

Business Model Analysis of Halal Transportation Provider Company

Fajar Surya Ari Anggara¹, Wisnu Wijaya²

¹ University of Darussalam Gontor

² University of Darussalam Gontor

ABSTRACT

Halal products have become important needs for the Muslims. Increasing demand for halal products increased to encourage the importance of halal logistics. Halal logistics system must guarantee that the products remain secured in the process of logistic and transport activities. There is still many homework to be done to realize halal transportation and logistics in Indonesia. TRAC Sharia as a transportation services provides a solution that is established with sharia principles such as musyarakah, mutanaqisah, and ijarah through its business process model. Novelty of this study is on the mapping of value proposition, business model, and business process integrated with Sharia principles. According to the results of this research that TRAC Sharia provides the best Ijarah services for companies that are concerned about sharia-based products or services. Agreement of Ijarah on TRAC Sharia is free from the elements of Riba, Maysir, and Gharar. In addition, all vehicles TRAC Sharia obtained halal through murabahah mechanisms and protected by insurance based on Sharia principles (Ta'awun). The advantage of TRAC Sharia is the openness and fairness in the management of the vehicle and can be developed into a mudharabah with the concept of profit sharing.

Keywords: Sharia Principles; Business Model; Halal Transport.

INTRODUCTION

Transportation is an important part of community life. Transport is derived from the Latin word “transportare”, where “trans” means across or other side and “portare” means to transport or carry. Thus, transportation means transporting or carrying (something) to another side or from any other place. This means transportation is a given service, to help people and goods to take from one place to another. Transportation can be defined as business and transporting or carrying goods and/or passengers from one place to another place (Kamaludin, 2003).

Transportation or transport is a field of activity that is very important in the life of Indonesian people. By realizing the importance of the transportation role, traffic and road transport must be arranged in an integrated transportation system and able to realize the availability of transportation services that meet the level of traffic needs (Hafsah, 1999). Muslims in Indonesia also need transportation services that comply with Sharia principles as halal products.

Halal products have become important needs for the Muslims. Halal product such support by logistics system must guarantee that the products remain secured in the

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079

process of logistic and transport activities. Halal Logistics as an application of the principles of sharia throughout the supply chain activities, all activities ranging from supply sources, storage, transportation, manufacturing, handling, and distribution must comply with the sharia principle. This means that halal products should not be mixed with non-halal products in all logistics activities to ensure that the halal status of a product can be maintained (Jaafar, et. al, 2013).

Referring to Islamic sharia, the following halal criteria. Halal based on materials, which is a product that is halal according to the nutritional is a product that is basically halal for consumption, and has been established in the Qur'an and hadith. Halal way of obtaining, namely products obtained in a good and legitimate way. The product will become unclean when it is a way to obtain it with a bad road because it can harm others and is forbidden by the sharia. Halal way of processing, which is a product that is originally halal and will become haram when the way of processing is not in accordance with the sharia. A lot of products are originally halal, but because of their incorrect processing they cause the food to be unallowed, called haram (Zaroni, 2019).

Talib and Hamid (2014) said, the purpose of logistics is to ensure customers can enjoy, use or consume the product at the right time, the right amount, the right description, and in good condition. Therefore, logistics management involves a series of activities, namely: transportation, storage and warehousing, inventory management, material management, product scheduling and customer service (Thalib & Hamid, 2014).

THEORETICAL BACKGROUND

Halal transportation supported by management model. The Model of Sharia business management becomes an interesting theme as the development continues to increase. There are 3 (three) models that develop: 1) single ownership, 2) Partnership partnership), and 3) Muḍarabah, a form of cooperation where the capital owner (Shahibul MAL) entrust a certain amount of capital to the manager (Muḍarib) with Agreement at the beginning (Huda, 2016).

The need for halal industry is an absolute necessity for a Muslim. Not only on the product side, but now as is the trend in various worlds, it becomes a trend in the

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079

process. Including the transport and logistics industry (Dewo, 2019). Unfortunately, Discourse toward halal-immature transportation and logistics. Conversely in other non-Muslim countries, because it considers the halal industry to be very profitable in terms of business, they preceded it. Japan already has halal transportation.

Procurement of halal transportation can be supported with vehicle rental based on sharia principles. The vehicle rental market or commonly known as car rental is also undergoing development. One of the functions of car rental is to provide a rental service, but in this case, there are still many services provided has a shortage. The development of the vehicle rental market can be collaborated with the development of the interest of halal lifestyle for Muslim people in Indonesia.

This paper discusses definitions, prospects, challenges faced, and business process modelling of car rent corporation, TRAC Sharia. The purpose of writing to analyze business process modelling of car rent corporation based on sharia principles. So that this research can be well focused so that it is focused on the core discussion within the specified limits. These limitations include: this research was carried out using the data and conditions of TRAC Sharia until this research began. This research was conducted only up to the stage of sharia principle analysis in the business process model in the research time span. While the assumptions used to help in solving problems in this study are: The company has a vision, mission, and formal strategy that will be carried out by the company unchanged in the research process. Data provided by the company is considered valid. Employees as informant who provide opinions in data retrieval are considered experienced in their job.

METHOD, DATA AND ANALYSIS

This research intends to analyze how the description of the business model that exists on the service rent car TRAC sharia and also how the implementation of the business models on the TRAC sharia based on Islamic business, because there is some form of the model where the business has a difference with the similar business. The data used in this study consist of primary data and secondary data. Primary Data is the primary source of information needed to answer research. In this research primary data are gathered from deep interviews and directly with car rental management.

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079

The technique data collection from various data needed will be easily obtainable. Variables of this research refer to Business Model Canvas and value elements. Business model canvas is a tool to describe, analyze and design the business model. In the book Osterwalder and Pigneur described there are nine building blocks in a sheet of business model canvas (Osterwalder & Pigneur, 2012).

The primary source is a data source that directly provides data to the data gatherer and secondary sources is a source which does not directly provide data to a data gatherer, for example through another person or through documents. In research that is both qualitative so data obtained come from the words of the informant. Therefore, in the collection of data the researcher using data triangulation technique consisting of an interview, observation, and documentation also triangulation.

The data collection techniques and information in this study include observations directly at the research site to determine business activities and activities. Observation saw how the business process that occurred in the car rental company TRAC Sharia, the process of interaction with consumers from the acceptance of orders to the consumer returning the car. Furthermore, researchers conducted interviews as a primary method for extracting information from respondents related to research focus. A deeper interview with the focus group Discussion (FGD) with the Board of Director (BOD) team of the TRAC car rental company, 2 times with the number of 6 respondents of the company's employees. By using FGD expected understanding of the BOD team to the business model of canvas is easier to convey precisely and can dig the factor of strategic internal and external factors of the company. Data analysis is the process of finding and compiling by systematic data obtained from interviews, field notes, and documentation by organizing into categories, lays out into units. The concept of qualitative data that given Miles and Huberman that includes a reduction data, display data and conclusion drawing/verification.

Definition and Measures of Variable

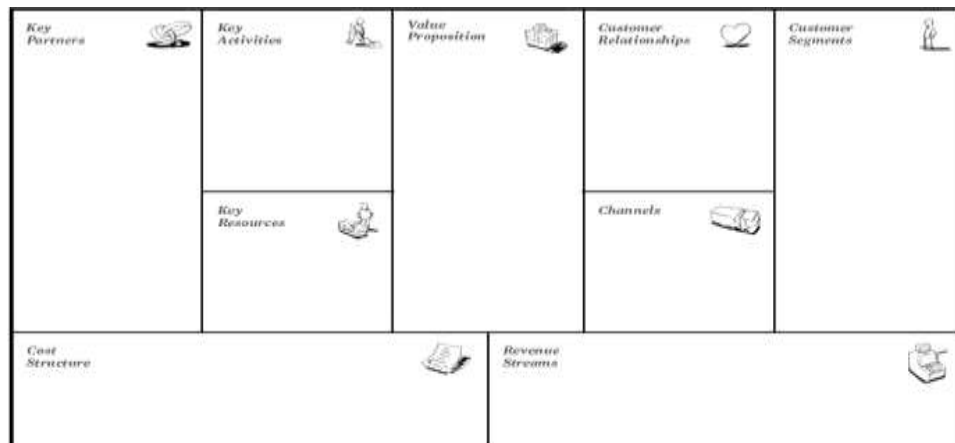
Business Model Canvas describes nine components in the business model, namely customer segments, value propositions, channels, customer relationships, revenue streams, resources, activities, partnerships, and costs. The first component we need to create is customer segments. In this component we define to whom we create

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079

value and who is the most important customer. Customers are the heart of every business model. Therefore, to get customer satisfaction, a company needs to group customers in different segments according to their needs, preferences, spending behavior, or others. The company must also make the decision to choose the segments that must be served (Anggara, 2016).



Source: strategyzer.com (Ostwerwalder, 2019)

Figure 1. Business Model Canvas

Value propositions describe what value will be given to customers, what problems are solved, which needs are satisfied, and what products or services we offer to each customer segment. Channels describes how a company communicates and reaches customer segments to provide a value proposition. Communication and distribution are the company's interface with customers. Customer Relationships

Customer relationships describe how the company can establish relationships with customers in the long run. Revenue streams represent how companies get money from customers by providing the value customers want to pay. There are several ways to determine revenue streams by selling assets, usage costs, subscription fees, rent, advertising, etc (Anggara, 2019).

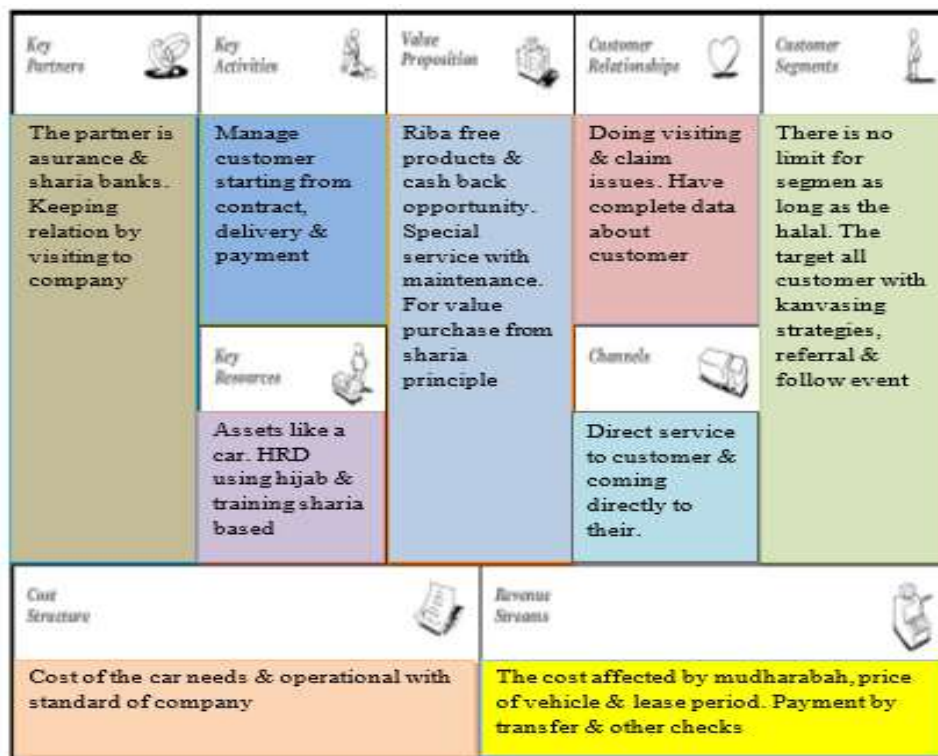
RESULTS

This research is to describe the linkages of the implementation of rental car rental in TRAC Sharia and how the business process model contains sharia principles or in other words the implementation has been in accordance with the concept of Islamic business ethics. This type of research is a qualitative descriptive case study. This

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

research is to describe a specific situation, indicator or group in detail. In this case, the research is intended to describe how the rental process of renting a rental car that contains principles of sharia principles. This research is a case study, in this regard to the TRAC Sharia car Rental company. From the results of the research on the implementation of the implementation of car rental which is done by TRAC car hire company Sharia the pillars and the lease terms of renting already contain the concept of Islamic business ethics, there are people who rent cars.



Source: data analyzed (2019)

Figure 1. Business Model Canvas TRAC Sharia

The meaning of sharia principles is an agreement based on Islamic law between banks and other parties to save funds and or finance business activities, or other activities that are declared in accordance with sharia, including: Financing based on the principle of profit sharing (mudharabah), financing based on the principle of equity participation (musyarakah), financing based on the principle of buying and selling goods with a profit (murabahah), financing of capital goods based on rent, that is pure lease without choice (ijarah) lease by transferring ownership of the leased goods (ijarah waliqtina or bi-tamlik ijarah) (Supriyandi, 2003)

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079

DISCUSSION

Type of financing in order to purchase car called Musyarakah. Sharia Bank (key partner) and TRAC Sharia will contribute capital to buy assets and profit from the asset business will be distributed based on agreed term. The vehicle can be legally owned by sharia bank or TRAC Sharia. Based on above description, TRAC prefers contract in consist of: Akad mudharabah (mudharabah, FATWA: 07/DSN-MUI/IV/2000): – Going forward, TRAC would like to change the business model from heavy asset into light asset model (TRAC as transportation manager/operator only). Mudharabah provides the ideal scheme for TRAC. • Akad musyarakah (musyarakah mutanaqisah, FATWA : 73/DSN-MUI/XI/2008) – Quick win strategy for TRAC because the process is similar to existing condition. The vehicle is legally owned by TRAC. During lease period, TRAC regularly transfer cash to the sharia bank to increase TRAC ownership of the asset. At the end of lease period, the asset will be 100% belong to TRAC and TRAC can dispose to mobil88 or Ibi (Hermawan, 2018).

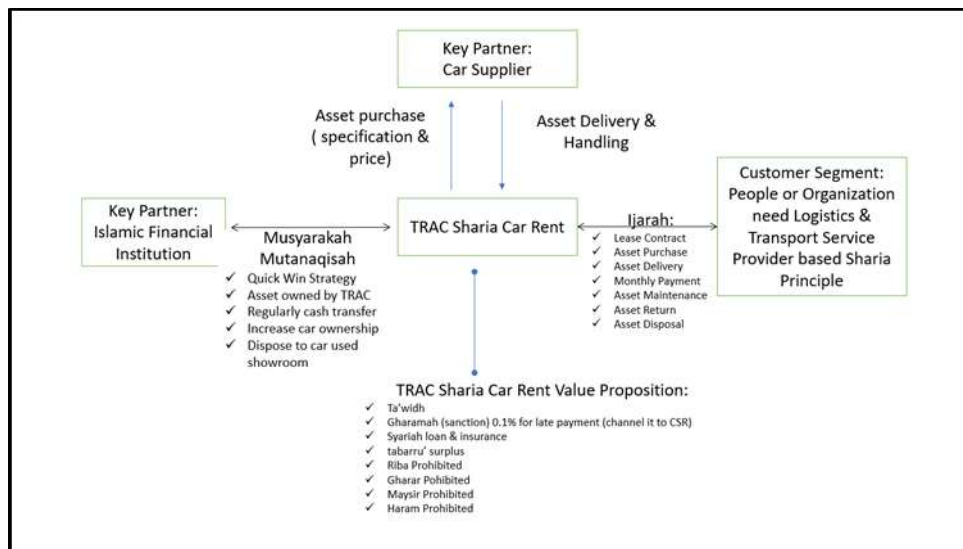


Figure 3. Sharia Principle on Business Process Model

Musyarakah Mutanaqisah on Business Process of TRAC Sharia is form of cooperation between two or more parties for ownership of an item or asset. Where this collaboration will reduce the ownership rights of one party while the other party increases its ownership rights. This form of cooperation ends with the transfer of rights of one party to another party. In the Mutanaqishah syirkah, the number of installments

1*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

2 Email: wisnuwijaya85@gmail.com

and rent to be paid by the customer must be clear. And, the terms of the payment deadline are conditions that both parties must know. Rental prices, the size of the rental price, can change according to the agreement. Within a certain period of time the size of the lease can be re-agreed. For Sharia Banks, the application of the Mutanaqisah musyarakah scheme must benefit the same or greater if the Bank applies murabaha plus the same or smaller risk.

Ijarah on Business Process of TRAC Sharia basically there is not strong and clear contract to purchase. Commitment to buy goods at the beginning of the contract is not so strong and clear (although the buying options remain open) so this called rent. However, if there is an increasingly clear and strong phenomenon of commitment to purchase goods at the beginning of the contract, the essence of Ijarah Muntahiya bit Tamlik is basically more values implemented in buying and selling called trade (Tijarah).

Explanation of pure ijarah transactions in TRAC Sharia includes the following 3 process elements. First, ijarah transactions are marked by the transfer of benefits. So basically, the principle of ijarah is the same as the principle of buying and selling. But the difference lies in the object of the transaction is goods, then in the transaction object ijarah is the service.

Second, at the end of the lease period, the bank may sell the items leased to the customer. Therefore, in cooperation with Islamic banking, it is known as al-ijarah muntahiyah bit-tamlik (rent followed by a transfer of ownership). Third, the rental price and selling price are agreed at the beginning of the agreement between the bank and the customer.

Types of Ijarah agreements can be described from the side of the object Ijarah for benefit and Ijarah for work. Ijarah Benefits (Al-Ijarah ala al-Manfa 'ah) This relates to the lease of services, which helps the manufacture of goods in exchange for an imbalance of rented services. The buying party is called musta 'jir, the worker is called ajir, the participant is called ujah. For example, renting a house, vehicle, clothing etc. In this case you have certain objects and musta 'ji needs this object and an agreement occurs between, where you get a certain imbalance from musta' jir and musta 'jir get the benefits of these objects (Ascarya, 2011).

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079

Product Development of TRAC Sharia in consist of product and organisation setup, Market are Sharia banking, Area of business process is around Java region that have target unit: 250 business contracts on the beginning phase. Second phase that held National socialization which market contain sharia banking, halal food and beverage that covered area is Java and have target unit: 1,000 business contracts. Third phase strategy is to purchase national product with scope of market segmentation related to all halal business and area covered is national that have Target unit are 2,000 (Yolanda, 2014).

CONCLUSIONS

TRAC, market leader of Indonesia car operating lease, offers a new product based on sharia principle to the market. The product will enable TRAC customers to operate sharia compliance on business. Value Proposition proposed for customer are Feels emotionally convenience and barokah in doing business by using TRAC Sharia service. Peace of mind because of TRAC's excellent transportation management capability-based sharia principle on business process. TRAC Sharia provides Ijarah services for companies that are concerned about sharia-based products or services. Agreement of Ijarah on TRAC Sharia is free from the elements of Riba, Maysir, and Gharar. In addition, all vehicles TRAC Sharia protected by insurance based on Sharia principles (Ta'awun). Musyarakah Mutanaqisah on TRAC Sharia in order to financing car purchasing from key partner.

REFERENCES

- Ahmad N. & Shariff S.M. (2016). Supply Chain Management: Sertu Cleansing for Halal Logistics Integrity. *Procedia Economics and Finance* 37 418-425.
- Ahmad Supriyadi. (2003). Sistem Pembiayaan Berdasarkan Prinsip Sharia (Suatu Tinjauan Yuridis Terhadap Praktek Pembiayaan Di Perbankan Sharia Di Indonesia). *Al-Mawarid Edisi X*.
- Alexander Ostwerwalder. (2019). Business Model Canvas. Accessed on <https://www.strategyzer.com/canvas/business-model-canvas> 19 November 2019 12:48

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079

- Al-Zuhayli, Wahbah. (2007). *Financial Transactions in Islamic Jurisprudence*, ed. Al-Gamal, M. & Eissa, M. 2nd ed., Dar al-Fikri, Dimashq, Syria
- Ascarya. (2011), "Akad & Produk Bank Syari'ah", cet ke-3, Rajawali Pers, Jakarta, page 99
- Ascarya. (2007), *Akad dan Produk Sharia*, PT.Raja Grafindo Persada, Jakarta page 99.
- Choirul Huda, (2016). *Model Pengelolaan Bisnis Syari'ah: Studi Kasus Lembaga Pengembangan Usaha Yayasan Badan Wakaf Sultan Agung Semarang*, *Jurnal Penelitian Sosial Keagamaan*, Vol. 24 No. 1, Mei 2016, 165-190
- Fajar Surya Ari Anggara. (2019), *Analisis Potensi Bromo Tengger Sebagai Daya Tarik Wisata Internasional Melalui Pendekatan Model Bisnis Kanvas*. Thesis. Universitas Malang. accessed on <http://karya-ilmiah.um.ac.id/index.php/disertasi/article/view/41221> 19 November 2019 12:43
- Fajar Surya Ari Anggara. (2019). *Analisis Sembilan Komponen Model Bisnis Ekowisata Internasional Di Desa Gubugklakah*. *Al Tijarah Volume 2 No 1 2016* accessed on <http://dx.doi.org/10.21111/tijarah.v2i1.664> at 19 November 2019 12:38
- Harun Santoso; Anik (2015). *Analisis Pembiayaan Ijarah Pada Perbankan Sharia*. *Jurnal Ilmiah Ekonomi Islam*, Vol. 01, No. 02, pages 114-115
- Harun Santoso; Anik (2015). *Analisis Pembiayaan Ijarah Pada Perbankan Sharia*. *Jurnal Ilmiah Ekonomi Islam*, Vol. 01, No. 02, page 107
- Jaafar H.S., Omar E.N., Osman M.R., dan Faisol N. (2013). *The Concept of Halal Logistics – An Insight*. Paper Presented at ICLT, Kyoto Japan
- Muhammad Jafar Hafsa. (1999), *Kemitraan Usaha*, Pustaka Sinar Harapan, Jakarta.
- Muhammad Nadraturaman Hosen. (2009). *Musyarakah Mutanaqishah*. *Al-Iqtishad: Jurnal Ilmu Ekonomi Sharia* : Vol. I, No. 2, pages 47-60
- Nor Wazirah, Muhammad, Mohamad, and Jafaar. (2016). *Halal Transportation Providers for Supply Chain Management in Halal Industry: A Review*. *Journal of Hospitality and Networks Jurnal Hospitaliti dan Jaringan*, Vol. 1, 1-12

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079

- Osterwalder & Pigneur. (2012). *Business Model Generation*. PT. Elex Media Komputindo. Jakarta. p, 16-17
- Pramono Dewo. (2019), Halalisasi Transportasi dan Logistik Kebutuhan Mutlak Muslim. <https://ihram.co.id/berita/pythj374/halalisasi-transportasi-dan-logistik-kebutuhan-mutlak-muslim> (accessed on 18 November 2019, 18:15)
- Rifki Muhammad. (2008), *Akuntansi Keuangan Sharia (Konsep dan implementasi PSAK Sharia)*, P3EI, Yogyakarta, page. 357
- Rustian Kamaluddin. (2003), *Ekonomi Transportasi Karakteristik, Teori dan Kebijakan*, Jakarta: Ghalia Indonesia, p 13
- Septavia, Intan, Erwin Gunadhi, dan Rina Kurniawati. (2015). Sistem Informasi Penyewaan Mobil Berbasis Web di Jasa Karunia Tour and Travel. *Jurnal Algoritma Vol.12 No.1 2015 ISSN: 2302-7339*. Garut: STT Garut.
- Sundari, Irminda Tutik. (2016). Pelaksanaan Pemberian Hak Sewa Tanah Untuk Bangunan Bagi Sekelompok Swasta Dalam Mewujudkan Perlindungan Hukum Di Kota Tangerang Selatan. *Fakultas Hukum, Universitas Atma Jaya Yogyakarta*
- Syazwan Ab Talib, M., & Bakar Abdul Hamid, A. (2014). Halal logistics in Malaysia: a SWOT analysis. *Journal of Islamic Marketing*, 5(3), 322-343
- Talib M.S.A. & Hamid A.B.A. (2014). Halal Logistics in Malaysia: A SWOT Analysis. *Journal of Islamic Marketing Vol.5 No.3*.
- Wilding, R., & Juriado, R. (2004). Customer perceptions on logistics outsourcing in the European consumer goods industry. *International Journal of Physical Distribution & Logistics Management*, 34(8), 628-644.
- Zaroni. (2019), Jalan Panjang Logistik Halal di Indonesia. <http://supplychainindonesia.com/new/jalan-panjang-logistik-halal-di-indonesia/> (accessed on 18 November 2019, 18:23)

¹*Corresponden Author, Email: fajarsurya@unida.gontor.ac.id

² Email: wisnuwijaya85@gmail.com

P-ISSN: 2580-6084, E-ISSN: 2580-8079