



Utilizing “E-Cooperative” Financial Technology For Business Sustainability

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ABSTRACT

The COVID-19 pandemic has had an impact on cooperative business activities. Business management models and mass marketing and direct selling are difficult to implement because of the high risk of spreading COVID-19 through direct interaction. Therefore, innovative efforts are needed so that the cooperative's business is running well so that the sustainability of the cooperative's business is maintained. Utilization of information technology is an alternative to solve the problem impact of the COVID-19 pandemic through the development of e-cooperatives, which are information technology-based media to facilitate virtual cooperative business management. E-cooperative is an alternative that allows the management of cooperatives with less contact. The stages of development are carried out through; identification of requirements/requirements definition, system and software design, implementation and unit testing, integration and system testing, operation and maintenance. The implementation of the e_cooperative application is expected to help manage cooperatives effectively and efficiently and facilitate cooperative management so that it has a positive impact on the business development of members, so that cooperatives and their members can remain productive and carry out economic activities during the COVID-19 pandemic by running a less contact economy. This paper is an introductory paper that forms the basis for research preparation so that research is carried out systematically

Keywords; financial technology, business performance, business sustainability.

BACKGROUND

The Ministry of Cooperatives and Small Medium Enterprise (SMEs) has collaborated with the Ministry of Religion for the development of entrepreneurship and cooperatives in islamic institutions. Cooperatives as one of the business units are able to provide a decent living for the Islamic boarding school (pesantren) community, both students and the surrounding community. Cooperatives in Islamic boarding schools can also be used as learning media for students to learn to cooperate and can become independent and professional cooperative managers(Aufa et al., 2021). In line with the basic principles of cooperatives and the goals of cooperatives, so that cooperatives can provide members' welfare, they must be managed professionally and modernly(Abdallah & Ismail, 2017). For this reason, there needs to be reinforcements, especially increasing the ability of the managers of Islamic boarding schools cooperatives(Muneeza & Hassan, 2014).

In the development of information technology, cooperatives in Islamic boarding schools must be able to compete with other business actors, at least being able to meet the needs of the life of the Islamic boarding school community(Wulandari et al., 2016). The needs of the Islamic boarding school community can be met by cooperatives, as long as the cooperative is able to provide these needs, including developing entrepreneurship for students and local micro-enterprises, as partners to improve the welfare of the life of the community.(Ippolito, 2009)(“Issn 2715-2030,” 2019)

In line with this, it is necessary to increase the ability of Islamic cooperative managers so that cooperative managers are able to manage cooperatives in a professional and modern manner(Tho'in, 2018). This research will strengthen the one pesantren one product work program launched by the cooperative and small medium enterprise services in West Java where the One Islamic Boarding School/pesantren One Product (OPOP) program aims to create the independence of the people through the students, the community and the Islamic Boarding School itself, so that they are able to be economically, socially independent. and also to development of skills, production technology, distribution, marketing through an innovative and strategic approach from the West Java Provincial Government together with the West Java Province SMEs Service, ensuring that all Islamic Boarding Schools in West Java can gain access to government programs in the economic, technology and production sectors. efficient, precise and modern in today's digital era.

METHODOLOGY

The object of the research is a boarding school cooperative in West Java that participates in the one pesantren program from the Department of Cooperatives and SMEs West Java, with a population of 316 pesantren which will be sampled proportionally in accordance with the established cooperative requirements.

The research method uses descriptive statistics to find out every problem that exists in cooperatives with panel data processing. Next to make programming and application flows using the waterfall method.(Sia-Sugiyono, n.d.)

The waterfall method or what is often called the waterfall method is often called the classic life cycle, where it describes a systematic and sequential approach to software development, starting with the specification of user requirements and then continuing through the planning stages, modeling, construction, and delivery of the system to customers/users (deployment), which ends with support for the complete software produced (Presman, 2015). The waterfall method is a systematic and sequential information system development model.

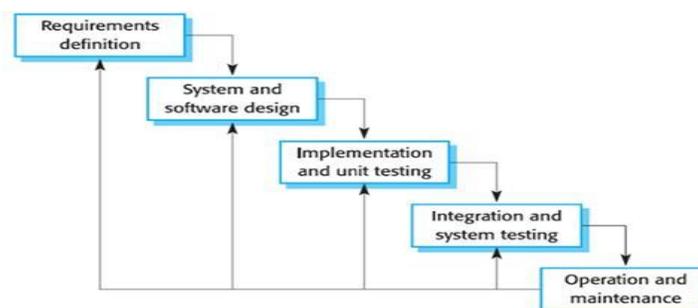


Figure 1 :Waterfall model

Table 1 : Variable Operations

Variable	Sub Variable	Indicator
Financial Technologi	Requirements analysis and definition	System service Obstacles System specifications
	System and software design	System planning Allocation of hardware and software system requirements Software design Software basic abstraction
	Implementation and unit testing	Realization of software design Specification testing and verification
	Integration and system testing	Software requirements compatibility Device test
	Operation and maintenance	System installation System implementation Service improvement
E-cooperative	E-Payment	Payment efficiency. Customer loyalty. Transaction security is more than cash. Effectiveness and time efficiency. Expansion of payment media.
	Benefit of Financial Technology	Cost efficiency. Effectiveness of results. Convenience. Time. Cost
Cooperative Performance	Capital	a. Equity to total Asset Ratio b. Equity to Debt Ratio c. Capital Adequacy Ratio
	Productive Asset Quality	a. Member loan to receivable ratio b. Bad Debt Losses to receivable ratio
	Management	a. General Management b. Institutional, c. Management d. Capital e. Asset Management
	Efficiency	a. Operation member cost to Sales b. Cost to Profit Ratio
	Likuidity	a. Cash Ratio b. Current Asset
	Independence and Growth	a. Profitability b. Equity to Profit Ratio
	Cooperative Identity	a. Profit to Sales Ratio b. Member Promotion Ratio
	Business Sustainability	Total Assets
Loan Capital		Long-term debt Short-term Debt
Equity		Deposit Reserved
Return On Asset		Surplus Total Assets

DISCUSSION

The definition of cooperatives as stated in Article 1 of Law no. 25 of 1992 concerning Cooperatives describes the understanding both micro and macro, namely:

"A cooperative is a business entity consisting of a person or a cooperative legal entity based its activities on the cooperative principle as well as a people's economic movement based on the principle of kinship."

Cooperatives as one of the business units in Islamic boarding schools are able to provide a decent living for the pesantren community, both students, caregivers/ustaz, and the surrounding community(Md Husin & Haron, 2020). Cooperatives in Islamic boarding schools can also be used as learning media for students to learn to cooperate, so that after graduation they can become independent and professional cooperative managers(Muneeza & Hassan, 2014). For this reason, cooperatives in Islamic boarding schools must be developed to be able to provide a decent living for the pesantren community.

Performance (performance) is a reflection of success in business ventures. Performance measurement is a measurement action that is carried out on various activities in the value chain that exist in the company(Jalba, 2013) , used as feedback that will provide information about the performance of implementing a plan and the point at which the company requires adjustments to planning and control activities. Performance is a reflection of success in business ventures(Runyan et al., 2007). Performance measurement is a measurement action that is carried out on various activities in the value chain that exist in the company (Dasuki, 2018), used as feedback that will provide information about the performance of implementing a plan and the point at which the company requires adjustments to planning and control activities.

To measure the financial performance of cooperative companies, especially cooperatives engaged in savings and loan business activities, it will refer to the size of the health performance of the savings and loan business (SMEs Policy, 2016)

Financial performance appraisal or performance appraisal is basically a key factor in developing an organization effectively and efficiently, because of the policy of a better program for human resources in the organization.

Business sustainability can be defined as the maximization of the cooperative's welfare which is the value of the cooperative towards its future prospects(Dasuki et al., 2016). The principle of business sustainability assumes that the cooperative will continue to operate(Zaigham & Asghar, 2011). Predicting the sustainability of a cooperative's business is very important for management and members to anticipate the possibility of potential unexpected conditions, for example regarding the occurrence of costs, both direct and indirect costs. Business sustainability is a condition when a cooperative has sufficient funds to run and develop its business(Fernandez-Guadano et al., 2020)

The National Digital Research Center in Dublin, Ireland defines financial technology or fintech as: "innovation in financial services". This is a very big opportunity for business actors, especially cooperatives in Indonesia, because based on data from Marketing Data Indonesia, in 2020 it showed that cell phone ownership was 133% of the total population, which means that the average cell phone user has more than one cell phone in Indonesia. where 56% actively use the internet and social media.

Financial technology (fintech) is a term used to describe the innovative and creative use of

financial technology to design and deliver financial products and services as well as efficiently.(Nkote & Wakaisuka-Isingoma, 2017)

According to Bank Indonesia Regulation No.18/40/PBI/2016 concerning the Implementation of Payment Transaction Processing, considering that the development of technology and information systems continues to give birth to various innovations, especially those related to financial technology (fintech) in order to meet the needs of the community, including in the field of payment system services, both in terms of instruments, providers, mechanisms, and infrastructure for the implementation of payment transaction processing. Fintech will present a more practical, safe and modern financial transaction process.

Financial Technology (Fintech) at Cooperatives

The advantages obtained through financial technology (fintech) both for cooperatives and for members.

1. Convenience.
2. Faster document processing
3. More convenient and efficient.
4. Better recording and payment system

Constraints in cooperatives are related to the relatively large costs involved, relatively high computer specifications, and inadequate human resources

1. It is expensive to apply this technology to cooperatives.
2. A computer that is suitable for use is required, and which is connected to the internet directly to access this financial technology service.
3. Not all understand and not all cooperatives apply this financial technology (fintech), especially those with minimal information.

According to the Financial Services Authority (2016), the risks experienced by fintech users. So a strategy is needed to protect consumers and the national interest.

Strategies to protect consumers are as follows:

1. User protection
2. User data protector
3. Anti-Money Laundering and Prevention of the Financing of Terrorism (APU-PPT).
4. Financial System Stability

So that the information produced by the information system can be useful for management, the system analysis must know the information needs it needs, namely by knowing the activities for each level (level) of management and the types of decisions they take. Based on the description above, it can be seen that the purpose of establishing a Management Information System is so that the organization has information that is useful in making management decisions, both concerning routine decisions and strategic decisions(Lipowski & Bondos, 2018). organization of data and information related to the implementation of organizational tasks.

Some of the benefits of information systems include the following:

1. Improve the accessibility of data that is presented in a timely and accurate manner for users, without requiring the existence of an information system intermediary.
2. Ensure the availability of quality and skills in critical use of information systems.
3. Develop an effective planning process.
4. Identify the needs for information systems support skills.
5. Determine the investment to be directed at the information system.
6. Anticipate and understand the economic consequences of new information systems and technologies.
7. Improve productivity in application development and system maintenance.
8. Organizations use information systems to process transactions, reduce costs and generate revenue as one of their products or services.

Financial technology (fintech) is very beneficial in saving each member's costs by implementing this financial technology (fintech) with the aim of making it easier for each member, by saving costs and very helpful for cooperative members and especially for the whole community (Gupta & Mirchandani, 2020).

CONCLUSION

The application of technology through e-cooperatives will provide benefits for cooperatives and their members, namely:

1. Improving the capacity of human resources for cooperative managers to be able to provide services to members, develop businesses and develop sharia-based business products through the use of e-cooperative applications
2. Ensure the continuity of the pesantren cooperative business by preparing professional and competent cooperative management personnel
3. Provide input for decision makers in pesantren cooperatives related to business performance and business sustainability of pesantren cooperatives
4. Contribute to cooperatives through the preparation of an e-cooperative model to streamline and streamline the management of Islamic boarding schools

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