



## Optimization of the Intermediary Role of Zakat with The Business Model Canvas (BMC)

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**ABSTRACT:** This research aims to analyze the implementation of the Business Model Canvas (BMC) as a strategy to optimize the intermediary role of zakat at BAZNAS West Java. The background of the study stems from the suboptimal realization of zakat collection despite its significant potential. This indicates a low optimization of zakat collection and an ineffective distribution role of zakat. Overall, the intermediary role of zakat has not been optimized. Various factors contribute to this, including the adaptation and implementation of the Business Model Canvas (BMC) strategy. There are numerous challenges in implementing the BMC strategy at BAZNAS West Java. The research method used is a survey method with a descriptive analysis approach. The survey was conducted at BAZNAS West Java. Data collection techniques include documentation and interviews. The results of this study are expected to serve as a reference for zakat institutions regarding strategies to optimize the intermediary role of zakat through the adaptation and implementation of the BMC strategy. The study's findings can demonstrate that the implementation of the Business Model Canvas (BMC) as a strategy can optimize the intermediary role of zakat at BAZNAS West Java.

**KEYWORD:** Business Model Canvas, Intermediary Zakat, Zakat

### I. INTRODUCTION

The background of this research originates from the suboptimal intermediary role of zakat, specifically the roles of collecting zakat from donors (muzaki) and distributing it to recipients (mustahik). The collection role is considered suboptimal because the realization of zakat collection from its substantial potential of 320 trillion IDR is still very low, with an actual collection of only 20 trillion IDR (Republika.co.id, 2022; IDX Channel, 2022), which is even lower than the target of 26 trillion IDR. This data indicates that the optimization of zakat collection remains low, achieving only 6.25% of its potential. Several factors contribute to this, including the suboptimal collection of zakat (Sri Fadilah, 2019). This situation underscores the low optimization of zakat collection.

The term "take" (ambillah) in QS Al-Taubah: 103 signals that zakat should ideally be collected and managed by an authorized and fully empowered zakat management institution (amil). While it is jurisprudentially permissible for a muzaki (donor) to directly give their zakat to a mustahik (recipient), from a broader perspective, the ultimate objectives of zakat worship cannot be fully realized without the management by an amil institution. The distribution of zakat refers to those entitled to receive it, emphasizing the critical importance of optimizing the intermediary role of zakat (QS Al-Taubah: 9:60).

Similarly, the role of zakat distribution to mustahik is considered ineffective because many zakat institutions have not yet met their key performance indicators (KPIs). In other words, numerous zakat programs remain charitable in nature and have not yet addressed empowerment initiatives that, in the long term, can reduce poverty and various communal issues (Irma Paramita Sofia, 2015). Several factors contribute to this, including the low effectiveness of zakat management and the lack of adaptation of appropriate and comprehensive strategies. Zakat institutions, whether government-based (BAZNAS) or privately-based (LAZ), face numerous challenges (Rahmani, Annisa, 2015). Among the many reasons for the suboptimal intermediary role of zakat is the lack of implementation of the Business Model Canvas (BMC) strategy.

The Business Model Canvas (BMC) is a management strategy designed to articulate business ideas and concepts into a visual format. BMC is a management framework that facilitates a quick overview of business ideas and their realization. The Business Model Canvas is a business model concept displayed on a single sheet of canvas (Irma Paramita Sofia, 2015). It includes a map of nine elements: customer segments, value propositions, channels, customer relationships, revenue streams, key activities, key resources, key partnerships, and cost structures. The Business Model Canvas has become a valuable tool for entrepreneurs, startups, and established businesses, including philanthropic organizations such as zakat and waqf institutions.

In today's dynamic and competitive business landscape, having a clear and well-defined business model is crucial for success. The Business Model Canvas provides a structured framework that allows businesses to visualize, analyze, and refine their business models. It offers a comprehensive view of how different business elements interact and create value for customers, specifically for zakat institutions' muzaki (donors) and mustahik (recipients) (Osterwalder, Alexander, et al., 2014). Understanding and leveraging the strengths of the Business Model Canvas can significantly enhance strategic decision-making and improve the chances of building a successful and resilient business.

Additionally, the Business Model Canvas plays a crucial role in the development and management of businesses. This tool assists business owners and management teams in comprehensively understanding and designing their business models. By using the Business Model Canvas, key elements such as market segments, value propositions, distribution channels, and revenue streams can be visually presented in a single, easily comprehensible overview (Manara et al., 2018).

## II. LITERATURE REVIEW

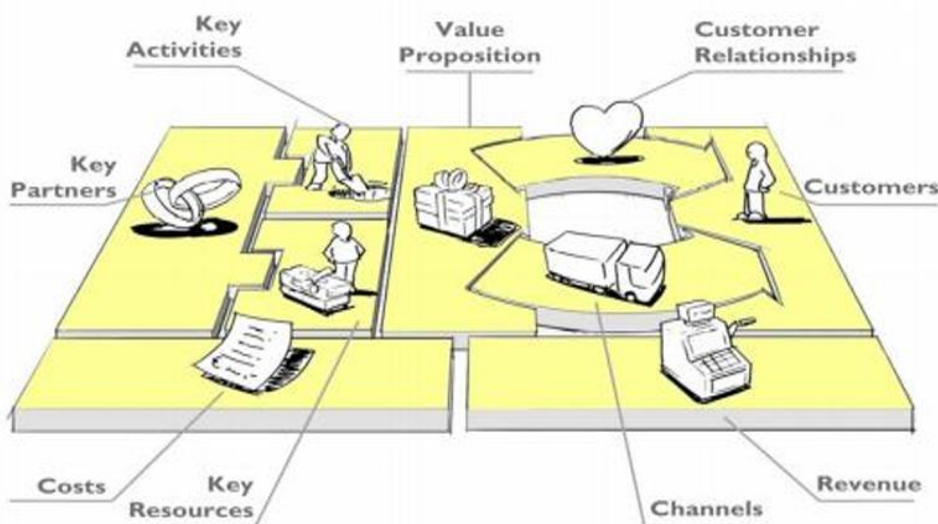
### 2.1 Definition of Business Model Canvas (BMC)

According to Osterwalder & Yves Pigneur (2014), the Business Model Canvas comprises nine building blocks that detail how an organization creates and captures value from its customers. These blocks include Customer Segments, Value Proposition, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure. The benefits of the Business Model Canvas lie in its ability to outline, analyze, and creatively and innovatively design efforts to shape, deliver, and capture market dimensions and boost demand by innovating value.

The Business Model Canvas is visually presented as a canvas or diagram, which aids in making it easily understandable to the reader. Company stakeholders can adapt the format of the Business Model Canvas to suit their business needs.

### 2.2 Elements of the Business Model Canvas (BMC)

In their book "Business Model Generation" in 2010, Osterwalder and Pigneur created a framework called the Business Model Canvas, which is a canvas-shaped structure consisting of 9 interconnected boxes. These boxes contain key elements that illustrate how an organization creates and captures value for its customers and from its customers.



Sumber : Osterwalder & Yves Pigneur (2012)

#### A. Customer Segment

According to Tim PPM Manajemen (2012:30), Customer segment or customer segments are those who use the services/products of an organization and contribute to its income. Generally, customers are those who directly pay for the services/products they purchase. Customer segments are groups of people or organizations targeted by a company for service. Customers also include users



or beneficiaries who may not directly purchase but whose preferences and desires must be considered. As stated by Osterwalder and Pigneur (2012:20), customers are at the core of the business model. Without customers (who generate profits), no company can sustain itself in the long term. To better satisfy customers, companies can group them into different segments based on similar needs, behaviors, or other attributes. To identify a segment to serve, one can ask questions such as: (1) For whom are we creating Value Propositions?; (2) Who are the main customers?; (3) Who brings in Revenue?; (4) Who are the beneficiaries or users of the Value Proposition? Furthermore, according to Alexander Osterwalder and Yves Pigneur, the various Customer Segments are: Open Market, Niche Market, Diversified Market.

## B. Value Propositions

According to Tim PPM Management (2012:31), Value Propositions are unique offerings that determine why a product or service is worthy of customer selection. These Value Propositions provide an offer to solve customer problems or maximize customer desires as much as possible. The uniqueness offered should be distinctly different from competitors but also genuinely appreciated by these Customer Segments. The value proposition is the value (or benefit) that a company offers to its customers. This benefit is manifested in the form of a set of products or services. For customers, the value proposition comes in the form of solving problems they face or fulfilling their needs. The value proposition is the reason why customers choose the products or services offered by a company over those of other companies.

## C. Channels

According to Tim PPM Management (2012:32), Channels refer to the element that describes how an organization communicates with its customer segments and delivers its value proposition. Communication, distribution, and sales channels are factors that enable a company to interact with its customers. Channels depict interactions with customers and play a crucial role in the customer's experience journey. Channels include ways to enhance awareness, help customers evaluate, assist customers in purchasing products or services, deliver products or services, and provide after-sales support. Channels serve as vehicles for communicating with and reaching customers to deliver the offered value proposition.

According to Kotler and Keller (2009:106), Channels are a group of interdependent organizations visible in the process of making products or services available for use or consumption. Tjiptono, Fandy (2008:285) defines Channels as marketing channels, which can also be interpreted as activities that aim to streamline and facilitate the delivery of goods and services from producers to consumers. Alexander and Osterwalder (2012:26) detail the functions of Channels as: (1) Raising awareness among customers about the company's products or services; (2) Helping customers evaluate the company's Value Proposition, and (3) Facilitating customers in purchasing the company's products or services. Furthermore, Osterwalder divides Channels into 5 phases, ranging from introduction to distribution of the "promise," namely: (1) Phase 1 Awareness; (2) Phase 2 Evaluation, and (3) Phase 3 Purchase and Phase 4 Delivery and Phase 5 After Sales.

## D. Customer Relationships

According to Tim PPM Management (2012:33), Customer Relationships involve nurturing relationships with customers aimed at acquiring new customers (acquisition), retaining existing customers (retention), and offering old and new products or services to existing customers. In the Business Model Canvas (BMC), the Customer Relationships element describes the types of relationships the company builds with specific market segments. Good value propositions, precise customer segment targeting, and effective channels will not significantly help a company create value streams if Customer Relationships are not well-designed.

According to Tim PPM Management (2010:130), for any company or organization, Customer Relationships play a vital role as they serve at least three functions: acquiring customers (acquisition) and boosting sales. Alexander Osterwalder and Yves Pigneur mention six categories of Customer Relationships. Companies can utilize all six categories simultaneously. The six categories of Customer Relationships are: (1) Personal Assistance; (2) Dedicated Personal Assistance; (3) Self-service; (4) Automated Service; (5) Communities; and (6) Co-Creation.

With this type of relationship, companies engage customers in creating value for the customers themselves. For example, in the business of home interior design services, consultants offer various types tailored to consumer tastes. Customers are involved in choosing models, materials, and costs. Currently, custom motorcycle modification services are also growing, where workshops offer specialized modifications according to customer preferences. (Revenue Streams according to Tim PPM Manajemen, 2012:33).



## E. Revenue Streams

Describing how organizations obtain money from each customer segment. This flow of funds enables the organization to stay alive. Essentially, there are two types of revenue: transactional and recurring. According to Osterwalder and Yves Pigneur (2012:31), there are several ways to build revenue streams, including:

1. Asset Sale  
This economic activity has existed since ancient civilizations began centuries ago. The output of manufacturing companies constitutes the assets of those companies.
2. Usage Fee  
This revenue stream arises from payments for services or other intangible goods used by customers. The more services customers utilize, the more they pay, ultimately increasing the revenue stream.
3. Subscription Fee  
This revenue stream arises from payments by customers in specific segments for rights and accessibility to services that can be utilized over a certain period. A simple example of this revenue stream is membership fees in sports clubs.
4. Rent  
Unlike usage fees or subscription fees, this revenue stream arises from payments by customers in specific segments for the exclusive right to use assets owned by the company.
5. Licensing  
Another revenue stream, licensing, arises from payments made by customers for permission to use the company's legally protected intellectual property.
6. Brokerage Fee  
Brokerage fees are a revenue stream typically earned by companies or individuals applying an agency business model.
7. Advertising  
This revenue stream is generated from payments by customers for the use of communication media as a platform to advertise or promote their products or services.
8. Donations  
This type of revenue stream is created from receiving money (or tangible products valued in monetary terms) from individuals or organizations commonly known as "donors," replacing the common terminology often referred to as customers (customers).

## F. Key Resources

According to Tim PPM Management (2012:35), Key Resources describe the most important assets that determine the success of operating a business model. These valuable assets enable the organization to deliver its promised value propositions to customers effectively. Key Resources can include physical resources (buildings, vehicles, equipment), finances, intellectual assets (brand, copyrights, patents, customer databases), and human resources. Among these four types of resources, intellectual resources are particularly crucial because they are difficult to imitate. Key Resources are the resources that enable the organization to perform key activities to offer value propositions, reach markets, maintain relationships with customer segments, and generate revenue. According to Tim PPM Management (2012:169), Key Resources in an organization take the form of: Human, Facilities, Technology, Intellectual, and Channels.

## G. Key Activities

According to Tim PPM Management (2012:36), Key Activities refer to the activities that are crucial for the success of a business model. Similar to key resources, key activities play a vital role in delivering value propositions. Key activities for an IT consultant, for instance, include the ability to translate customer needs into appropriate IT systems, or a doctor's skill in diagnosing a patient's illness. Not all activities are listed under "Key Activities," only those essential activities that significantly support an organization's success in delivering its value propositions to customers. This does not mean that other activities are not important; they are typically performed at a minimum standard. Key Activities are a set of activities performed by an organization to create products or services needed by customers, deliver them to customers, maintain relationships with customers, and manage revenue from the sale of products/services to customers.



According to Tim PPM Management (2012:187), every organization engages in various activities. When developing a business model, only the main activities (Key Activities) need to be designed. Characteristics of Key Activities include:

1. Activities necessary to create value propositions
2. Delivering value propositions to customers
3. Activities to build relationships with customers
4. Activities to manage revenue streams

According to Tim PPM Management (2012:188), broadly speaking, Key Activities can be grouped into three main types:

## 1. Operational Production

This includes activities related to the design, manufacture, and delivery of products in large quantities and high quality. Production activities dominate the business model of manufacturing companies. Examples include car manufacturers or consumer goods producers. Key activities in production involve sourcing necessary materials from suppliers, managing the production process, and distributing finished products or services to customers. Key Activities in production can generally be generalized through the input-transformation-output process framework.

## 2. Service Operations

Key activities in service operations aim to help solve customer problems and provide new solutions to them. Activities such as problem-solving are particularly crucial for consultants, hospitals, and other service organizations.

## 2. Platform and Network

Organizations such as eBay, Visa, Microsoft, Kaskus, and similar entities continuously develop and improve their platforms. Key activities in platform-based and network-based businesses include designing, building, and developing hardware and software, including internet networks and websites.

## H. Key Partnerships

According to Tim PPM Management (2012:37), Key Partnerships, or strategic partnerships, are collaborative alliances that help operate an organization. These partnerships are essential for various reasons, typically aimed at achieving economies of scale, reducing risks, acquiring resources, or gaining knowledge. Osterwalder (2004) synthesizes the definition of partnerships as voluntary cooperation agreements between two or more independent companies to carry out specific projects or activities together by coordinating capabilities, resources, and/or necessary activities. From this definition, we understand that partnerships: (1) involve two or more parties; (2) are a form of agreement; and (3) involve coordination of activities and resources. Furthermore, according to Tim PPM Management (2012:204), organizations have four objectives in forming partnerships: (1) optimizing operations; (2) acquiring resources; (3) gaining knowledge; and (4) acquiring market access.

## I. Cost Structure

According to Tim PPM Management (2012:38), Cost Structure describes all the costs incurred as a result of operating this business model. All efforts to deliver Value Propositions through appropriate channels, Key Resources, and reliable Key Activities require costs. The cost structure is influenced by the company's chosen strategy, whether prioritizing low costs or emphasizing premium benefits. Alexander Osterwalder and Yves Pigneur (2012:40) mention two types of Cost Structure: Cost-Driven and Value-Driven. According to Osterwalder and Yves Pigneur (2012:40), Cost Structure has the following characteristics: Fixed Costs, Variable Costs, Economies of Scale, and Economies of Scope.

## J. Business Model Canvas (BMC) Innovation

Innovations in business models are pursued based on four goals: (1) Meeting unmet market needs; (2) Introducing new technologies, products, or services to the market; (3) Enhancing, building, or changing existing markets with new models; (4) Improving existing businesses; and (5) Creating entirely new markets.

To explain how the role of zakat intermediation can be optimally implemented to achieve the performance of zakat institutions, it is based on entity theory (Paton & Littleton, 1940) as the grand theory and agency theory (Jensen & Meckling, 1976) as the supporting theory. Entity theory emphasizes the concepts of stewardship and accountability. In this theory, an organization or company is seen as an independent economic entity that acts on its own behalf and is separate from its owners or other parties. On the other hand, agency theory, developed by Jensen and Meckling in 1976, views organizational management as agents acting on behalf of shareholders or owners, acting consciously in their own interests. In this context, zakat institutions are considered agents



entrusted with zakat funds to be managed and utilized for the benefit of recipients. Muzaki (contributors), mustahik (recipients), and the community are viewed as principals who entrust their funds and trust to zakat institutions to manage these zakat funds. This integration of theories expects zakat institutions to fulfill their role as entities responsible for stewardship and accountability of zakat funds, while also acting as agents to effectively manage and empower these funds for the benefit of recipients, in alignment with the trust placed by contributors and the community.

To enhance the optimization of zakat intermediation, one of the steps that Zakat Institutions should take is to implement the Business Model Canvas (BMC) strategy. The business model is used to simplify the depiction of a business concept. Business models are not only used for companies but are also applied to social enterprises, such as Zakat Institutions. In an era filled with rapid innovation and development, business models are crucial for companies to understand efficiency and conduct quick evaluations (Atabik, A., 2016). Business Model Canvas (BMC) is one of the evolving business models today that provides a comprehensive framework for designing, evaluating, and developing sustainable and effective business models.

Business Model Canvas (BMC) is a business model concept presented on a single canvas sheet. BMC comprises a map of nine elements that include customer segments, value proposition, channels, customer relationships, revenue streams, key activities, key resources, key partnerships, and cost structure. Business Model Canvas (BMC) serves as a universal language in business modeling to describe, visualize, assess, and transform business models on a single canvas sheet (Purnamasari, Dian and Achmad Firdaus, 2017; Aziz, 2014).

In practice, BMC is not only used by companies and entrepreneurs but also employed to understand strategies and added value of organizations, educational communities, and even for library development. The application of Business Model Canvas (BMC) is not new in academia, and many practitioners use BMC because it is relevant, practical, and easy to understand. Business Model Canvas plays a crucial role in business development and management. This tool helps business owners and management teams understand and design business models comprehensively. By using the Business Model Canvas, essential elements such as market segments, value propositions, distribution channels, and revenue sources can be visually presented in a clear and understandable manner. Moreover, entrepreneurs can explore various effective distribution channels, such as online stores, social media platforms, and partnerships with beauty influencers. Through the Business Model Canvas, entrepreneurs can see how these elements interact and support each other to create value for customers and generate revenue.

Business Model Canvas offers several important advantages (Purnamasari, Dian and Achmad Firdaus, 2017), including: (1) Comprehensive Visualization; (2) Identification of Innovation Opportunities; (3) Enhanced Collaboration and Communication; (4) Risk Analysis and Flexibility dan Fleksibilitas dan (5) Focus on Customer Value. The Business Model Canvas diagram for social institutions or philanthropic organizations like Zakat institutions (Irma Paramita Sofia, 2015) is illustrated in the following diagram:

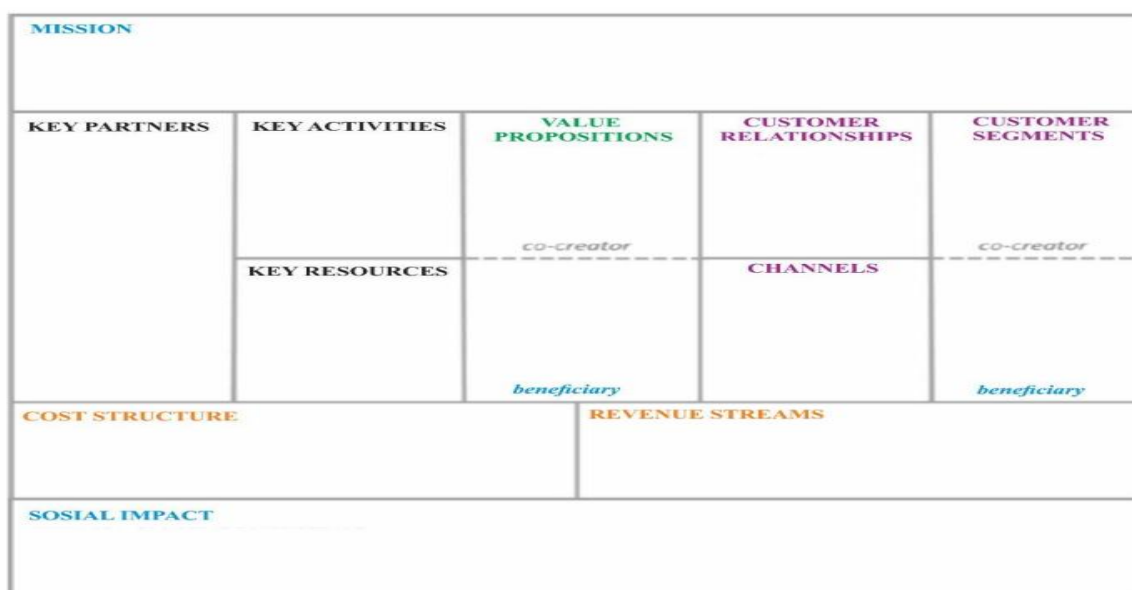


Figure 1. Business Model Canvas (BMC) Diagram of Social Enterprise



## III. METHODS, DATA AND ANALYSIS

### 3.1 Research Methods

The research method used in this study is the survey study method (Sekaran, 2016). The case study method referred to in this research pertains to the case of BAZNAS West Java. The approach in this study is descriptive analysis research and qualitative. Furthermore, this method explains a comprehensive exploration, with analyses that can be chronological, conceptual, or thematic (Grant & Booth, 2009). In this research, the focus is on the implementation of the BMC strategy at BAZNAS West Java related to the role of zakat intermediation. The researcher describes the study factually and accurately regarding the nine elements of BMC at BAZNAS. Referring to Sugiyono (2009), the research falls into the interpretive group. The data from the research findings are interpreted by the researcher. Informants are selected to be sources of data in line with the issues being studied to ensure clear, comprehensive, and precise data collection.

### 3.2 Research Variables, Data Collection Techniques and Research Analysis Units.

In this research, there is one variable: the implementation of the Business Model Canvas (BMC) strategy to optimize the role of zakat intermediation. Subsequently, all components of the Business Model Canvas (BMC) strategy will be analyzed, compared between BAZNAS West Java, and conclusions drawn regarding the implementation of the BMC strategy in efforts to optimize the role of zakat intermediation. The data collection techniques involve interviews and documentation. Interviews are conducted with key figures such as leaders/managers and operational zakat collectors to gather relevant data regarding the implementation of the BMC strategy, website content, and other sources. Data are sourced from physical documents and digital content from the official website of BAZNAS West Java (<https://baznasjabar.org/>), ensuring a rational approach. The interviewees in this study include: (1) Leaders of the zakat institution (BAZNAS West Java), (2) Directors/Managers of the zakat collection division/department, and (3) Operational zakat collectors. Subsequently, the data or scope (keywords) to be searched and utilized for analysis include: (1) Strategic Plans (Renstra) and Operational Plans (Renop); (2) Budget Plans; and (3) Policies on HR, finance, and sales/marketing. These selections are based on the rationalization that these keywords are instrumental in identifying information about the BMC strategy. The research unit of analysis is BAZNAS West Java. The rationale for selecting this unit in the city of Bandung, which operates across West Java, is based on its perceived good governance but also existing challenges in optimizing the role of zakat intermediation.

### 3.3 Qualitative Research Steps

The data collection techniques include interviews and documentation. Interviews are conducted with key informants such as leaders and implementing agencies to gather relevant data from websites and other sources. Data collection is based on physical and digital documents from official websites; therefore, it is rational. Before conducting data analysis, the research procedures to be followed are as follows: (1) Determining the research location and subjects; (2) Data collection; (3) Data reduction and classification; (4) Data presentation; and (5) Drawing conclusions.

## IV. RESEARCH RESULTS AND DISCUSSION

### 4.1 Research Results

#### 4.1.1 National Zakat Amil Agency (BAZNAS) West Java Province

The inception of BAZNAS West Java Province originated from the UPZ within the West Java Provincial Government, tasked with collecting ZIS funds from civil servants and employees within the provincial administration. This initiative was driven by their idealism and dedication. During the leadership of H. Ahmad Heryawan (commonly known as Kang Aher), it was further reinforced with gubernatorial regulations and continuous education on zakat awareness. Concurrently, the establishment of BAZDA Jabar solidified the optimal collection of ZIS funds, reaching all eligible civil servants who have met the zakat nisab.

The initial establishment of BAZDA was in 1974, later renewed by the Decree of the Minister of Religious Affairs of the Republic of Indonesia Number 118 of 2014 concerning the Establishment of the Provincial National Zakat Amil Body. It subsequently evolved into BAZNAS Province, aligning with the regional expansion of provinces in Indonesia. This decision was revised by the Decree of the Minister of Religious Affairs of the Republic of Indonesia Number 186 of 2016 concerning Amendments to the Decree of the Minister of Religious Affairs Number 118 of 2014 regarding the establishment of the Provincial National Zakat Amil Body. The leadership of BAZNAS West Java Province was affirmed by the Decree of the Governor of West Java Number



450.12/Kep.156-Yansos/2015 regarding the Leadership of the National Zakat Amil Body (BAZNAS) of West Java Province for the Period 2014-2019, issued on January 23, 2015. Subsequently, in 2016, there was a structural change in leadership, resulting in the revision of the decree to the Decree of the Governor of West Java Number 450.12/Kep.919-Yansos/2016 concerning Amendments to the Decree of the Governor of West Java Number 450.12/Kep.156-Yansos/2015 regarding the Leadership of the National Zakat Amil Body (BAZNAS) of West Java Province for the Period 2014-2019.

BAZNAS West Java Province was established on January 26, 2015, with Taxpayer Identification Number (NPWP): 31.500.662.7-423.000. The office of BAZNAS West Java Province is located at Komplek PUSDAI West Java Province, Jl. Diponegoro 63, Bandung 40115. Contact numbers are (022) 8252-6395, 0812-1010-9494, and the email address is [baznasprov.jabar@baznas.or.id](mailto:baznasprov.jabar@baznas.or.id), website [www.baznasjabar.or.id](http://www.baznasjabar.or.id). The National Zakat Amil Body (BAZNAS) is an institution responsible for zakat management nationally. BAZNAS is a non-structural government institution that operates independently, with provincial levels such as BAZNAS West Java Province located in the provincial capital. BAZNAS West Java Province reports to the Governor of West Java through the Secretary of the Regional Secretariat and is accountable to BAZNAS (Central). The legal basis of BAZNAS is as follows:

- a. UU Nomor 23 Tahun 2011 regarding Zakat Management.
- b. PP No. 14 Tahun 2014 regarding the implementation of Law no. 23 of 2011 concerning Zakat Management.

Fund empowerment through ZIS is primarily conducted through programs offered by zakat institutions. Broadly, there are four groups of programs offered: health, economic, education, and charity. The types and number of programs offered by zakat institutions depend on: the amount of funds managed by the zakat institution, the scope of services/target recipients targeted, and the needs of the recipients. The naming of these four groups of programs varies, tailored to the purpose, terminology, and main activities of the zakat institution. The objectives of presenting these programs are:

- a. To understand how zakat fund empowerment activities are packaged in the form of programs offered by zakat institutions.
- b. To see the scope of services that can be provided by each zakat institution.
- c. To observe creativity and innovation related to the creation of programs offered by zakat institutions.

In recent years, zakat institutions have expanded their program areas extensively. The central BAZNAS has designed programs to be implemented by BAZNAS throughout Indonesia, at both provincial and city/district levels. The designed programs cover the following fields: Health (Sehat), Education (Cerdas), Economy (Mandiri), Social Humanitarian (Peduli), and Islamic Propagation (Takwa). In designing empowerment programs, numerous considerations are taken into account as program performance is linked to the utilization of zakat's social and economic values, specifically the effectiveness of zakat usage according to its intended purposes as religious philanthropy funds (Sri et al., 2017). One of the foundational factors for achieving the utilization of zakat's social and economic values is regional excellence. This foundation is consistently implemented in West Java Province, as the province encompasses a large area (27 regencies), exhibits excellence in each region, and boasts a high level of creativity among its residents (BAZNAS West Java, 2017). There are several advantages of regional excellence as the basis for zakat utilization, including: regional welfare distribution, enhancing regional competitiveness, alleviating regional poverty, and achieving effective zakat utilization, thereby aiming for high utilization of zakat's social and economic values (BAZNAS West Java, 2017).

### 1.1.2 Zakat Intermediation Role of Zakat Institutions

Zakat Management Organizations (OPZ) such as BAZNAS and LAZ play a primary role in zakat intermediation, which involves collecting zakat funds from muzaki (zakat payers) and distributing them to mustahik (zakat recipients/asnaf). This role is in accordance with Islamic teachings and Law Number 23 of 2011, which designates zakat institutions with the authority to carry out zakat intermediation.

#### A. Collection of Zakat, Infaq and Alms Funds (ZIS)

The role of collecting ZIS funds involves optimizing the collection of zakat funds from muzaki. This optimization must begin with the potential zakat at the national level, estimated to be more than 217 trillion (BAZNAS, 2010), and at the West Java provincial level, around 17 trillion (BAZNAS West Java, 2017). Based on this zakat potential, various collection strategies are developed by BAZNAS West Java Province to meet needs, capabilities, environmental changes, and partnerships. The strategies and collection programs implemented include: (1) Zakat Collection Units (UPZ); (2) Payroll System for Civil Servants (ASN) of the West Java Provincial Government and employees of companies; (3) ATM transfers and cash transfers via banks; (4) Zakat collection outreach; (5) Muzaki counters and Sadaqah boxes (Kofak); and (6) Online application-based zakat collection (online marketing).





The zakat collection program at BAZNAS West Java Province has shown positive growth year by year. The performance of the Zakat Collection Division (PHP) from 2015 to 2019 has progressed positively both quantitatively (amount of collection) and qualitatively (collection programs). In 2019, the division was nominated for the Zakat Collection Growth Program. The success of the PHP division's programs is attributed to the role of the internal audit unit, which consistently oversees internal audit activities, especially in achieving PHP program targets according to strategic plans (renstra) and annual work plans (RKAT), with operational processes aligned with Standard Operating Procedures (SOP) and applicable regulations.

**B. The Role of Zakat Distribution at BAZNAS West Java Province**

The next intermediation role is to distribute ZIS to mustahik, consisting of 8 categories: Fakir (those in poverty), Miskin (the poor), Amil (those employed to administer zakat), Riqab (those in bondage or slavery), Gharimin (those in debt), Mualaf (new converts to Islam), Fisabilillah (those fighting in the cause of Allah), and Ibnu sabil (wayfarers). The distribution role is divided into 2 programs: Zakat distribution (consumption-oriented) and zakat empowerment (productive and developmental). BAZNAS West Java Province distributes and empowers zakat, infaq, sedekah, and other religious social funds through 5 main programs: (1) Jabar Sehat (Health); (2) Jabar Peduli (Social Humanitarian); (3) Jabar Cerdas (Education); (4) Jabar Mandiri (Economy); and Jabar Taqwa (Islamic Propagation).

Furthermore, the success of a program will be measured using predetermined indicators such as the National Zakat Index (IZN), Community Intelligence Level, Community Health Level, and achievement of SDGs in collaboration with the West Java Provincial Government.

**4.2 Discussion: Implementation of the CANVAS Model at BAZNAS West Java**

BAZNAS West Java is a government-based formal zakat institution authorized to collect and distribute Zakat, Infaq, Sedekah, and other religious social funds based on private/community foundations, according to: (1) Law Number 23 of 2011 on zakat management, (2) Government Regulation Number 14 of 2014 concerning the implementation of Law Number 23 of 2011 on zakat management, and (3) other regulations related to zakat management. Furthermore, before conducting the CANVAS model analysis, a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) is performed, which examines the strengths, weaknesses, opportunities, and threats of BAZNAS West Java.

**Table. 1 Swot Analysis**

Internal Factors	External Factors
<p><b>Strengths</b></p> <ol style="list-style-type: none"> <li>The organization's position based on the law.</li> <li>Support from the provincial government in the form of gubernatorial regulations and civil servant zakat payroll.</li> <li>Background of leaders and figures, professionals, and academics.</li> <li>Systems, procedures, and regulations are already in place and implemented.</li> <li>Commitment to change in institution management is still weak.</li> </ol>	<p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>Massive potential for zakat.</li> <li>Potential for CSR funds.</li> <li>Potential of the poor population in West Java.</li> <li>Information technology supporting social interaction (digital zakat).</li> <li>Has a network of cooperation among cities and regencies throughout West Java.</li> </ol>
<p><b>Weaknesses</b></p> <ol style="list-style-type: none"> <li>The institution is not yet well-known to the public.</li> <li>Speed in making strategic and technical decisions.</li> <li>Internal communication still needs improvement.</li> <li>Commitment to change in institution management still needs to be strengthened.</li> </ol>	<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>Donations are still largely dependent on ASN zakat.</li> <li>Competitors always innovate.</li> <li>Stakeholder mindset about the use of zakat funds is not uniform.</li> <li>Employee sustainability depends on stakeholder turnover.</li> </ol>

Source: Interview Results, Processed



After conducting a SWOT analysis for BAZNAS West Java, the next step is to develop strategies to address: (1) maintaining and enhancing strengths; (2) expanding and leveraging existing opportunities; (3) minimizing weaknesses; and (4) effectively facing and overcoming challenges. The strategies developed are divided into two categories: internal and external strategies:

1. Internal Strategies

- a. Implementing ISO 9001:2015.
- b. Holding regular leadership meetings with well-documented minutes.
- c. Building and doctrinalizing organizational values or culture.
- d. Increasing certification of zakat administrators.
- e. Enhancing promotion and hiring endorsers.
- f. Socializing the institution using digital media.
- g. Establishing an authorization system based on management levels.

2. External Strategies

- a. Opening opportunities for donations outside of zakat and ZIS, such as CSR and others.
- b. Conducting benchmarking.
- c. Scheduling regular meetings with stakeholders.
- d. Creating an institution regulation roadmap.
- e. Implementing and developing digital zakat.
- f. Increasing joint programs with BAZNAS in cities and regencies across West Java.

In the CANVAS model there are important components that form the basis of analysis, namely:

Table. 2 Canvas Model

Key Partnership	Key Activities	Value Proposition	Customer Relationship	Customer Segment
<ul style="list-style-type: none"> <li>✓ Companies/institutions with payroll systems</li> <li>✓ Educational institutions</li> <li>✓ Companies UPZ</li> <li>✓ Banks</li> </ul>	<ul style="list-style-type: none"> <li>✓ Door-to-door zakat outreach</li> <li>✓ Zakat outreach through media</li> <li>✓ Data collection of zakat payers and recipients</li> <li>✓ Survey of potential zakat recipients</li> <li>✓ Business mentoring and training</li> </ul>	<ul style="list-style-type: none"> <li>✓ NPWZ Card (National Zakat Payer Number)</li> <li>✓ Access to Muzakki Corner Application</li> <li>✓ Ease of Paying Zakat</li> </ul>	<ul style="list-style-type: none"> <li>✓ Muzakki services for zakat consultation</li> <li>✓ Community through Muzakki Gathering</li> <li>✓ Zakat Collection Service</li> <li>✓ Coffee Morning with zakat payers</li> </ul>	<ul style="list-style-type: none"> <li>✓ Individual Muzakki</li> <li>✓ Corporate Muzakki</li> </ul>
	<b>Key Resources</b>		<b>Channels</b>	
<ul style="list-style-type: none"> <li>✓ Istiqlal Mosque</li> </ul>	<ul style="list-style-type: none"> <li>✓ Zakat Administrations</li> <li>✓ Office</li> <li>✓ Operational Vehicles</li> <li>✓ Computers and Internet Network</li> </ul>	<ul style="list-style-type: none"> <li>with Zakat Pickup</li> <li>Utilization of digital zakat</li> </ul>	<ul style="list-style-type: none"> <li>✓ Muzakki Service Counter</li> <li>✓ Zakat Outlet</li> <li>✓ e-banking</li> <li>✓ e-commerce</li> <li>✓ Zakat Digital</li> </ul>	
<b>Cost Structure</b>			<b>Revenue Stream</b>	



<p><b>Fixed Cost</b></p> <ul style="list-style-type: none"> <li>✓ Office Rent</li> <li>✓ Electricity, Water, Telephone, Internet</li> <li>✓ Salaries of Zakat Administrators</li> </ul> <p><b>Variable Cost</b></p> <ul style="list-style-type: none"> <li>✓ Marketing Expenses</li> <li>✓ Zakat Distribution Costs</li> <li>✓ Infrastructure Development Costs</li> <li>✓ Administrative Costs (Printing Books, Brochures, Forms, etc)</li> </ul>	<p>✓ Zakat funds collected as trust funds.</p>
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Based on the research conducted, the author concludes the current zakat collection strategies at BAZNAS West Java as explained in the Business Model Canvas (BMC) (Rahmani, Annisa; 2015) as follows:

a. Customer Segment

Muzakki who pay their zakat to BAZNAS West Java include individual muzakki, especially civil servants (ASN) from the provincial government of West Java, corporate muzakki, and the general public (Atabik, A:016).

b. Value Propositions

BAZNAS West Java provides muzakki with a zakat card called the National Zakat Payer Number (NPWZ). The NPWZ that muzakki possess is then connected to the Muzakki Corner application. This allows muzakki to easily check and control their zakat payments to BAZNAS West Java. Additional conveniences for muzakki include zakat collection services and the utilization of digital zakat (Aziz, Muhammad:2014; Pupung Purnamasari et al.2023).

c. Channels

There are dedicated counters for receiving zakat. On several occasions, BAZNAS West Java also promotes zakat through online media such as e-commerce, e-business, Facebook, and Twitter, as well as through brochures or banners. BAZNAS West Java has also opened several zakat outlets in various shopping centers, offices, and government and private institutions, including channels through the utilization of digital zakat.

c. Customer Relationships

BAZNAS West Java provides services that allow muzakki to consult about zakat. They also organize special events for muzakki to gather and meet, such as Muzakki Gatherings and Coffee Mornings with muzakki, as well as many similar activities. There is also direct interaction with muzakki through the zakat collection program (Manara, A. S.et al. 2018; Sri Fadilah et al. 2022).

d. Revenue Streams

The collected zakat funds are entrusted funds and not owned by BAZNAS, so their management must comply with existing sharia provisions. The types of funds collected include zakat funds, infaq funds, sedekah funds, other religious social funds (DSKL), CSR funds, grants from the West Java provincial government, and the Ministry of Religion (Grant, M. J., & Booth 2009; Kania Nurcholisah et al. 2023).

g. Key Resources

The primary physical resources currently available are the office, which supports daily operations, including office buildings, equipment, computers, internet networks, consumables, operational vehicles, and supporting assets. For human resources, BAZNAS West Java requires competent amil staff with certification of competence (Sri Fadilah et al. 2019, Purnamasari 2017).

h. Key Activities

BAZNAS West Java conducts zakat socialization to various community sectors, including companies, institutions, government agencies, and the general public. Socialization is also conducted on various online social media platforms such as Facebook and Twitter. The distribution of zakat by BAZNAS West Java is divided into two categories: consumptive distribution and productive distribution (utilization). Equally important are administrative activities, financial planning and reporting, human resource development, and other activities (Osterwalder, Alexander, et al. 2014).



i. Key Partnerships

BAZNAS West Java maintains good relationships with its partners by building intensive communication through its amil in the Relationship Officer (RO) division and creating partnership-building programs initiated by either BAZNAS West Java or the West Java Provincial Government (Irma Paramita Sofia 2015; Sri Fadilah et al. 2020).

j. Cost Structure

The cost characteristics incurred by BAZNAS West Java include fixed costs and variable costs (Sri Fadilah et al. 2021).

## V. CONCLUSION AND RECOMMENDATION

The CANVAS business model for BAZNAS West Java can be summarized as follows: (1) It has become a necessity due to environmental changes, especially technological advancements compounded by the COVID-19 pandemic in 2020. BAZNAS West Java has intensified its implementation of the CANVAS business model. (2) Implementing the CANVAS business model at BAZNAS West Java serves as a foundation to enhance competitiveness and optimize zakat management. (3) The implementation of the CANVAS business model at BAZNAS West Java aims to improve competitiveness. (4) One of the key supporting factors for implementing the CANVAS business model at BAZNAS West Java is digital zakat.

Based on the conclusion, the research recommendations are as follows: (1) When implementing the CANVAS business model, it is advisable to carefully consider environmental changes to achieve effectiveness. (2) This study focuses on implementing the CANVAS business model; future research should further examine the implementation of the CANVAS business model for the role of intermediary funds (ZIS and DSKL). These recommendations suggest that a thorough consideration of environmental factors and a deeper exploration of the CANVAS business model's implementation for intermediary funds could enhance effectiveness and optimize the management of zakat and other religious social funds.

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