

ABSTRACT

This study aims to analyze the effect of the productive zakat fund financing from Desa Berdaya Rumah Zakat, Temanggung Regency, on the business innovation performance of beneficiaries. Based on Baznas research, the potential for zakat reaches 286 trillion, if its use is used productively, it can increase the economic independence of MSMEs, and be able to meet family needs. The UMKM sector has an important role in economic development because it absorbs a workforce with low education and lives in both traditional and modern small business activities. The problem of MSMEs is the lack of capital ownership, micro entrepreneurs do not have sufficient working capital to develop their business. One of the instruments that can help MSMEs in capital is to use zakat funds productively.

This research uses a Systems Approach model by assessing indicators of product innovation, management innovation, production process innovation and market expansion. Respondents in this study were the population of beneficiaries of productive zakat funds in Desa Berdaya, Temanggung Regency, with a total of 18 respondents.

The results showed that the business innovation performance score was considered to be on a very effective scale range, with details of product innovation = 7.5, management innovation = 6.66, production process innovation = 6.77, and market expansion = 7.22. This means, after the existence of a productive zakat fund financing program, the business innovation performance of the beneficiaries becomes very effective.

Keywords: MSMEs Productive Zakat, financing, innovation performance