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Strategic Management, Understanding and its Application: The Case of the Bank Muamalat Business

Economics

KEYWORDS : Strategic Management, Syari'ah Bank, Product and Technology, Advertisement and Promotion.

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ABSTRACT

The article aims at formulating the strategic management understanding of the manager and mapping it in the business of bank Muamalat. The data obtained from in-depth interview with the manager, employees to have their understanding on the strategic management. Some of customers were interviewed to unfold their preferences in utilizing the facilities offered by bank Muamalat. In addition, document and observation were needed to have a complete picture on the application of management strategic in the business of bank Muamalat. The study reveals that the strategic management has the important roles in increasing the performance of bank Muamalat in a competitive market. Strategic management is perceived as an art of growing and developing business continuously in a very tight market competition and the art of state in applying the concept in the realm of business world to increase the performance of company, sale volume and expand the market network. The application of strategic management in the business of bank Muamalat can be mapped in three inter-related parts. Firstly, identifying the key success factors influence the business of bank Muamalat. This category includes the ability in analyzing internal conditions such as increasing the ability of its employees through training and internal sharing, the appreciation of the employees' performance through promotion and the ability in reading the strategic issues developing around the environment where the bank operates. Second, the ability to identify the environment change which consists of market segment, product differentiation, offering product and its marketing, and the advertisement. Third, the ability to read the needs of consumers brings the bank Muamalat to be able to capture market shares broadly, the small medium entrepreneurship, retail traders, civil servants and the Islamic university and college community.

Introduction

The Islamic banking system that operates on the principle of profit and loss sharing system has been growing rapidly in the world both in the East, the countries where the Muslim population are minority but also in the West where their population are minority (Saeed, 1996; Karbhari, Naser and Shahrin, 2004; Sundrarajan and Errico, 2002). It provides an alternative system through its product and service for the mutual benefit societies and banks, as well as highlight aspects of fairness in trade, ethical investment, promote the values of solidarity and partnership in production, and avoid speculative activities in financial transaction (Warde, 2000; El-Hiwary, Grais and Iqbal, 2007; and Amin & Isa, 2008; Iqbal, Ahmad & Khan, 1998).

By providing a variety of products and banking services to the society, Islamic banking becomes a credible alternative system that can be enjoyed by all of people without exception. The widespread use of a variety of products and Islamic financial instruments will be able to glue the relationship between the financial and real sector and create harmonization between the two sectors. It also reduces speculative transactions and supports the stability of the financial system as a whole which will contribute significantly to the achievement of price stability in the medium to long term especially in the midst financial and the economy conditions in many countries is being prolonged hit by the global crisis (more detail see: Osamor, Akinbaliz and Chukwdi, 2013 and Stiglitz, 2009; and Soros, 1998).

In Indonesia, banking institution that operates under the principles of Islamic law is known as shari'ah bank. With the enactment of Law 21 of 2008 on Islamic Banking which was published on July 16, 2008, the national development of the shari'ah banking industry has an adequate legal basis and would encourage to rapidly growth. One of them is bank Muamalat regarded as the first pure shari'ah banking in Indonesia. Even though, it is relatively new player in the midst of conventional banking, it develops well, excitingly and impressively which indicated by reaching an average asset growth of more than 65% in the last five years. In the last five years, the bank Muamalat records tends to be positive and has better brand. By 2006, the asset of bank Muamalat Indonesia is about 8.3 trillion increasing to 10.5 trillion in 2007 and increasing slightly to 12.67 trillion in 2008 (Annual Report BMI, 2008).

Such priding achievement cannot be apart from the strategic management capability in reading the market opportunity and segment, particularly superior innovation and products issued by the bank Muamalat. Generally speaking, bank Muamalat has ever improving business performance over years. In 2008, when global crisis befell entire world, bank Muamalat had shown positive performance, even up to June 2009. It was signaled not only by the bank Muamalat's asset growth of 31.9% from IDR 11.2 trillion on June 2008 to IDR 14.8 trillion on June 2009, but also by bank Muamalat's capability that showed third party's fund growth of 32.5% from 9.34 trillion on June 2008 to IDR 12.38 trillion on June 2009. Such the growth was also true to the finance distribution of 15.8% from IDR 9.61 trillion on June 2008 to IDR 11.13 trillion on June 2009 (Annual Report, 2009).

Apart from the achievement above, bank Muamalat won some awards from such parties as Alpha South East Asia, ABFI Perbanas Award 2009, Best Performance Bank, Indonesian Bank Loyalty Award 2009: The Best of Indonesian, Bank Loyalty Champion, Banking Efficiency Award 2009 from Business of Indonesia, Global Finance Award 2009 based in United States of America as the Best Islamic Financial Institution in Indonesia as well as Golden Trophy Award 2009 from Infobank Magazines. This award was given for "EXCELLENT" predicate by Info bank magazine to bank Muamalat for 5 consecutive years. In addition, it is regarded as high-performing bank, Best Islamic Financial Institutions 2009 in both Indonesia country and global scale. USA Global Finance Award made an evaluation on the quality of syari'ah bank development. Bankers, financial institution officials, and financial analysts throughout world were invited to assess a number of factors relevant to the dynamic of syari'ah bank either objectively and subjectively. Objectively the points evaluated include asset growth, profitability, area scope, strategic relation, new business development, and innovative product. Meanwhile subjectively, those becoming the focus of evaluation were the opinions of capital analysts, bank consultants and other industrial parties (Annual report, 2012).

By 2010, PT. Bank Muamalat enlarged its business network abroad through transfer service (remittance) opening in Hong Kong and Saudi Arabian. We assume that the high performance and rapid growing of bank Muamalat cannot be separated from the strategic management ability, competency, and competitive advantage source (Chinowsky, and Meredith, 2000).

In determining the business sustainability of the company, strategic management has a crucial role. It has considerable contribution helping the company and service banking industry realm in formulating the strategy to win the competition amid the competitive change. It also becomes instruments determining the business organization survival amid turbulent business environment dramatically change (Lawrance & William F, 1988; Cheah, Garvin, and Miller, 2004) both external and internal circumstances (Kanna and Anton, 2001; Takahashi and Masao, 2010; Ahmed, 1992).

This study pertains to the strategy on developing the business of bank Muamalat in two aspects which are exploring the understanding on the nature of strategic management in in the perspective of manager and mapping the strategic implemented by the manager of bank Muamalat in winning the industry market segment both Muslim and non-Moslem society.

The Nature of Islamic Banking
In common parlance, Muslims financial operations and interest free-banking qualify for defining the expression Islamic finance. However, the definition goes beyond the common understanding (Ibrahim, 2008) including the avoidance of interest refereed to and known as riba, ambiguity (gharar) and speculation. It also means to earn in a religiously permissible way (halal), and more generally the quest for justice, and other ethical and religious goals (Warde, 2000).

Islamic banking permits system premised on ethical rules and norms. Consequently, contracts, obligations, and transactions that subscribe to these rules are meant to ensure that they are free of interest and do not include prohibited acts and investments. The risk sharing between parties and the financing models are based on real assets and meet the shariah compliant which derived from the Qur'an and sunnah of prophet (Nyakubi, 2005).

Islamic banking has a different way to treat money and capital from the conventional one. Islamic banking recognizes the use of money and capital as a means of exchange and not a tradable commodity (Doi, 2004; Vogel and Hayes, 1989). Thus, compliance with shariah may result, for instance, in transactions that may be intended to achieve' compliance outcomes that are nevertheless similar to loan agreements legally structured as lease or sale and purchase agreements (Qardawi, 1984; Ayub, 2007; El-Gamal, 2009; Safina and Mofakhami, 2007). It works on the basis of Islamic principles and values which are universally applicable (Scoon, 2011; and Hiwary, 2007). Shortly, Islamic finance is just like any other forms of banking that has main function as the intermediary institution with additional elements such as religious and moral principles of Islam (Brown, 2010; and Hitti, 1971; Tibi, 1990; Hammudah, 1975).

The Principles of Islamic Banking
The beliefs of Islam encompass and govern economic and business activities and all aspects of a Muslim's life (Hitti, 1971). The Islamic banking is based on a series of principles of Islamic law, which are: (1) everyone involves in a transaction making informed decisions that are based on the principle of fairness and social-economic justice, and economic prosperity for the whole community; (2) the right of individual to pursue personal economic well-being is encouraged, promoted in halal way and avoid forbidden (haram) transaction which involves alcohol, pork, and gambling (Chaudhry, 2012); (3) a strict and explicit prohibition of riba is most usually described as interest which condemned in Islamic law; (4) a risk and profit-sharing philosophy. Islamic law requirements go further to ensure that in distributing profits, more emphasize on reward for effort rather than reward for merely owning capital (Abdullah & Chen, 2010; and Hiwary, 2004).

The Benefit of Strategic Management
Strategic management is defined as the process of managing the pursuit of the accomplishment of organizational mission coincident with managing the relationships of the organization to its environment. It is also known as the art and knowledge of formulating, implementing, and evaluating the strategic decisions cross functions enabling an organization to achieve the future objectives. It is also regarded a stream of decisions and action which leads to the development of the effective strategies to help achieve objectives. It is the way in which strategic determine objective and make strategic decisions (Jauch and Glueck, 1988).

Thomas L. Wheelen and J. David Hunger (1983) define strategic management as a set of managerial decisions and actions that determine the long-run performance of corporation, including strategy formulation, strategy implementation and evaluation.

The strategic management can function as dues when can synchronize a company's internal capability with its environmental condition. Strategic management as a framework provides benefit very useful in coping with ever changing and very competitive strategic issues in company neighborhood and invites the managers to think creatively or strategically in solving problems by considering more alternatives and more thorough analysis that will promise a profitable result.

Strategic management has function in two aspects, financial and non-financial aspects. In the first aspect, it can improve offering, productivity and profitability. Meanwhile in non-financial function, strategic management helps the manager in formulating the strategic vision and strategic direction of the company. It can bring fruitful help for setting the company's goal, recognizing the competitor's strategy, improving alertness and reducing the resistance to change, and improving problem solving capability.

FINDINGS
Strategic Management: Insider Understanding

The manager of bank Muamalat is aware of the important meaning and function of strategic management. Bank Muamalat activity of catering consumer in financial service industry requires the bank to grow and develop continuously as well as to give high-quality service. Service needs a better understanding and implementing strategic. Without having it, the consumers will not only leave us behind, but also make promotion from mouth to mouth that make us have less consumers and the end we die out from the market competition. Thus, we view strategic management as an important art and a need inherent constantly to bank Muamalat business. Definitively, the manager of bank bank Muamalat conceives strategic management as:

Shortly, it is an art in taking strategy to establish businesses that can bring out the company growth well. It contains two important things. First, it grows the business to be capable of competing following the development and change. Second, it grows the company through the capability of making and developing plan well and determining the strategy that can be used to gain profit.

The manager of bank Muamalat is aware of the importance of strategic in making a good planning. He states that:

A good planning warrants a strategic plan to be successful and the company applying such the process will gain high profit. The successful planning, implementation as well as supervision of business plan application makes the bank Muamalat grows and develops well in the turbulent financial crisis.

The manager's point of view above suits with several reasons which are generally suggested for implementing strategic management in the competitive world of banking industry. Some of the reasons are that the strategic management contributes effectively and efficiently making the company runs well. It also grasps the present situation to think the future, and to be aware of various signals suggesting change. The most important one is that its function to encourage the manager to communicate both vertically and horizontally in the interest of improving coordination and integration of various activities within the company.

Objective: Basis of Implementing Strategic Management

The application of strategic management in bank Muamalat business is required not only to meet the increasingly high demand within the changing of business environment, but also normative demand originating from Islamic religious teaching as Islam is acknowledged not merely as a way of worshiping Allah (God) but also as a comprehensive integrated life system (Akhtar, 2005) The Qur'an contains rich information and knowledge including the strategy in developing business affairs. Therefore, it is unsurprisingly that many business scholars (e.g., Ahmed, 1992; Wilson, 1999) have admitted that strategic management is a part of the knowledge which is needed in winning the competitive market and achieving the target of the company.

Thus, targeted objective in the business of bank Muamalat to formulate by the head office and becomes the stipulation which is referred by all branch office in handling their business. Thus, the bank Muamalat existing in local areas show their commitment to do their best in achieving the company's objective. The target is stated in scoreboard which contains the value targeted from the head office. Scoreboard contains either financial aspect such as financing, asset, and third party fund or non-financial such as service quality, internal process, and human resources compliance with rule based on Standard Operational Procedure, and human capital. Human capital is regarded as the invaluable asset in achieving the company's objective and the sustainability of bank Muamalat business. This view is in lines with the result of many studies conducted by example Aziz (1992), Uppal (1992) and Rashed (1992) which concludes that human capital is the key element determining the development and sustainability of the business. Ehsan Ahmed (1992) demonstrated that human capital as productive investments. These include skills, abilities, ideals, health and also their cultural outlooks, attitudes towards works and desires for self-improvement.

Regarding the human capital the manager of bank Muamalat has implemented particular policies to develop the employee's intellectual and technical skills and thereby improve their productivity, quality consciousness and their performance based on the standard operational procedure (SOP). SOP is made by the head office as guidelines for all the branch office of bank Muamalat which contains both the Operational Instruction (OI), the regulation on the operational implementation to which the teller, customer service (CS) and back office refer and the Fund Investment Process General Guideline (FIPGG).

Practically, the guidelines are implemented by the management in several ways. First is the development of the planning in accordance to the scoring board given by the head office. Second is equating the internal vision and mission of marketing and operational divisions. Third, holding some trainings related to duty like skill and routinely service daily. In addition, periodically training is given by reinforcing the knowledge on new product. Fourth, evaluation to measure the work performed daily according to vision and mission including internal audit and external audit done by Shari'ah Supervisory Board (SSB) and Bank of Indonesia (BI).

The Mapping of Strategic Management in the Business of Bank Muamalat

This section aims at asserting several strategic mapping in the business of bank Muamalat, which consist of market segment, product, service, technology, advertisement, and promotion.

Market Orientation

Market orientation is a central element of a management philosophy. Generally speaking, market-orientated organizations are well informed about the market and have the ability to use the information to create superior value for their target customers. The manager of bank Muamalat is aware of the importance of market orientation for signaling the existence of a business. It is a value-based strategic philosophy exhibiting itself in behaviors which help firms stay close to their consumers (Baker & Sinkula (2005).

Regarding to the importance of market orientation, the manager of bank Muamalat expands continually market segmentation as it is perceived as the prosperous and successful bank in expanding its business network. Thus, in some strategic areas we can easily see the attributes of bank Muamalat which indicates the existence of business institution, especially market and university. Both of the place are meant to negate the existence of bank Muamalat and definitely gives a more benefits and easier way to the business actor in meeting their financial needs, especially to small and micro economic actors and the need of the university, particularly for the students in paying their educational fees. The market orientation strategy is meant to enhance value for the consumer and assures better long-term results for corporations (Maydeu-Olivares & Lado, 2003).

There are three major market orientations of bank Muamalat which are micro enterprise, SMSE, and consumptive lending. The latter segment is commonly preferred by the civil servants and public either Muslim or non-Moslem customers who meet the administrative conditions required by bank Muamalat. Most of the third segments need the facilities of bank Muamalat to meet their needs buying home furniture, vehicles, car, home and other needs.

While the two other segments, micro enterprise and SMSE are the pillars underpinning the national economy. However, supporting the growth of these two segments means that bank Muamalat support the government program in the terms of unemployment rate reduction and poverty alleviation. To broaden the marketplace, bank Muamalat increases network continuously, and establishes cooperation with the two segments partners. The new segment penetrated by bank Muamalat is academic world, universities environment. In some universities in the region we can easily see the attribute of bank Muamalat. The managers states that:

We continuously expand our network in a broader sense beginning from the economic and business actors at the market up to the educational higher institutions. We have succeeded intertwining cooperation with the Islamic universities or colleagues in mobilizing the fund paid by the students for their educational fee by utilizing the instrument of bank Muamalat so that our attributes can be easily found in some universities.

The objective of market network expansion and cooperation solidifying with the partners is to make the customer deals easily with the bank Muamalat, keep them loyal to the bank Muamalat product and win the competition market and ensure the continuous needs assessment of its customers, prompt internal review and realignment of marketing strategies and activities where required.

The most attention to customer needs is a necessity for bank Muamalat manager in developing its business in the competitive market. It does not only compete with its counterpart, conventional banks but also with other fellow shariah-compliant banks which exist in the region of Palangkaraya city, like BNI syariah and bank Mandiri Syari'ah. Hence, to capture market penetration, bank Muamalat applies the strategy related to the customer orientation which deals with the information about the customers and their preference (Al- Rubaiee, 2013).

Product and Technology

Product is a vital component that intimately interrelated to market segment. The characteristic of product does not only lead to the different market segmentation but also has its own attraction for customers. To the customers, particularly those who are devout on their religious practice regard the product launched by bank Muamalat can be utilized to get safety, peace and happiness needs. Some of them stress that by choosing shari'ah product they do not aim at gaining material profit as their main purposes. The economic rationality for them is safety, peace and happiness. One of the clients states that the main purpose to utilize the shari'ah bank instrument is to support Islamic organization in order competitively grows as well its counterpart, conventional bank. They have a high dependency on spiritual aspect or shari'ah compliance which guarantees them to have the peace, safety and happiness. One of the clients asserts that:

Shari'ah-compliance product attracts me more in dealing with the shari'ah bank. Shari'ah principles applied in shari'ah bank guaranteed the halal product which recommended in Islam. Supporting the development of shari'ah bank is the duty for those who care on it and devout to their religion. Shari'ah principles can avoid all forms of business practice prohibited by Islam.

The customer statement above shows that whenever a client consumes a service or product is followed by some sentiment, including religious sentiment and attitude of the same client toward the same product or service in terms of satisfaction or dissatisfaction (Solomon, 1996). The ability of bank Muamalat in fulfilling the needs of clients with the silent attribute such religious leads them to have satisfaction. Dispensa (1997) asserts that the salient attributes and characteristics of a satisfied client in terms of his repeated action of purchasing the same product or service and articulating positive communication to other prospective clients.

On the contrary, even though the product uses the religious terms it does not impact to the preferences of Muslim clients. They deal with the shari'ah bank in case of getting profit sharing on their capital when shari'ah bank offered higher profit than conventional one. They are actively looking for information on the profit and comparing between bank Muamalat and its counterpart, conventional. Thus, Muslims do not guarantee that they will automatically use the named religious term product. When they are unsatisfied on utilizing the product, they act of keeping silent or they draw the condition which is complete reveals with the first group above.

Regarding to this, Solomon draws that a disgruntled client will speak very low about the product or service taken by him. In the ultimate conclusion, handsome amount of business will be lost in the process and a totally negative perception and image will be built in the market about the said service or product and it will bring harmful and disastrous effects in its wake for the company and business.

The manager of bank Muamalat realizes the state of affairs of the client preferences. Thus, the important strategic to be considered by the manager is to update its products according to the development of its clients' need and establish partnership with such parties. One of the parties is Post Office of Indonesia. In launching the shar'e product (debt card), a simple and easy product packed in the form of identity card, bank Muamalat deals with Post Office of Indonesia in marketing the product to the public. It is claimed as the cheapest product that can be owned by all levels of community and help them conducting transaction easily through Post Office and at any automatic teller machine (ATM) technology with various bank. Shar-E product is one of the product innovation which successes drawing more public attention. In 2011, this product gives high contribution for increasing the bank Muamalat performance. It gathers about IDR 2 trillion funds.

Several other products launched by bank Muamalat are, among others, Shar'E (debt card), Hajj fund lending, Arafah saving, and Mudharabah deposit. These products are packaged by considering the market price as the basis of determining competitive price with high return. The creation of the various products aims at avoiding the similarity of products in shariah-compliant banking business to win the market competition. It is, indirectly, to answer the criticism addressed to the homogeneous products of Islamic banks (Al-Qur'an, 1984).

Creating various products is in lines with the effort of bank Muamalat in increasing the technology. It is realized that product and technology are intimately interrelated factor affecting a business organization's dynamic and growth. The effect of technology in bank Muamalat environment is to help speed the service to customer, time and labor efficiency, as well as freedom of performing transaction corresponding to temporal and spatial condition. Bank Muamalat uses technology in a vary range of forms from Short Message Send (SMS) banking, Internet banking, Automatic Teller Machine (ATM), and Payment Point. The manager has been continually developing and increasing the quantity and quality of its technology.

Service

Service aspect plays an important role business world. It is the key factor determining whether the society becomes the loyal customer of the product or in turn degrades the brand of the institution when he/she feels unsatisfactory service. Considering to that matter, bank Muamalat vie to attract good service to its clients. The employee gives a high commitment to provide high-quality service and fast service to its customers.

High quality and fast services deals to the human resources who have competence, contribution and character as well in the conventional banks. The intended competence is that the person having not only capability of undertaking the task he assumes but also capability of cooperating with internal and external parties, resistant to stress, having understanding and capability of applying technology such as computer as well as the skill supporting the performance of task.

The employee should give positive contribution to the development of bank Muamalat, improve its reputation and have wide social capital that directly and indirectly affect the existence of bank Muamalat. At the same time, the contribution given by the employees have domino effect on the career development such as incentive acquisition, promotion, or other reward forms.

Meanwhile character means that human resource should have good character and personality, inspiring the duty and function either as the bank employee or as the members of society with good character and behavior. Three characteristics of human resource suggested above are identified by the management experts as the ones inherent to business organization with high level of success. Good image leads to the successful organization. A successful business organization tends to focus on customers and their need. They invest the good way of boosting the customers' trust through superior service.

Advertisement

Advertise is other side of strategic applied by bank Muamalat to draw more attention from the public in other they utilize the facility and service offered by bank Muamalat. Generally, advertisement is a medium to inform the public about the existence, product and service owned by bank Muamalat. As other business institution, bank Muamalat regards advertisement as the important aspect which has a great impact in influencing the customers.

The management of bank Muamalat pays serious attention on advertisement. It is believed that advertisement can raise the curiosity of society toward the products and services of bank Muamalat. Even though, advertisement is intended to inform the society in other they know the existence of this institution, the management also keeps ethical norms in the advertisement.

However, it cannot be avoided from the Islamic ethical norms. Bahsar (1997) in (Azid, Asutay and Burki, 2007) pointed out that it should contain information and education. Excessive advertising is not allowed because this will be a cause of wastage and misallocation. The advertisement of bank Muamalat is different from its counterpart, conventional either form of the advertisement or its cost. In the conventional system the consumers are forced to pay the cost of advertising without their consent, as it is not necessary that every piece of information is provided to them. The cost of advertising in the Islamic economy must be less than in the conventional system

Promotion

Promotion plays an important role in developing business of bank Muamalat. Promotion deals to ways and means of rewarding the employee for meeting the organizational goals (Lazear and Rosen, 1981). According to Edwin B. Flippo promotion involves a change from one job to another job that is better in terms status and responsibility.

Ordinary the change to the higher job is accompanied by increased pays and privileges. Promotion enhances the yield of an organization when an employee climbs a promotion ladder on the basis of his seniority and resultantly he gets an increased wage rate. The impact of wage raise, a result of promotion, is found to be more significant than fixed income on job satisfaction (Clark & Oswald 1996).

To the manager of bank Muamalat, promotion is a proof and acknowledgment to the performance of the employee by increasing their status based on their ability, creativity, loyalty and responsibility. Shields and Ward (2001) stated that the employees who are dissatisfied with the opportunity available for promotion show a greater intention to leave the organization. Promotion has some goals, as it is implemented in bank Muamalat which are indicated by the following statement:

Giving acknowledgment and bigger reward to the successful employee, stimulating the higher satisfaction, personality and social status of the employee, guaranting the stability of the employee by realizing promotion to the employee based on the proper time and fairness.

The manager formulates specific criteria for the employee to be promoted such as work experience, educational level, loyalty, honest, responsibility, social capital, work achievement and initiative. The criteria are needed as they become key factors in winning the competition in the competitive world of business.

In lines with the statement of Taslim Khann and GP Mishra (2013) that in this extremely competitive business world, promotion can be used as one of the tools for competing firms in tracing the most productive participant of one organization to be worth hiring for other different organization. In such a way the promotion highlights an employee in the external environment and realizes his worth in the internal environment.

The main negation of promotion in bank Muamalat is meant to establish chance for the successful employee in achieving the goals of organization. In addition, the manager has the conviction that the satisfaction of the employee motivates others to increase their effort in achieving the targeted objective in the business of bank Muamalat. In lines with the hope, Pergamit and Veum (1989) cited by Khan and Misra (2013) justified that greater the chances of promotion higher will be the job satisfaction of employees. Promotion can be one of the factors that an employee can see as an aspect of job satisfaction.

Concluding Remarks
The successful of bank Muamalat in increasing its business achievement is sustained by good understanding on strategic management, and the manager's ability in reading the signals of change in the world of business and the preference of the customers. They perceived strategic management as an art of growing and developing business continuously and competing with its counterparts, conventional banks and other fellow Shariah-compliant banks.

The application of strategic management in bank Muamalat business brings fruitful help for the increasing performance, sale volume and the resilience in the midst of the turbulence crisis. Generally speaking, strategic maps in bank Muamalat business consist of improving the internal and external conditions which are intimately interrelated one and other. The manager of bank Muamalat vies to attract more the attention of the society to meet their financial transaction needs through expanding the network, cooperation, and market-oriented. The product and technology, services, advertisement and promotion were the key factors influences the successful of bank Muamalat business.

The ability to read the changing condition such as regulation is a golden moment sustaining the development of bank Muamalat business. The manager ability to read the needs of consumers brings the bank Muamalat to able to capture market share broadly. Currently, the market segment of bank Muamalat is not only the small medium entrepreneurship, retail traders, but also civil servants and the campus environment.

The ability of manager in identifying competition with competitive profiling is other factor support the the bank Muamalat business. It is including the locations, products and services offered, market share, the level of using technology and level of service as well.

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