DIGITAL TRANSFORMATION STRATEGY FOR NON-GOVERNMENT ORGANIZATION (CASE STUDY: INISIATIF ZAKAT INDONESIA)

Mohammad Luqmanul Hakim¹, Aisyah Nurlita Utami², Hanifa Fissalma³
Universitas Indonesia Jakarta, Indonesia
Email : sofian.lusa@iptrisakti.ac.id¹*, ririsatria@gmail.com², hanifa.fissalma11@ui.ac.id³

*Correspondence

ABSTRACT

Keywords:  digital transformation; non-governance organisation; zakat; strategy.

Zakat is a philanthropic activity. Zakat is a philanthropic activity with huge prospects and usage, yet there is a significant gap between its economic potential and its actualisation; according to BAZNAS, in 2020, Indonesia’s zakat fund only utilised 4.3% of its potential. Moreover, most Zakat funds are acquired through conventional channels; in 2019, only 13% of IZI’s total Zakat funds came from digital channels, while 87% came from traditional channels. One of the reasons for this is that muzak (people who must pay zakat) are not proficient in using digital platforms, and the community is unaware of exactly what to do. Also, when it comes to collecting zakat funds, their administration and distribution to ashraf or mustahik (those who qualify to receive zakat funds), their accurate distribution, and staff members not using digital tools. This study aims to find answers that will help us figure out what the Zakat IZI management system needs to accomplish to become digitally transformed and how it can be improved and gained. This research is a case study with qualitative methods. We collect data for this study using various methods, such as interviews, literature reviews, and document analysis.

Introduction

Improving a company's operations and business processes through digital transformation makes it imperative to advance and maintain its competitiveness in the contemporary digital market (Rosele et al., 2022). The world relies heavily on technology, leading to the digital era. The management of Zakat will develop new strategies to adapt to the changes brought on by the digital era and offer better options. Effective zakat management can eliminate poverty, ensure socioeconomic justice, and fulfil Shariah’s aims. Innovation and technological advancement are required for the zakat institutions to effectively distribute zakat to ashraf, manage the finances, and win the public's trust. This will thus profoundly alter how the public views Zakat (Mustarin, 2017).

Inisiatif Zakat Indonesia (IZI) is one of the philanthropic institutions in Indonesia related to the receipt and distribution of zakat, which has a vision “to become a professional and trusted zakat institution that inspires the benevolence and empowerment movement” (Fitri & Yasin, 2023). To achieve IZI's vision and maintain the institution's existence through benevolence and community empowerment, the priority is on two institutional feature programs:
1. Empowerment programs, including student scholarships, Smartfarm (agricultural training), Lapak Berkah (financial and marketing mentoring), training skills for ashraf (mustahik), Kampung Bina Mualaf, and da'wah across the country.

2. Noble's initiative includes patient shelters, hemodialysis clinics, Ashraf family protection, ambulance services, Ramadan, and disaster care programs. IZI also distributes and expands multiple initiatives to all regions in Indonesia so that the total number of beneficiaries increases and is distributed equally.

IZI is not entirely using utilisation technologies to help increase the power of zakat management. Similarly, IZI's organisational culture has not yet fully adopted agile when defining organisational strategy. IZI is still running the organisation's business process using traditional methods. IZI is too rigid and hierarchical. As a non-government organisation, IZI has no systematic and practical process for running day-to-day business processes and improving to reach prospects.

Before the pandemic, IZI used several channels manually (e.g., WhatsApp blast) to check and recap ZISWAF collection without systematic data management. Besides that, IZI did not implement standard operating procedures related to business processes, and less technology implementation, knowledge, and digital talent had not been implemented. Several processes that were mentioned earlier have become a concern for management.

IZI has been gradually transforming by utilising information technology for the process of accumulating zakat funds through zakatpedia.com, an online zakat paying and fundraising site created by IZI that provides convenience (seamless and transparent) for zakat payments in the distribution of zakat. In 2021, IZI also launched "Goinfak," a new platform to support the sharing spirit among young people who are not yet eligible to pay zakat. "Goinfak" makes faq simpler, more accessible to pay for, and more transparent in distribution by the mandate.

BAZNAS (Indonesia Amil Zakat National Agency) estimates that Indonesia might generate 327 trillion rupiah in zakat year by 2020 (Fitriani & Rohman, 2023). However, the actual zakat collection in the nation is still much lower than the abovementioned potential, having only reached 13.4–13.5 trillion rupiah yearly, or 4.3% of the potential. In contrast to the 87% obtained through traditional routes, 13% of IZI's zakat funds were received through digital channels in 2019. One of the reasons for this is that Muzakki is not proficient in using digital platforms, and the public is not aware of how to do so (Nwankpa & Roumani, 2016).

Other obstacles relate to members of the IZI internal staff who cannot collect the possible zakat funds that may be collected. This is caused by the reality that IZI staff members cannot fully use their digital resources. The staff prefers the traditional channel, such as direct face-to-face interaction, to the mosque or recitation place to promote and collect zakat.

Accountability and transparency also emerge as significant problems. How the zakat fund has been collected from the beginning to the distribution, from collecting, managing and distributing zakat fund to ashraf (those who qualify), ensures that there is no ashraf duplication and creates a program to maximise zakat accuracy (Abidah &
Digital Transformation Strategy for Non-Government Organization (Case Study: Inisiatif Zakat
Indonesia)

Rosyida, 2020). Based on such concerns and the potential of zakat, the study's goals are
to answer the following questions: What are the potential enhancements and strategies
the IZI's zakat management system will need to implement through digital
transformation?

Zakat Infaq Alms & Wakaf (ZISWAF) Overview in Indonesia

According to the CAF World Giving Index 2022, Indonesia was named The Most
Generous Country in The World for the fifth consecutive year. The culture of giving in
Indonesia is heavily influenced by religion, and many people's humanitarian efforts are
motivated by zakat. Giving to people experiencing poverty is defined by zakat as a
religious obligation for all Moslems who meet the required financial requirements. Zakat
is a specific part of the assets when certain conditions are fulfilled; every Moslem must
issue zakat a specific portion of their assets. Zakat is one pillar of Islam and must be given
to the appropriate parties (Ashraf).

According to Indonesia government regulations (Regulation of the Minister of
Religion No. 52 of 2014), Zakat is a portion that must be issued by a Moslem or business
entity owned by Muslims to be given to those who are entitled to accept it by Islamic law
(Abidah & Rosyida, 2020).

Digital Transformation

The phrase "digital transformation"—also known as "digital entrepreneurship"—
is frequently taken to mean the simple use of the newest information and communication
technology (Diener & Špaček, 2021). Technology investments involve risk and the need
to comprehend how institutional change under specific regulatory frameworks interacts
with technological and organisational culture. The transition to a digital economy is
anything but easy, specific, or predictable. Moreover, it is likely revolutionary or
disruptive, negatively affecting linked organisational outcomes relating to technological
capabilities and behaviours (Salleh & Chowdhury, 2020).

Business Model

A business model is viewed by organisation theory as an abstract depiction of the
organisation's structure or design (Saad et al., 2023). The business model's functions are
to comprehend the essential workings of an established organisation more thoroughly, to
serve as a foundation for enhancing the present business operations and structure, to
display a company's innovative structure, to test out a novel business idea, or to imitate
or research a strategy employed by a rival firm (e.g., benchmarking on the model level),
also to locate outsourcing possibilities.

Research Methods

Research Design

To be able to answer research questions, this study used qualitative methods by
conducting questionnaire surveys, observations, and in-depth interviews as primary data.
In-depth interviews aim to elicit comprehensive and rich participant information and
develop a better knowledge of their viewpoints and experiences. The questionnaire
survey aims to measure the maturity level of digital transformation in organisations
concerning The Digital Maturity Model 4.0 framework by Forrester [12], which measures four dimensions: culture, organisation, technology, and insight.

**Research Stages**

The research stages are the steps to design a digital transformation strategy based on Dave Chaffey's theoretical framework regarding the Generic Strategy Process Model.

Research begins with initial data collection by conducting an interview and reading the annual report of IZI from 2021-2022. The output of this stage is the problem being faced and the results of the organisation's internal analysis.

Strategic analysis is analysing a situation before setting a strategic business plan. In this stage, it is divided into two parts. The external environment analyses factors in the macro environment using PESTEL analysis, and the internal environment analyses the internal situation using the BMC model. The output from this stage is a SWOT analysis based on the internal and external environment.

The Strategic Objective defines the vision, mission and objective of digital transformation compared to the current situation. Output from this stage is a vision of the capability to change and what to reinvest to gather online revenue contribution.

Strategic definition is formulating, reviewing, and selecting strategies to achieve strategic objectives. Output from this stage is a list of decisions for digital transformation in IZI. Strategic implementation involves planning, actions, and controls to achieve strategic goals. It includes a roadmap and validation from IZI. Our research stages, as shown in Figure 1

![Figure 1. Research Stages](image)

**Data Collection**

In the process of collecting data, there are two categories of data. The first is primary data, and the second is secondary data. Questionnaire surveys and semi-structured interviews served as the primary data source, while secondary sources included document studies and literature such as annual reports and relevant academic literature. The Head of Public Relations, Head of IT, Head of Zakatpedia product, Head of Digital Marketing and the Supervisor of SPACE (System, Planning, Certification, Evaluation) participated in the research interview. The following are the primary questions used in conducting interviews:
1. After seeing the vision and mission of the institution, what is the role of IZI as an amil zakat institution in Indonesia?
2. What is the background for the formation of IZI and support from the Indonesian government and BAZNAS regarding the urgency of Zakat in Indonesia?
3. As an Amil Zakat institution and managing the management of Zakat, Infaq, Alms, and Waqf (ZISWAF), what is the percentage of the share that the Amil Agency may receive to re-manage the ZISWAF funds?
4. Does IZI have a ZISWAF acceptance target? Is there a specific target that must be achieved annually, especially Zakat?
5. What are IZI's strategic steps for the next five years? Both structurally and technologically used.

Data Analysis
A transcript was created from the interview's results. The transcripts were coded and then transcribed in order to compile pertinent information. The codification findings were sorted into groups based on the themes mentioned, and these groupings were then researched and evaluated using document and literature investigations. After the analysis, conclusions and takeaways from the data are drawn.

Results and Discussion
Based on Dave Chaffey's framework, this research implemented a digital transformation with four stages of strategy, i.e., strategic analysis, objective, definition, and implementation, which can be implemented in this organisation to formulate and execute strategy.

A. Strategic Analysis
Zakat worship has a significant, strategic, and decisive position both from a teaching and developmental perspective of the welfare of the people and also an instrument effective in sustaining the economy's growth. According to the urgency and strategy of Zakat, IZI's strategy aligns with Indonesia’s Zakat focus and target. Based on IZI’s business model and PESTEL analysis, ICI's strategy should be:
1. Automating manual procedures, streamlining operations, and increasing organisational efficiency. This can help save time and resources.
2. Enabling real-time access to information and financial records. Accountability can be enhanced, and trust between stakeholders and contributors can be increased.
3. Managing and analysing vast amounts of data. They can better judge how to direct resources and streamline their operations.
4. Leveraging digital platforms to connect with funders and beneficiaries can assist in reaching more people in need.

B. Business Model
Based on Appendix 1, IZI’s customer segments focus on Indonesian residents who are Moslem and have the obligation of Zakat, Zakat Maal, Alms, Infaq, and Wakaf (ZISWAF). IZI’s value proposition and core value is 'memudahkan, dimudahkan'. Starting from the belief that if someone makes it easy for others' affairs, Allah SWT will
make it easier for them. IZI provides the best solutions and consultations regarding Zakat worship. Funds donated through LAZNAS IZI are not sourced and are not for money laundering, including terrorism, gratuities, bribery, or other crimes and are 100% Shariah compliance (Fitri & Yasin, 2023).

IZI has several channels to deliver value propositions to customers through social media, Zakatpedia.com, Jemput Zakat via WhatsApp, e-mail, and IZI’s official website. Focus on Zakatpedia.com. IZI provides this channel to make it easier for customers to deposit and monitor zakat, infaq, alms, and waqf through digital transactions and connect with other channels.

1. PESTEL Analysis
2. Politic

A conducive political situation gives flexibility to organisations to plan, cooperate with various parties and manage and communicate with the government as stipulated in Law No. 23 of 2011 about Zakat.

C. Economy

Because IZI already has a regional distribution in 23 provinces and thus already two-thirds of the total provinces in Indonesia. Apart from that, the opportunity that needs to be further worked on is to maximise revenue targets through the potential for large Muslims outside areas not covered by IZI to share funds and profits so that people's living standards will be significantly improved. The external factor that hurt the institution's functioning was the devaluation of the rupiah against the US dollar, which caused a decline in the welfare of most people. As a result, the number of muzak decreases and the number of ashraf increases.

D. Social

Increasing sharia life and the development of Islamic products in Indonesia, such as halal cosmetics, Muslim salons, sharia hotels, and others (Yost et al., 2021) provide opportunities for IZI to participate in socialising and marketing the importance of the role of zakat in society. In addition, Indonesia has also been named the most generous country in the world for five consecutive years, with an index of 68% in 2021. Indonesia has the highest rate of donating (84%) and volunteering (63%) globally.

E. Technology

Utilisation of technology in zakat can be helpful to increase the power of zakat management (Ninglasari & Muhammad, 2021). The technology could encourage modernisation and innovation while assisting with the Zakat administration. The digitalisation of zakat can be optimised for the collection, management, and distribution of zakat funds. This allows for providing services to muzakki and Ashraf without direct face-to-face interaction. With the help of technology, muzakki discovered the zakat distribution process carried out by the Amil Zakat institution. Muzaki is facilitated in obtaining information about the distribution of zakat, thereby increasing muzzaki’s trust in zakat institutions.
Digital Transformation Strategy for Non-Government Organization (Case Study: Inisiatif Zakat Indonesia)

F. Environment

Demographic information on Ashnaf is related to gender, age, marital status, last education, type of work, total monthly income, and number of dependents. This information is needed to determine how demographic data influences muzakki in paying zakat at IZI. Other than that, the potential for natural disasters, such as floods, fires, and earthquakes, is a challenge for IZI in raising funds to take an active role in helping those affected by disasters.

G. Legal

The legality of an institution is essential. This can increase the trust of muzakki to issue their zakat, infaq and shadaqah funds through this institution. IZI obtained the Deed of Establishment with Number 1 on 10 November 2014, then the Ministry of Law and Human Rights Decree with number AHU-09418.50.10.2014 on 21 November 2014. In addition, it has SK LAZNAS with KMA Number 423 of 2015, which was given on 30 December 2015.

H. Technology Impact Analysis

IZI is still progressing through the digital transformation milestone, which caused several changes in ZISWAF collection, capital and operational expenses related to technology investments, internal staff culture changes (enlargement of knowledge and focus on digital mindset), and business process adjustments. Other than that, technology implemented in IZI increases the efficiency of business processes, which is easy to use and seamless. Regarding organisational culture changes, adopting new technology makes coordination in internal IZI more effective. To enhance the impact of technology, collaboration with key partners to enlarge the brand exposure and awareness and build credibility and trust towards the IZI brand.

I. SWOT Analysis

Based on PESTEL and BMC analysis, some of the factors become strengths, weaknesses, opportunities and threats; there are:

1. Strengths
   a. S1: IZI has started digitising zakat by creating Zakatpedia.com
   b. S2: IZI uses social media and other channels to distribute information about the initiative and the Zakat funds.
   c. S3: A division specifically dealing with digital transformation has been created
   d. S4: IZI uses SEO to reach more of its user

2. Weaknesses
   a. W1: Human resources in IZI are less competent in using technology to manage zakat
   b. W2: IT employees who can build the system are few
   c. W3: There is no standardisation regarding procedures and determination of Key Performance Indicators (KPIs)
   d. Blasting information by WA is still manual (sending one by one)
   e. Not yet implementing Agile as company culture
f. Do not know how to find out about customer expectations and how satisfied they are with IZI

g. There is no standardisation regarding IT and data policy

J. Opportunities

a. O1: Flexibility for organisations to plan, cooperate with various parties and manage and communicate with the government

b. O2: Maximize revenue targets through potential for large Moslem outside areas not covered by IZI

c. O3: Increasing Sharia life and development of Islamic product

d. O4: Utilization of technology for optimization of collection, management, and distribution of zakat funds

e. O5: Provide information about the distribution of zakat to increase trust

f. O6: Demographic information of ashraf

g. O7: IZI obtained legality from the government

h. O8: People still pay zakat directly to the institution

i. O9: Natural disasters can be a chance to raise donations

j. O10: Chance to make better and secure payments to reduce operational costs in the payment gateway from vendor

k. O11: Do not have a Key Opinion Leader (KOL) yet

2. Threats

a. T1: Devaluation of the rupiah against the US dollar potentially increases an ashraf

<table>
<thead>
<tr>
<th></th>
<th>Strength</th>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>S01</td>
<td>IZI can reach outside area that are not covered with</td>
<td>W01: Promoting financial technology (FinTech) as a</td>
</tr>
<tr>
<td></td>
<td>Stakepndacan to maximize and equity revenue.</td>
<td>secure for collecting zakat funds</td>
</tr>
<tr>
<td>S02</td>
<td>Maximize digital utilisation with implementing 4D</td>
<td>W02: Providing regular training for all so they</td>
</tr>
<tr>
<td></td>
<td>technologies for better management and distribution</td>
<td>are adept at mastering information technology and</td>
</tr>
<tr>
<td></td>
<td>of zakat and also provide real-time information about</td>
<td>all ways to Carlson the digital zakat movement.</td>
</tr>
<tr>
<td></td>
<td>zakat funds.</td>
<td>W03: Educate and slowly moving all crowdfunding</td>
</tr>
<tr>
<td></td>
<td>S03: Maximize in using digital analytics tools to</td>
<td>transactions to digital.</td>
</tr>
<tr>
<td></td>
<td>strengthen digital marketing in IZI</td>
<td>W04: Defining Standard Operational Procedures (SOP)</td>
</tr>
<tr>
<td></td>
<td>S04: Hire Key Opinion Leader (KOL) to support</td>
<td>for all business units and creating KPIs for digital</td>
</tr>
<tr>
<td></td>
<td>brand awareness</td>
<td>transformation goals.</td>
</tr>
<tr>
<td></td>
<td>S05: Facilitating access and creating a secure</td>
<td>W05: Creating hub for WhatsApp</td>
</tr>
<tr>
<td></td>
<td>zakat payment system.</td>
<td>W06: Implementing Agile as company culture and</td>
</tr>
<tr>
<td></td>
<td>S06: Promoting secure digital zakat payment</td>
<td>adding training about Agile into digital</td>
</tr>
<tr>
<td></td>
<td>procedures.</td>
<td>transformation roadmap.</td>
</tr>
<tr>
<td></td>
<td>S07: Optimizing the quality of goods and services</td>
<td>W07: Creating tools to know customer expectation</td>
</tr>
<tr>
<td></td>
<td>of zakat funds.</td>
<td>and utilization in using IZI.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>W08: Creating policy and management regarding IT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>W09: Encourage openness, credibility, and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>accountability in order to increase public faith in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IZI.</td>
</tr>
</tbody>
</table>

Figure 2. SWOT Analysis

K. Strategic Objective

IZI has the vision to become a professional and trusted zakat institution that inspires the benevolence and empowerment movement with a digital mindset. Regarding this, IZI should implement technology and digital transformation to improve IZI’s business process. To accelerate digital transformation, IZI has several strategies that must be implemented as below:

1. Company branding as a digital zakat organisation.

2. Transparent zakat collection (real-time and actual report)
Digital Transformation Strategy for Non-Government Organization (Case Study: Inisiatif Zakat Indonesia)

3. Inside-out marketing, brand & communication:
   a. Brand presence
   b. Brand evangelist with brand ambassador or Key Opinion Leaders (KOL)
   c. Employee ambassadors
4. Technology Collaboration
   a. Real-time bank virtual account
   b. E-Wallet
   c. Zakat scheduling
5. Digital and marketing technology implementation
6. Strengthening digital talent

Related to the digital transformation strategy, IZI has several objectives to increase the collection of zakat, infaq, and alms through digital channels (Zakatpedia and Goinfak), increase users of digital channels, and increase public trust due to the transparency of zakat collection and disbursement. Figure 3 shows that with the implementation of this strategy, the collection of zakat, infaq, and alms through Zakatpedia increases by an average of IDR 200,000,000 per year.

![Figure 3. Zakat Infaq and Sedekah via Zakatpedia (2017 – 2020)](image)

**Strategic Definition**

Digital transformation carried out by IZI has made significant changes in the business processes and the business strategy implemented by IZI. The several steps and decisions made by IZI in carrying out the digital transformation are as follows:

**1. Decision 1: Strengthening Business Model and Organization Strategy**

IZI continues to make several strategic changes to align with market and customer conditions and industry changes; some of the strategies implemented by IZI are as follows:

**Customer-centric approach**

Analyse customer needs to identify pain points and opportunities for improvement. Develop products, services, and features that address those needs and provide exceptional customer experiences.

**Business model and value proposition refinement**
There are changes in the aspects of the business model in terms of channels, customer relationships, key activities, and critical resources. Additionally, IZI continuously evaluates and refines the organisation's value proposition to stay relevant and meet evolving customer demands.

**Digital transformation**

Embrace and leverage technology to streamline operations, enhance efficiency, and deliver better customer experiences. Invest in digital tools and platforms that can automate processes, improve data analytics with analytics tools, and enhance customer communication through digital channels.

**Agile and adaptable organisational structure**

Encourage the internal IZI team to embrace change, experiment with new ideas, and collaborate across departments. Besides that, IZI implements agile methodologies, i.e., Scrum, to improve project management and enhance digital channel features and responsiveness to market dynamics.

**Strategic partnerships and collaborations**

IZI's strategic partnerships and collaborations can help IZI to drive growth and expand market reach. Collaborate with organisations that have similar missions or can provide resources, expertise, or distribution channels to support IZI missions and organisation objectives.

**We are implementing digital channels to collect zakat, infaq, alms, and waqf funds.**

IZI directed Ashraf to collect funds through Zakatpedia (Figure 4) and Goinfak (Figure 5) for those not obligated to pay zakat and willing to share with others.
In Figure 3, we can see the growth of funds raised by digital channels every year. Based on IZI internal data and confirmation from the Head of Digital Marketing, from January until May 2023, the digital channels have already collected more than 1 billion rupiah. They are expected to grow by 20% from last year.

**Decision 2: Structure and Process Adjustment towards Digital Transformation**

About the organisation's digital transformation, IZI has formed several special teams to carry out and monitor the IZI digital transformation. IZI adjusted the main organisation structure and created a dedicated team or executive overseeing digital transformation efforts. Clearly define roles and responsibilities within the team and establish reporting lines.

IZI digital transformation initiatives' overall business strategy and goals are to comprehensively analyse your current state, including strengths, weaknesses, opportunities, and related threats. Identify specific digital objectives and key performance indicators (KPIs) to measure progress and develop a roadmap and timeline for implementing digital initiatives. Other than organisation structure, IZI encourages collaboration and communication across departments to break down silos. The new Digital Marketing Division established cross-functional teams to drive specific digital projects or initiatives. Foster knowledge sharing and create channels for ongoing collaboration. Provide training and resources to help employees adapt to new digital tools and processes.

2. **Decision 3: Implementation of Digital Technology in Digital Transformation Strategies**

In line with the company's focus and strategy, IZI will invest more in technology to increase the company's capabilities. In addition, to increase awareness and brand presence in social media, IZI will collaborate with key opinion leaders (KOL) and celebrities to educate the public to pay Zakat via the Zakatpedia digital channel.

IZI collects donor testimonials and noticeable satisfaction from donors while making Zakat, Alms, Infaq, and Wakaf payments to IZI. The ease of making payments, the transparency of work programs by the aims, and the support in calculating zakat by Sharia law. Benefit recipients' testimonials also display how the program from IZI positively impacts their lives.

Regarding digital investment, the Head of Digital Marketing of IZI mentioned that IZI is currently developing its payment gateway called PAGU, which will be the single payment gateway system in IZI. When engaging with other systems, IZI must deal with numerous payment gateways in current circumstances. This single payment gateway makes IZI more independent, secure, and cheaper in processing zakat transactions. Also, when there is an issue, controlling and managing the transactions is easier. The success variable in this section is the error rate in live production below 2% per semester.

The manual WhatsApp blasting process currently being carried out can also be replaced with a bot that can directly blast WA to muzakki to share information or reminders for paying zakat monthly.
Regarding the payment system, direct deduction via e-wallet within a specific timeframe will also be applied to make it easier for muzakki to pay Zakat automatically.

**Decision 4: Technology Governance Enhancement**

Technology governance is crucial in successfully implementing digital transformation initiatives in IZI. It ensures that technology investments align with business objectives, mitigate risks, establish accountability, and promote effective decision-making. Ensure that technology decisions and investments align with IZI’s business strategy and objectives. Involvement of business leaders and stakeholders in the technology governance process to understand their needs and priorities. To co-create technology strategies that support and drive business goals and foster collaboration between IT and business units.

Zakatpedia expects to improve its features based on customer demand; the requirements are captured in the definition phase. These requirements are derived from foundation threat models, available use cases, security policies, operational documents, and stakeholder requirements elicitation methods (Brodie et al., 2011). The enhancement must contain an apparent demand and a compelling explanation of why Zakatpedia should be improved. The success variable in this section is service level and compliance above 96%.

**Decision 5: Digital Talent Empowerment and HR Management**

They are improving internal potential, especially in increasing digital talent, knowledge, and organisational culture with a digital mindset, willing to continue learning and implementing new technologies. Other than that, IZI develops a talent strategy that aligns with digital transformation goals. IZI ensures the skills and competencies related to internal talent needed to drive digital initiatives, such as data analytics, digital marketing, or software development. In addition, this strategy can improve and prepare companies to be more responsive to technological developments.

**Decision 6: Organization Culture Agility**

Establish clear and transparent communication channels that enable the flow of information across the organisation. Encourage open and frequent communication to share updates, progress, and challenges. Utilise digital collaboration tools to facilitate real-time communication and collaboration, particularly in geographically distributed teams. IZI created an environment and focused on a customer-centric mindset throughout the organisation. Encourage employees to understand customer needs, gather feedback, and use customer insights to drive decision-making. Foster a culture of empathy and responsiveness to customer requirements, enabling the organisation to adapt quickly to changing customer expectations.

**Strategic Formulation**

1) **Roadmap**

On the way to achieving the goals and strategic directions that have been designed, several main initiatives are prepared as concrete steps that need to be taken by IZI as an organisation. These initiatives will be further translated into work programs that will be technically executed by all business units in a coordinated manner so that overall digital
transformation success can be achieved from the point of view of high-level initiatives, as seen in Table 1.

<table>
<thead>
<tr>
<th>Table I</th>
<th>High-Level Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initiatives</strong></td>
<td><strong>Programs</strong></td>
</tr>
<tr>
<td>Business model refinement</td>
<td>• Create customer journey mapping (WO7)</td>
</tr>
<tr>
<td></td>
<td>• Voice of Customer (VoC) program (WO7)</td>
</tr>
<tr>
<td>Classification</td>
<td>• Create a Net Promoter Score (NPS) for customer satisfaction scores (WO7)</td>
</tr>
<tr>
<td>Business model and strategy</td>
<td>• Preparation of standard business operations for all business units (WO7)</td>
</tr>
<tr>
<td>Classification</td>
<td></td>
</tr>
<tr>
<td>Adjust Process and Structure with Digital Transformation</td>
<td>• Define key performance indicators (KPIs) for digital transformation goals (WO4)</td>
</tr>
<tr>
<td>Classification</td>
<td></td>
</tr>
<tr>
<td>Building Digital Talent</td>
<td>• Digital skill assessment and recruitment (WO2)</td>
</tr>
<tr>
<td>Classification</td>
<td></td>
</tr>
<tr>
<td>Building Digital Talent</td>
<td>• Employee digital skills training and debriefing (WO2)</td>
</tr>
<tr>
<td>Classification</td>
<td></td>
</tr>
<tr>
<td>Digital transformation infrastructure</td>
<td>• Internal knowledge sharing and mentoring (WO2)</td>
</tr>
<tr>
<td></td>
<td>• External workshop and conference (WO2)</td>
</tr>
<tr>
<td>Classification</td>
<td></td>
</tr>
<tr>
<td>Digital transformation infrastructure</td>
<td>• Improve digital analytic tools for digital marketing purposes (SO3)</td>
</tr>
<tr>
<td></td>
<td>• Build a secure payment system (WO1)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The journey towards organisational change is expected to be carried out in stages. Planning for the period of achieving organisational change can be seen in the following timeline:

**Table 2**

**Roadmap**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H</td>
<td>H</td>
<td>H</td>
</tr>
<tr>
<td>Create customer journey mapping</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Voice of Customer (VoC) program</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Digital Transformation Strategy for Non-Government Organization (Case Study: Inisiatif Zakat Indonesia)

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a Net Promoter Score (NPS) for customer satisfaction scores.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation of standard business operations for all business units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Define key performance indicators (KPIs) for digital transformation goals.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital skill assessment and recruitment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee digital skills training and debriefing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal knowledge sharing and mentoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External workshop and conference</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve digital analytic tools for digital marketing purposes.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Build a secure payment system.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create a WA blasting bot.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of automatic deduction from e-wallet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Policy System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Governance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT security and Risk Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Planning &amp; Budgeting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Define and contract Brand evangelist with brand ambassador or Key Opinion Leaders (KOL)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Localisation strategies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital marketing and online presence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agile training and education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adopting Agile in Organisational Culture</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2) Readiness Analysis

Readiness analysis was carried out using The Digital Maturity Model 4.0 framework by Forrester to measure the culture, organisation, technology, and insight domains. The questionnaire was answered, and the average score is 71, which means that IZI in the Collaborators segment is based on Figure 2.
The characteristics of collaborators are breaking down traditional silos; the strategy that needs to apply is to use digital to create a competitive advantage, and the top critical marketing priority over the next 12 months is to build digital awareness (Saad et al., 2023). To build digital into a competitive differentiator, Collaborators should:

1. Blend left-brain and right-brain competence

   In contrast to creativity, brand awareness, and analytics, Collaborators is better at data quality and operations. Collaborators can use predictive analytics to inform customer experience and operational processes like merchandising management.

2. Align skills and technology with the customer experience.

   The most advanced digital firms integrate transactional, marketing, and content touchpoints into seamless digital experiences. Through the seamless fusion of technology and creativity, collaborators may ensure that their digital experiences surpass those of their peers.

3. Master digital influence to drive sales.

   A more significant percentage of Collaborator revenue is generated through digital touchpoints. Their consumers produce three times as much material, such as ratings and reviews, as less experienced rivals. The next step for these businesses is to mine user content for information on the psychological factors influencing buying decisions. Providers like People Pattern already provide solutions that use social media indicators to match people's moods with online interactions.

3) Ideal Condition Analysis

   The Ideal Condition Digital Transformation for IZI compare the existing condition with the relevant literature:

   a. Optimizing the use of digital technology based on crowdfunding, e-commerce, and multi-payment services. Current Condition Zakat: Most contributions to the Zakat fund are still made the conventional way.

   b. IZI is expected to increase its operational capabilities significantly; this aspect of transformation technology begins with implementing Robotic Process Automation, which will automate error-prone, repetitive operational processes. Current Condition: IZI's coordinator team and head office still rely on manuals to support operations.

   c. IZI can make regulations related to ZISWAF in Indonesia in collaboration with the Ministry of Religion.

   d. The implementation of an integrated system that records each transaction, either ZISWAF income and expenses, along with evidence from each program to muzakki, will increase accountability and transparency management of the ZISWAF fund; it is expected to improve the trust of the community in the collecting of ZISWAF funds.

Validation from Organization

   Several processes of digital transformation design and direct validation with IZI with some interviews and re-look into IZI internal data. Some of the processes can be found below:
1. Process 1: Understand and know more about the organisation.
   Find out more details about the organisation (IZI) and which industry the organisation is in, and analyse the conditions and steps of the organisation's digital transformation strategy.
2. Process 2: Build relations and network with subject matter experts in the organisation.
3. Process 3: I held some interviews and validated the framework and digital transformation strategy already made.
4. Process 4: Feedback and input from the subject matter expert on what aspects are already suitable and possible to be implemented and what needs to be added to the strategy and roadmap that has been made.
5. Process 5: Adjustment based on feedback and put in the final strategy.
Conclusion

This research produces a digital transformation strategy for IZI. According to research on the current state of the IZI and relevant literature, Zakat, infaq, alms, and waqf funds (ZISWAF), particularly in Indonesia, still have tremendous potential for collecting and managing funds. IZI's digital transformation process has the potential for collecting and managing ZISWAF potential in Indonesia. However, several milestones and processes must be accomplished, especially in terms of internal resources and capabilities of muzakki. Therefore, a PESTEL analysis was used to determine the potential external drivers and obstacles and BMC to see the existing business model internally. IZI also must concentrate and focus on the Strategy Implementation, consisting of Planning, Execution and Control. From this research, we conduct six decisions that can used by IZI to make digital transformation successful there are strengthening the business model and organisation strategy, structure and process adjustment towards digital transformation, implementation of digital technology in digital transformation strategies, technology governance enhancement, digital talent empowerment and HR management, and organisation culture agility, with estimation roadmap is three years in total.
Digital Transformation Strategy for Non-Government Organization (Case Study: Inisiatif Zakat Indonesia)

Bibliography


