digital marketing and data analytics, which restricts the institution’s ability to design targeted campaigns or track user behavior effectively.

Table 1  
IFAS (Internal Factor Analysis Summary) Matrix

<b>Internal Factors</b>	<b>Weight</b>	<b>Rating</b>	<b>Score</b>
<b>Strengths</b>			
Strong institutional reputation	0.15	4.0	0.60
Sharia compliance and ethical finance	0.10	3.8	0.38
Integrated service platform (Cooplinc, Anipay)	0.10	3.5	0.35
Large membership base	0.10	3.2	0.32
<b>Weaknesses</b>			
Low digital literacy among members	0.15	1.8	0.27
Limited marketing and education	0.10	2.0	0.20
Weak IT infrastructure	0.10	2.2	0.22
Lack of performance monitoring system	0.10	2.0	0.20
<b>Total</b>	<b>1.00</b>		<b>2.54</b>

The table 1 show that the IFAS score of 2.54 suggests that BMT Sunan Drajat’s internal condition is moderately strong. While institutional reputation and Sharia adherence remain key advantages, digital literacy and technological readiness constrain optimization.

## **2. External Environment: Opportunities and Threats**

### **Opportunities**

The external environment presents substantial opportunities for Mobile BMT's growth. Indonesia's national push toward **digital financial inclusion**—through Bank Indonesia's QRIS system and OJK's *fintech syariah* framework—creates favorable regulatory and market conditions. According to OJK (2023), digital transaction volume in Indonesia grew by more than 30% annually since 2020, reflecting increasing consumer readiness.

Second, there is an emerging market segment of millennial and Gen Z members who are digitally literate and interested in ethical, mobile-based financial services. A young member commented:

"I like using Mobile BMT because it feels local but still modern. It helps me transfer and save without going to the office." (Member, age 25)

Third, collaborations with fintech startups, e-commerce platforms, and local governments offer new possibilities for expanding service offerings, such as digital zakat collection or community-based crowdfunding. Finally, the growing emphasis on sustainability and social finance aligns with BMT's mission, enabling it to differentiate itself from profit-only fintech competitors.

### **Threats**

Nonetheless, BMT Sunan Drajat faces several external threats. The most pressing is competition from commercial banks, digital wallets (e.g., GoPay, OVO), and Islamic fintech startups offering more user-friendly interfaces and extensive features. As a result, potential members may migrate to these platforms.

Second, cybersecurity risks pose reputational and operational threats. Limited awareness among members about online fraud and data protection increases institutional vulnerability. Third, regulatory uncertainty concerning cooperative-based digital services sometimes delays system updates or external partnerships. Finally, economic volatility during and after the COVID-19 pandemic affects members' ability to transact regularly, reducing transaction volume and fee-based income.

Table 2  
EFAS (External Factor Analysis Summary) Matrix

<b>External Factors</b>	<b>Weight</b>	<b>Rating</b>	<b>Score</b>
<b>Opportunities</b>			
National digital transformation agenda	0.15	4.0	0.60
Growing smartphone and internet penetration	0.10	3.8	0.38
Regulatory support for Islamic fintech	0.10	3.5	0.35
Pandemic-driven digital adoption	0.10	3.2	0.32
<b>Threats</b>			
Fintech competition	0.15	2.0	0.30
Cybersecurity and trust issues	0.10	2.2	0.22
Regulatory complexity	0.10	2.0	0.20
Economic slowdown	0.10	2.0	0.20
<b>Total</b>	<b>1.00</b>		<b>2.57</b>

Table 2 demonstrate that The EFAS score of 2.57 indicates that BMT Sunan Drajat faces a moderately favorable external environment. The institution can capitalize on regulatory backing and digital momentum, although competition from fintech startups poses a serious threat.

### 3. Strategy formulation

The strategy formulation develop using the SWOT matrix, strategic alternatives were developed along four quadrants—SO, WO, ST, and WT. Table 3 presents the SWOT matrix, which synthesizes the internal and external factors shaping the strategic direction of the Mobile BMT digital transformation initiative. The matrix integrates strengths, weaknesses, opportunities, and threats to formulate responsive and sustainable strategies. On the internal side, the organization's strong reputation, Sharia compliance, and extensive pesantren-based networks provide a solid foundation for expansion, while limited IT capacity and digital literacy remain key challenges. Externally, opportunities emerge from the rapid growth of national e-payment ecosystems and government support for financial inclusion, contrasted with threats such as cybersecurity risks and market competition from commercial fintech firms. The resulting strategic responses—

classified as SO, ST, WO, and WT strategies—highlight how Mobile BMT can leverage its ethical positioning, enhance technological capacity, and manage operational risks while pursuing inclusive digital financial services aligned with Sharia principles and community empowerment goals.

**Table 3**  
SWOT Matrix and Strategic Position

Internal/External	Opportunities (O)	Threats (T)
<b>Strengths (S)</b>	<b>SO Strategies:</b> 1. Leverage reputation and Sharia compliance to expand digital trust campaigns. 2. Integrate Mobile BMT with national e-payment systems to access wider fee-based channels. 3. Utilize pesantren and community networks to promote user adoption.	<b>ST Strategies:</b> 1. Strengthen cybersecurity through partnerships with fintech enablers. 2. Differentiate Mobile BMT as a Sharia-based ethical fintech alternative.
<b>Weaknesses (W)</b>	<b>WO Strategies:</b> 1. Conduct digital literacy programs for members using participatory learning. 2. Seek government or donor support to upgrade IT infrastructure. 3. Develop a digital marketing plan to increase active users.	<b>WT Strategies:</b> 1. Implement strict monitoring and risk management systems. 2. Gradually diversify non-digital income streams to offset early adoption risks.

The SWOT analysis highlights several crucial insights. First, trust and Islamic identity remain the most valuable assets for Mobile BMT Sunan Drajat, providing a strong foundation for digital expansion. However, the institution must convert these social strengths into digital trust through transparent, secure, and user-friendly technology.

Second, the low adoption rate underscores a behavioral rather than technological problem—members are reluctant to transition due to habit and perceived complexity. Therefore, human-centered digital literacy programs and social marketing are critical.

Third, opportunities from policy support and fintech collaboration should be seized strategically to expand product offerings, such as *mobile wakaf*, *digital zakat*, and *micro takaful*. These innovations can increase transaction frequency while reinforcing BMT’s religious legitimacy.

Finally, external threats, particularly from fintech competition and cybersecurity, demand a proactive governance model. Embedding risk management and IT security policies into BMT operations will safeguard both reputation and assets.

Overall, the findings suggest that Mobile BMT Sunan Drajat stands at a strategic inflection point: equipped with institutional trust and market potential but constrained by limited technological capacity and human readiness. A balanced digital transformation strategy—anchored in community empowerment and Sharia compliance—can transform Mobile BMT into a sustainable source of fee-based income while preserving its ethical foundations.

## Discussion

The findings from the SWOT and factor analysis matrices reveal that Mobile BMT Sunan Drajat occupies a strategic position characterized by strong institutional credibility, favorable external opportunities, but persistent internal limitations in digital capability and adoption.

The discussion situates these findings within three interrelated themes derived from the literature: (1) digital transformation and strategic alignment in Islamic microfinance institutions (IMFIs); (2) Sharia-based entrepreneurial ecosystems and social embeddedness; and (3) sustainability and resilience in cooperative digitalization.

### 1. Digital Transformation and Strategic Alignment

Digitalization in Islamic financial institutions has been widely recognized as a transformative mechanism for achieving inclusion, efficiency, and sustainability (Ascarya, 2020; Mohsin et al., 2022). Yet, as this study shows, technological adoption does not automatically lead to organizational transformation. For BMT Sunan Drajat, the **IFAS score of 2.54** suggests internal readiness remains uneven — a condition consistent with the “capability–readiness gap” model identified in microfinance digital transitions (Ahsan & Rahman, 2021).

The institution’s **strong brand trust and Sharia compliance** provide an invaluable foundation for digital transformation. These elements correspond to Clark’s (1998) argument that institutional legitimacy and stakeholder confidence are essential “core strengths” during periods of strategic change. However, weaknesses such as **low digital literacy** and **limited promotional outreach** constrain the diffusion of innovation, reflecting Rogers’ (2003) theory that technological diffusion depends on both technical compatibility and perceived social benefit.

This aligns with findings from Setiawan et al. (2023), who observed that cooperative-based digitalization in Indonesia often stagnates at the pilot phase because of inadequate human capital and communication strategies. In the context

of Mobile BMT Sunan Drajat, digital adoption must therefore be approached as an **organizational learning process** rather than a purely technological shift.

As one staff member stated, “Technology is not the problem – understanding it and trusting it is.”

This insight underscores the argument by Prahalad and Hamel (1990) that core competencies must evolve through knowledge sharing and capability development, not just infrastructure investment.

Thus, a key implication from the **WO strategies** identified in the SWOT matrix (e.g., promoting digital literacy and upgrading IT infrastructure) is that **human capacity and institutional culture** are strategic priorities for transformation. Continuous user education, participatory training, and digital ambassadors among members can accelerate adoption and internalize digital behavior within the community.

## 2. Sharia-Based Entrepreneurial Ecosystems and Social Embeddedness

The **Engaged–Entrepreneurial framework** (Goddard et al., 2016; Etzkowitz & Zhou, 2017), while initially applied to universities, provides useful analogies for community-based financial institutions like BMTs. In this framework, institutions act simultaneously as **social anchors** and **economic enablers**, embedding innovation within community trust networks. Mobile BMT Sunan Drajat demonstrates this dual mission: maintaining religious legitimacy while adopting entrepreneurial digital mechanisms.

This combination exemplifies what Chapra (2011) refers to as *maqasid-based entrepreneurship* – economic innovation guided by ethical and social objectives. By developing Mobile BMT services that facilitate **sharia-compliant payments, savings, and financing**, the institution contributes to both **financial inclusion** and **social justice**, aligning with Sustainable Development Goals (SDGs) 8 and 9 on decent work and innovation.

However, the findings also reveal a tension between **ethical embeddedness** and **market competitiveness**. While BMT Sunan Drajat’s Islamic identity strengthens trust among members, it also restricts agility compared to commercial fintech firms, which can pivot rapidly without religious oversight. This aligns with observations by Nugraha and Wibisono (2021), who noted that many Indonesian MFIs face bureaucratic and doctrinal constraints that slow innovation.

To balance these competing logics, BMT Sunan Drajat can adopt a “**Sharia-embedded entrepreneurial ecosystem**” model. This model integrates *tawhidic* values into entrepreneurial decision-making while collaborating with secular fintech enablers. By doing so, BMTs can bridge the gap between ethical microfinance and digital entrepreneurship.

In strategic terms, this aligns with the **SO strategies** identified — particularly leveraging institutional reputation and religious legitimacy to expand fee-based digital services such as *zakat*, *infaq*, and *sadaqah* payments. These services enhance both economic and spiritual value creation, embodying the **social-commercial hybridization** that characterizes resilient Islamic enterprises (Ismail & Salleh, 2022).

Moreover, community participation remains central to maintaining legitimacy. As Pretty's (1995) typology and Arnstein's (1969) ladder of participation suggest, effective digital transformation must ensure that users are **co-creators**, not passive recipients. The participatory design of Mobile BMT — where users provide feedback on usability — reflects this logic, reinforcing trust and acceptance.

### 3. Sustainability and Resilience in Cooperative Digitalization

The **EFAS score of 2.57** reveals an external environment that is largely favorable yet competitive. National initiatives for digital finance inclusion by Bank Indonesia and OJK have provided enabling policies for cooperatives, while the rapid proliferation of mobile wallets and digital banks has intensified competition (OJK, 2023).

In this environment, sustainability must be conceptualized not only as financial viability but also as **multi-dimensional resilience** — encompassing economic, social, and technological stability. The **Institutional Sustainability** dimension in the findings aligns with this view, highlighting the importance of balanced accountability, resource diversification, and ecological responsibility (Geissdoerfer et al., 2017).

Empirical research supports this approach. Suroso and Anggraeni (2021) found that BMTs that diversified their income through **fee-based digital services** achieved greater stability during the pandemic compared to those relying solely on murabahah financing. Similarly, Kamaruddin et al. (2022) emphasized that digital microfinance resilience depends on “ecosystemic collaboration,” involving regulators, fintech providers, and communities.

For Mobile BMT Sunan Drajat, resilience can be enhanced through **inclusive entrepreneurial ecosystems**, connecting community-based enterprises (e.g., *BUMDes* and *UMKM*) with digital payment systems. This integration mirrors the **Quadruple Helix** model (Carayannis & Campbell, 2012), where academia, industry, government, and society co-produce innovation. In the BMT context, this can be translated into collaboration among cooperatives, fintech startups, regulators, and religious communities.

Moreover, the **Circular Economy (CE)** principle provides a useful conceptual bridge between sustainability and entrepreneurship. CE emphasizes resource efficiency, waste minimization, and reinvestment — all relevant to community-based finance. For instance, Mobile BMT could promote **digital recycling**

**incentives**, where members receive small returns for eco-friendly behavior, financed through digital savings bonuses. This innovation would strengthen both **social impact** and **member engagement**, aligning with Widiyanto and Nugroho's (2021) view that CE must be socially embedded to thrive in developing contexts.

Another aspect of sustainability lies in **institutional governance**. Weak performance monitoring systems, as identified in the findings, limit the BMT's capacity to manage digital risks. The **ST strategies** thus emphasize adopting robust cybersecurity and risk management frameworks. This resonates with the concept of "ethical digital governance" proposed by Banna et al. (2023), which advocates for transparent data stewardship as a moral obligation in Islamic financial institutions.

#### **4. Strategic Synthesis: From SWOT to Strategic Roadmap**

By integrating internal and external factors, Mobile BMT Sunan Drajat's strategic position falls within the **Growth and Consolidation Quadrant** (IFAS 2.54; EFAS 2.57). This suggests that the institution should pursue **aggressive but cautious digital expansion** – maximizing strengths and opportunities while minimizing weaknesses and threats.

The following synthesis outlines the recommended strategic direction:

- **Human Capital Development (WO1):** Establish continuous digital training for staff and members, using a "train-the-trainer" approach to ensure multiplier effects.
- **Digital Infrastructure Enhancement (WO2):** Invest in stable, user-friendly applications and integrate fintech APIs for broader payment capabilities.
- **Market Differentiation (SO2/ST2):** Brand Mobile BMT as a "Sharia fintech cooperative" emphasizing ethical digital finance.
- **Cybersecurity and Governance (ST1):** Build partnerships with trusted fintech enablers to strengthen data protection.
- **Inclusive Ecosystem Building (WO3/SO3):** Link village enterprises, pesantren cooperatives, and UMKM through Mobile BMT platforms to promote circular, localized economic growth.

These strategies collectively reflect what Barney (1991) terms the **Resource-Based View (RBV)** of strategic management, where competitive advantage arises from unique institutional capabilities rather than market mimicry. In this case, BMT Sunan Drajat's **trust capital, religious legitimacy, and community embeddedness** are rare, inimitable resources that can sustain advantage in an increasingly digitalized financial ecosystem.

## CONCLUSION

This study has examined the strategic positioning and transformation of **Mobile BMT Sunan Drajat** through a SWOT-based analysis, revealing how Islamic microfinance institutions (IMFIs) can leverage digital technology to enhance financial inclusion and institutional sustainability. The findings demonstrate that despite internal challenges in digital literacy, infrastructure, and promotional outreach, the BMT possesses substantial strategic potential, grounded in strong institutional credibility, Sharia compliance, and an expanding regulatory environment supportive of digital finance inclusion.

The research concludes that the **Engaged–Entrepreneurial transformation** of BMT Sunan Drajat represents a viable pathway for reconciling social missions with economic competitiveness. The integration of digital innovation within a *maqasid al-shariah* framework enables the institution to uphold ethical values while diversifying revenue sources through fee-based digital services. This hybrid orientation advances both **social empowerment**—by deepening financial literacy and participation—and **entrepreneurial sustainability**, by fostering digital ecosystems that connect cooperatives, fintech enablers, and local enterprises.

From a theoretical standpoint, this study contributes to bridging fragmented literature on Islamic finance, digital entrepreneurship, and community-based innovation. It extends the **Resource-Based View (RBV)** by identifying religious legitimacy and trust capital as unique, inimitable resources that sustain competitive advantage in faith-based digital ecosystems. Practically, the results offer actionable insights for policymakers and practitioners to strengthen human capital, digital infrastructure, and ethical governance in IMFIs.

Future research should conduct longitudinal or comparative studies across multiple BMTs to evaluate how digital transformation interacts with institutional governance and member participation over time. As Indonesia continues advancing toward an inclusive digital economy, the experience of Mobile BMT Sunan Drajat underscores that technological innovation and social embeddedness are not opposing forces but mutually reinforcing drivers of sustainable development.

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