TMFund: “to connect and to collaborate”

Center for Governance, Public Policy, and Business Studies
Faculty of Administrative Science
Universitas Indonesia
What is TMFund?

TMFund is a digital financing application exclusively designed for communities and members of Terasmitra. The app offers ease of access to financing, timely and accountable provisions. It allows Terasmitra to increase their outreach, fulfilling its mission “to Create, Connect, Collaborate and Change the World”.

Terasmitra recognizes the need to grow their initiatives in supporting eco-based social enterprises. TMFund is envisaged to be the flagship to bring Terasmitra members together, advancing in digital era whilst preserving Mother Nature for future generations.
TMFund – At a Glance

- Social entrepreneurship funding
- Ease of Process
- Outreach through Digitalization
- Exclusive
- Transparent & Fast
TMFund’s Timeline

- 20 May 2019: Memorandum of Agreement Research Centre & Terasmitra
- 17 April 2020 - 28 Dec 2020: Application Development based on Mini Survey’s Findings
- 18 January 2021: Proof of Concept: Information Sharing Sessions
- February 2021: Soft Launching
TMFUND’s Properties

**Loan Simulation**
1. Choices of principal and loan duration
2. One click away from starting the loan application
3. Independent and fact-based decision making

**Financing Provision**
1. Documents Verification
2. Loan Approval on a predetermined dates
3. Billing and Payment
4. Installment Reminder and Notifications
5. Disbursements and Payments confirmation

**Data Intelligence**
1. Accounting Report
2. Outreach (geographic, sectors, gender)
3. Payment performance (outstanding, NPL, duration-based)
4. Trends (Loans, Payment by Month, etc)
Types of Loans

1. Small Loans
   IDR250,000 - IDR1,000,000

2. Intermediate Loans
   IDR1,000,000 - IDR10,000,000

3. Large Loans
   IDR10,000,000 - IDR25,000,000
Financing Profile and Values

- Fixed 10% p.a Interest Rate for all types of loans
- Scaffolding Loans based on types and performance
- Loans disbursements and cash receipts through OTC transactions
- Automated Loan Monitoring
- Intangible Collateral: Community’s Seal of Approval

- Equity & Affordable
- Responsibility & Resilience
- Accountability & Ease of Process
- Development Program & Assistance
- Trust & Shared Responsibility

Hybrid Mode of Financing:
Annex: Funding Knowledge

Mini Survey Results

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Where do Respondents operate?

- North Sumatera: 36%
- Yogyakarta: 15%
- Nusa Penida and Bali: 13%
- Wakatobi: 9%
- Others: 27%
Knowledge of Banking Product (N=57)

- Saving and Electronic Money: 7%
- Saving, Deposit, and Transfer: 12%
- Saving and Transfer: 19%
- Saving: 35%
- Others: 27%
Knowledge of Financing Product (N=57)

- 28% Small Business Loans
- 21% Know Nothing
- 16% Government-supported Loans (GSL)
- 7% Non-Collateral Financing (NCF)
- 5% NCF & GSL
- 23% Others
The Use of Banking Products for Businesses in the Last 1 Year (N=57)

- Cash transfer: 33%
- Cash transfer and Debit card: 7%
- Credit Card: 5%
- Others: 25%
- None: 30%
Medium of Payment for Business Transactions (N=57)

- **Cash**: 75%
- **Cash and Mobile Banking**: 14%
- **Cash and Bank Cashier**: 5%
- **Others**: 6%
Choices Made by Respondents If They Were Facing Deficiency of Financing (N=57)

- Withdraw Saving: 30%
- Not Answering: 16%
- Cash-in Assets & Borrow from family and colleague: 14%
- Others: 40%
Determinants for Seeking Financing (N=57)

- Ease of Process: 24%
- Quick Process: 21%
- Ease of Access: 21%
- Collateral: 18%
- Interest Rate: 16%
Thank You