

Kitabisa.com: Weaving Kindness through Technology¹

This case study is written by Miranti Kartika Dewi as a discussion material in class. The author does not intend to describe whether the handling of this managerial situation has been effective or not. Authors may withhold names and other information for confidentiality reasons. The information provided in this case is largely taken from public sources.

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"This nation is full of words, thirsty for deeds. "If you want to do something in the field of social enterprise, you have to take a long breath; it's a marathon, not a sprint."

Muhammad Alfatih Timur, CEO & Co-founder of Kitabisa

Kitabisa is one of the pioneers of the largest online platform that facilitates raising social donations in Indonesia. The name Kitabisa is inspired by the spirit of *gotong royong*, which is one of the core values of Pancasila, the basic ideology and original character of Indonesia as a nation. By carrying out digital *gotong royong*, Kitabisa hopes to encourage collectivism (the "us" mindset) to raise a spirit of optimism² (can-do attitude). From 2013 to 2021, Kitabisa has facilitated more than six million #GoodPeople to donate, facilitated more than 100,000 social initiatives to carry out crowdfunding through the Kitabisa platform, helped more than 3,000 foundations/NGOs/Social Institutions to carry out accountable fundraising initiatives, and supported more than 250 corporate social responsibility (CSR)/Brand/Company programs. Every month, at least 1.5 million donation transactions and 4,000 social action campaigns have been managed through the Kitabisa platform.³ In 2020, Kitabisa succeeded in connecting more than 3 million good people who together raised more than IDR 835 billion for tens of thousands of fundraisers, most of which are aimed at donors for medical and health aid, humanitarian, natural disaster, and social initiatives.⁴ Muhammad Alfatih Timur (Timmy) founded Kitabisa in 2013 after observing that many people wanted to do good deeds, but there were quite a few of them who reached a dead end. Therefore, Timmy initiated Kitabisa as an aggregator site that brings together fundraisers and crowdfunding donors and amplifies their creativity and enthusiasm in sharing to help beneficiaries.⁵ However, it is not enough to manage Kitabisa is not enough just with enthusiasm and creativity only. There are various challenges, namely the need to provide transparency and accountability, the potential for fraud campaigns, the potential for misuse of donation funds by irresponsible individuals, compliance with regulations, increasingly intense competition, as well as requests from platform users to provide increasingly diverse donation payment services and so on. All of this requires Kitabisa to always be accountable in managing its platform so that it continues to be trusted by the public and remains relevant. What accountability mechanisms does Kitabisa implement for its stakeholders? Are these accountability mechanisms able to answer existing challenges?

¹ This teaching note can be obtained on CELEB FEB UI (celeb-febui@ui.ac.id)

² <https://www.idxchannel.com/milenomic/dirikan-kitabisacom-alfatih-timur-terinspirasi-filosofi-gotong-royong-bung-karno>

³ <https://kitabisa.com/about-us#dampak>

⁴ <https://kitabisa.com/about-us#ringkasan-audit>

⁵ <https://www.rumahperubahan.co.id/kitabisa/>

The Beginning of Kitabisa's Journey

Kitabisa's story begins with a young man born in Bukittinggi, December 27 1991. His father named him Alfatih Timur, but he has been called Timmy since he was a child. Fathers are role models for their children. Timmy's father taught him to cultivate a social spirit in his soul, and he also taught him through actions because Timmy's father was a doctor who served for decades in remote areas in West Sumatra. Timmy was also inspired by Mohammad Hatta (Bung Hatta), one of Indonesian prominent figures fighting for Indonesia's independence and the first vice president of Indonesia, who came from the same homeland. "I was probably inspired by Bung Hatta; in his speeches which now have turned into books, he often conveyed the values of togetherness, collectivity, mutual help, or what is called *badoncek* in Minang." These factors may have influenced Timmy to participate in various sharing activities from elementary to high school. His potential has become apparent since his youth. He completed high school through an accelerated route in just two years. After that, he migrated to Depok, West Java to continue his studies at the Bachelor of Management program, Faculty of Economics and Business, Universitas Indonesia (FEB UI). Apart from studying, Timmy was also active in various organizations, including the Student Executive Board (BEM) at both the faculty and university levels.⁶ With the grace of Allah, these various social activities did not prevent him from graduating on time in 2011. He even received a dean's award as the best graduate of FEB UI in the community service category⁷ and was the youngest graduate in the class of 2007.⁸

After graduating, Timmy became the personal assistant of Professor Rhenald Kasali, a Professor of FEB UI, who is also a well-known management consultant in Indonesia. Timmy also served as Project Manager at Rumah Perubahan, a consulting and training company managed by Professor Rhenald. He also assisted Professor Rhenald as a research team member and co-author for various books on change management, corporate culture, and social entrepreneurship. When he joined Rumah Perubahan, Timmy met with various social communities, and he saw that one of the community problems has been the difficulty in getting donations. Timmy then thought about bringing together the underprivileged with those who wanted to donate to them. By conducting comparative study research on several international social crowdfunding platforms such as GoFundMe (from California, United States), JustGiving (from London, England), and others, Timmy initiated the Kitabisa social movement in 2013. Then in 2014, the Kitabisa Foundation was formed, and in 2015 PT Kitabisa was established (see Appendix 1).

At Kitabisa, Professor Rhenald acts as a supervisor, and also provided financial and office support when Kitabisa was founded. Professor Rhenald also indirectly introduced Timmy to Vikra Ijas, who then joined Kitabisa in June 2014 as Chief Marketing Officer. Since January 2018 until now, Vikra, who graduated from the University of Auckland, New Zealand and has a strong interest in start-up companies, has been trusted to be the Chief Product Officer in charge of optimizing the user experience when using the Kitabisa platform.

⁶ <https://money.kompas.com/read/2019/11/09/143800726/kisah-timmy-pendiri-kitabisa.com-terinspirasi-sang-ayah-hingga-raih?page=all>

⁷ <https://www.tribunnewswiki.com/2019/11/09/muhammad-alfatih-timur>

⁸ <https://www.linkedin.com/in/alfatihtimur/?originalSubdomain=id>

Learning Is Key

What is unique about Kitabisa is that both leaders come from the same educational background, namely management, and neither has any technical background. To overcome their limitations in IT, Timmy, inspired by Muhammad Yunus (Grameen Bank, Bangladesh) and Steve Jobs (Apple), did not hesitate to learn from several colleagues from the Faculty of Computer Science (Fasilkom), Universitas Indonesia in developing Kitabisa. Timmy once asked for advice from one of the seniors at Fasilkom UI, and he was suggested, “Tim, why don't you just make it on WordPress?” At that time, I was offended. *Man*, I want to create a crowdfunding platform and to set up a startup company. From what I know, WordPress is a blog, a simple blogging platform. I want to create a complex website with various features. The senior added, “Tim, if you have an idea, test it first, don't make it right away just because there are too many assumptions in your head.” Finally, Timmy decided to start his journey in building his dream by applying the ATM OIM technique (observe-imitate-modify). He asked several of his IT colleagues to create a website that could combine several features from various crowdfunding platforms such as Kickstarter, StartSomeGood, and Pozible. Not long after that, www.kitabisa.co.id was launched. For him, the most crucial thing in developing a digital platform is to continuously make improvements based on user feedback. “Try talking to users; many assumptions will be answered, which is the most invaluable thing.”

Timmy exemplified this, “In the past, we did not include a segment for medical fundraising & medical costs on our platform. It turns out that recently we have seen that most of the program campaigns on the Kitabisa platform were dedicated to helping sick people cover their medical costs. This has only recently become possible as we discovered when interacting a lot with our users. So, yes, we need to validate our assumptions, continuously so that our products can help more people and provide the most benefit.” As Kitabisa developed, they hired an IT agency. According to Timmy and Vikra, the agency helped in quick implementation. However, important and long-term development ideas remain with the startup management. Therefore, they decided to build in-house IT support.

Continuous Improvement

Realizing that their platform needs to maintain public trust and prevent misuse of funds, Kitabisa has permission and legal license to carry out all fundraising activities. Kitabisa has obtained legal permits from the Ministry of Law and Human Rights (Kemenkumham), the Ministry of Social Affairs (Kemensos) regarding PUB (Money & Goods Collection) permits, the Ministry of Communication and Information (Kominfo) regarding PSE (Electronic System Operator) permits, and also the National Amil Zakat Agency (BAZNAS).⁹

While trying to fulfill the legal aspects, Kitabisa also continues to make improvements in various aspects. In 2022, when Kitabisa reached the age of 9 years old, with the grace of Allah—without which any success would be impossible to achieve—Kitabisa continued to develop supported by several key factors, among which were its applications and websites equipped with features to help users donate, pay zakat, and raise funds. Donors can choose 15 types of programs of their preference, ranging from those related to humanity and natural disasters to those focusing on helping animals or supporting activities related to the environment. Donors can also activate the donation reminder feature because Kitabisa data shows that some donors regularly make daily or weekly donations. The Kitabisa application also provides an Automatic Donation feature, which helps donors to donate once, then distribute it automatically every day. Apart from that, users can also view their donation history and get accountability reports of the use of funds from fundraisers through the Latest News feature.

⁹ <https://kitabisa.com/about-us#legalitas>

Kitabisa also collaborates with social influencers who have many followers on their various social media accounts. For example, in May 2021, Fadil Jaidi and his followers managed to raise IDR 3 billion in funds within a week to be distributed to flood victims in South Kalimantan and earthquakes in West Sulawesi.

Kitabisa also started expanding to Malaysia by collaborating with a local social entrepreneur who has a crowdfunding start-up company, skolafund.com. After collaborating with Kitabisa, Skolafund, which initially focused on scholarship crowdfunding, has changed its name to kitafund.com with an expanded focus on medical and humanitarian needs and emergencies.¹⁰ With similar geographic locations, cultures, and markets, many of Kitabisa's similar features can be replicated by Kitafund.com. Kitafund.com has collected around RM500 thousand (USD 120 thousand) per month with an efficient team.¹¹ Although this figure is still far from the funds collected in Kitabisa, the name Kitafund.com is already starting to be known by Malaysians. For example, in a well-known daily newspaper in Malaysia, a lecturer at a campus in Malaysia expressed his opinion, "For social initiatives that require fundraising or crowdfunding, I highly recommend using Kitafund.com to collect donations. Kitafund.com is a revolutionary platform for raising funds in Malaysia."¹²

Apart from that, Kitabisa has also collaborated with various zakat institutions and provides zakat calculators for zakat payers. In addition, for fundraising, Kitabisa also provides information and tips for fundraising. If the donations collected are below the target, the funds will still be transferred to the fundraiser as long as the account used has passed the verification process.

Kitabisa implements a multi-layered verification system to ensure that fundraising published through Kitabisa is authentic and accountable.¹³ This is one of the keys why donors in particular and the public in general trust Kitabisa. However, we can see the fact that account verification is a tough challenge for every fundraiser despite the necessity for it to be implemented. Timmy said, "We have made several improvements to the verification process, including requirements and documentation. The better the verification process, the greater number of good people we can help." Kitabisa has also prepared standard operating procedures for various matters related to its business processes (see Appendix 2).¹⁴

To continue to improve itself, in 2022 Kitabisa employed more than 300 permanent employees with placements spread across various regions in Indonesia. According to Glassdoor data, Kitabisa has an overall rating of 4.3 out of 5 based on more than 41 reviews submitted anonymously by their employees. Moreover, 81% of employees would recommend Kitabisa to an acquaintance and 58% have a positive view of Kitabisa's business. This ranking has been stable over the past 12 months. As for compensation and benefits, they rated it 3.8 out of 5. This rating has increased by 5% over the last 12 months. Other indicators are 4.0 out of 5 rating for work-life balance, 4.5 rating for culture and values, and 4.0 rating for career opportunities.¹⁵ Although general in nature, the assessment of Kitabisa by employees and former employees is fairly good in terms of work culture, flexible working hours, as well as learning and self-development opportunities; however, there is still room for improvement. Glassdoor noted several criticisms from employees and former employees, who were volunteer respondents, indicating that Kitabisa needs to make improvements in terms of a clearer work scope, a more professional management of human resources, increased incentives including for overtime, as well as deadlines that takes greater consideration of the employees' wellbeing.

¹⁰ <https://kitafund.com/about-us>

¹¹ As stated by Muhammad Alfatih Timur in the guest lecture session for Management of Islamic Philanthropy Organizations (MOFI), Islamic Business Undergraduate Program, Faculty of Economics and Business, 23 November 2021

¹² <https://www.nst.com.my/opinion/columnists/2021/06/702173/beyond-lockdown-touching-over-thousand-lives>

¹³ <https://www.suara.com/bisnis/2021/11/04/125946/optimalisasi-teknologi-digital-kitabisa-jadi-pemain-utama-crowd-funding-filantropi?page=all>

¹⁴ <https://kitabisa.zendesk.com/hc/en-us/articles/360005344814-Syarat-Ketentuan>

Every Problem has Its Solution

Kitabisa's enthusiasm to bring good people together through technology and efforts to continuously improve itself is not free from problems. There are individuals aiming to harm the good intentions that this organization wants to realize. In mid-2017, Kitabisa was involved in news of misuse of funds by a fundraiser who delivered a fundraising campaign via the Kitabisa platform. It was reported that the fundraiser used the funds collected to buy luxury cars and cell phones on the grounds of supporting its operational activities. After a retrace, it was discovered that the funds used by the fundraiser to buy luxury goods were apparently raised through a different method (not through Kitabisa) and transferred directly to the fundraiser's account. Therefore, Kitabisa could not monitor its collection and use. On the other hand, the funds collected through Kitabisa have been transferred to a well-known non-profit organization in Indonesia. To explain this, Kitabisa has deactivated the campaigner and has included their clarification on the campaigner page.¹⁶ Clarification via electronic media like this is the protocol used by Kitabisa to respond to user complaints, including for any refunds if there is an excess donation transfer.¹⁷

Besides the previous case arising due to a third-party fundraiser, there is another story regarding a mother whose child suffered from hydrocephalus. The mother raised funds through Kitabisa, and the donations collected from the public for his son reached hundreds of millions. When Kitabisa transferred the funds to the mother, most people would think that the funds had been delivered properly, especially because the fundraiser was the child's own biological mother. It might be different if the fundraiser is a third party, non-profit organization or another person - the potential for misuse of funds is still possible. However, it turned out that the money was not used for the child's treatment, but it was used to buy a motorbike, pay debts, and for other needs. This misuse was discovered after reports from the public were investigated by the Kitabisa team and from the hospital where the child was receiving treatment. This mother was found to have often raised funds. It appears that she did not want her child to recover so that she could get more donations in the future. This is a common occurrence in society and is a challenging blind spot with risks needs to be managed by Kitabisa and similar platforms and organizations.

¹⁵ https://www.glassdoor.com/Reviews/Kitabisa-Reviews-E2596201_P3.htm?filter.iso3Language=eng

¹⁶ <https://www.cnnindonesia.com/nasional/20170503014155-20-211782/jual-fortuner-cak-budi-serahkan-donasi-rp17-miliar-ke-act/>

¹⁷ <https://www.kompas.com/tren/read/2021/10/26/200000165/kelebihan-transfer-donasi-di-kitabisa-apakah-bisa-dikembalikan?page=all>

To make sure these incidents do not happen again in the future, Kitabisa has improved the layer of control through mitigation via verification and public reports to be investigated further. The identity verification status of the fundraiser and the relationship between the fundraiser and the patients are displayed. Fundraisers are also required to include a consent letter if they wish to raise funds on behalf of beneficiaries other than themselves. Regarding medical benefit recipients, Kitabisa displays their identity verification status, type of disease, and medical document status. A special medical document verification team has been formed to ensure that all documents uploaded by fundraisers related to medical patients are valid (Appendix 3). This team includes former health workers and former employees of the hospital administration department. They are considered to have the sensitivity to anticipate various modes of fraud that often occur. Not only that, the Trust & Safety team, which is assigned to maintain the security of fundraising by Kitabisa management, manages the 'Report' feature which is easily accessible to the public. If there are indications of misuse of fundraising, the public can carry out the whistleblowing process by simply clicking the "Report" button and filling in the report form without having to log in to Kitabisa (Appendix 4). In connection with several fundraising efforts for medical needs, Kitabisa created a policy to disburse medical costs directly to the hospital's account. All of these steps are aimed at minimizing and mitigating risks that may arise. We can also realize that this process will never be finished, so the process of maintaining public trust will continue to be carried out to make Kitabisa better.

A Test for the Philanthropy Sector, Public Trust and Kitabisa Anticipation

The beginning of July 2022 was a dark period for the philanthropy sector in Indonesia. One of the country's largest philanthropic organizations surprisingly made headlines in the mass media with allegations of misuse of public and corporate donations. This organization had allegedly channeled donations to purposes not in accordance with their intended purpose. Not only that, it was also revealed that its top leaders earned salaries to be much higher than the average salary for leaders of similar organizations in Indonesia. Following this case, in early August 2022, the Financial Transaction Reports and Analysis Center (PPATK) revealed that there were 176 other similar institutions suspected of having misappropriated donation funds. This matter is currently still being handled by the Criminal Investigation Agency of the Indonesian National Police (Bareskrim Polri). Even though all of these cases have not yet reached a critical point, these various reports are enough to make the people of Indonesia, the most generous country in the world,¹⁸ question the accountability of philanthropic organizations in channeling their donations. The public, which previously seemed to have easily trusted the philanthropic sector, is now increasingly demanding towards the philanthropic organizations to improve their management systems to make them more accountable after the various problems that this sector have encountered.

As a social crowdfunding institution, Kitabisa is sometimes mentioned in conversations regarding this case. There are those who remind Kitabisa to take responsibility if there is incorrect content uploaded by its fundraisers.¹⁹ However, there are also those who urge the public to donate to institutions with good track records. Responding to these various reports, Timmy and his team at Kitabisa already have an article on their blog with the title "Maintaining the Trust of Donors: Notes on Kitabisa's Platform & Policy Development."²⁰ Among the policies that Kitabisa has taken to be more transparent is by displaying financial reports and audit results in the "About Us" page on the website. Regarding campaigns that fall into the medical category, Kitabisa also displays the Cost Budget Plan (RAB) which is placed under identity and medical verification on the relevant fundraising campaign page (Appendix 5).

In some campaigns, one of the RAB components displays transparent details of the use of donations, including the costs for fundraising promotions. Promotion of fundraising through advertisements on social media is carried out by Kitabisa at the request and approval of the fundraiser. This is aimed at helping fundraisers who do not have their own network to donate to (generally the underprivileged segment) while having urgent funding needs, with the advertising costs being paid directly to this social media company displayed on the RAB. Even though Kitabisa has tried to be transparent, this advertising cost has apparently been questioned on social media. Sometimes some parties still question it. In response to this, Timmy and

the Kitabisa team has tried to respond by conveying the purpose and impact of the publication's advertising in an article on their blog.²¹

Moving Forward

As the annual strategic planning meeting approaches, Timmy and his team are reflecting on how Kitabisa has performed so far. The journey of the past 9 years in managing Kitabisa has taught them that creating goodness through technology is not enough just relying on enthusiasm and creativity. Various challenges such as program validation, ease of donating, effectiveness of donation distribution, as well as accountability are often questioned by the public and stakeholders. Are various efforts to convey accountability enough to mitigate the risks faced by Kitabisa? How can they continue to maintain the trust of stakeholders while becoming an organization that remains relevant in the future?

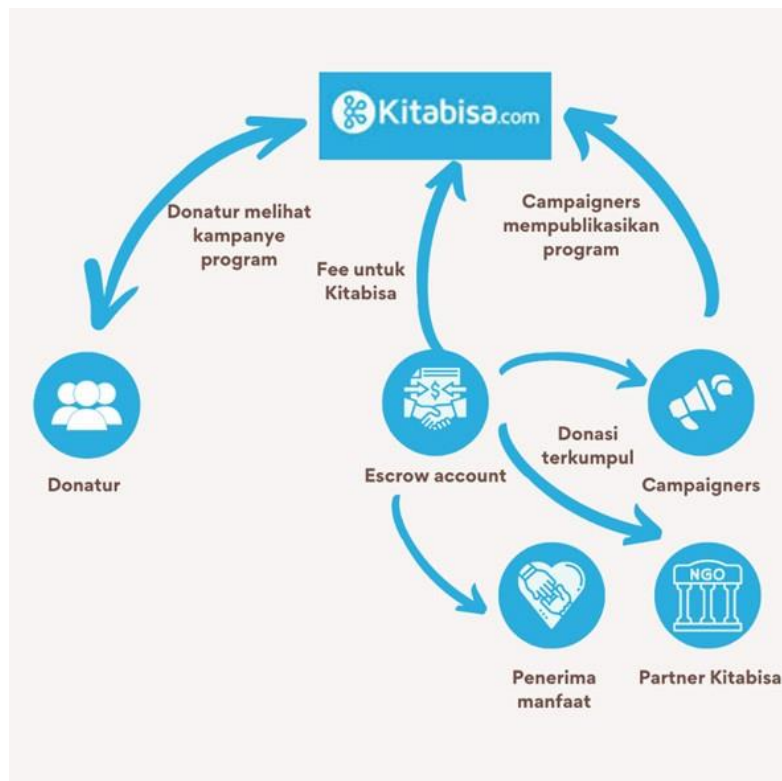
Appendix 1: Kitabisa Organizational Structure



Sumber: <https://kitabisa.com/about-us>

²¹ <https://blog.kitabisa.com/penjelasan-tentang-iklan-kitabisa/>

Appendix 2: Kitabisa Business Model



Source: Author's analysis from dari <https://kitabisa.zendesk.com/hc/en-us/articles/360005344814-Syarat-Ketentuan>

Appendix 3: The Fundraising Validation Process in Kitabisa

← Verifikasi Kartu Keluarga

Upload Surat Keterangan Lahir

Lihat Gambar

Masukkan nomor KK (Kartu Keluarga)

89976508754

Masukkan tanggal lahir pasien sesuai SKL

31 - 05 - 2001

Upload Kartu Keluarga

Lihat Gambar

Verifikasi Dokumen

← Verifikasi Kartu Keluarga

✓ 2

Kartu Keluarga

Apakah pasien penerima bantuan memiliki Kartu Keluarga?

☐ Tidak
 ☒ Ya

Upload Kartu Keluarga

Lihat Gambar

ⓘ

Dana terkumpul hanya dapat dicairkan ke rekening bank milik salah satu keluarga yang tercantum pada Kartu Keluarga

Masukkan nomor KK (Kartu Keluarga)

89976508754

Masukkan tanggal lahir pasien sesuai KK

31 - 05 - 2001

Verifikasi Dokumen

←

Verifikasi Medis


Lengkapi dokumen-dokumen berikut untuk menyelesaikan proses verifikasi

Upload ulang Dokumen Medis yang bermasalah dengan scan/foto dokumen baru yang sesuai ketentuan

📄


Lihat syarat dokumen resmi yang diverifikasi

Dokumen Rumah Sakit



Surat keterangan sakit


TERVERIFIKASI



Invoice pengobatan

- Diagnosa penyakit tidak tertera di dokumen medis
- Dokumen medis yang dikirimkan tidak sesuai persyaratan, cek: https://ktbs.in/pctf2

Ganti Foto




Paspor

- Dokumen medis yang dikirimkan tidak sesuai persyaratan, cek: https://ktbs.in/pctf2
- Silakan upload dokumen medis dari instansi kesehatan yang menerangkan penyakit Anda

Ganti Foto

Data Diri Pasien



Kartu Keluarga


TERVERIFIKASI

Verifikasi Dokumen

←

Fachira Dibuang, Berjuang Tiap Hela Napasnya


Penggalang Dana



Lexi Stevanus


Identitas terverifikasi

Pasien



Fachira Dianda Wibisana


Identitas sesuai dokumen medis



FTT laringomalasia, Gizi buruk, Hipotiroid, def imun

Disertai dokumen medis

Penerima Dana



Keluarga pasien

Kartu Keluarga (KK) terverifikasi

Rekening bank terverifikasi

Rencana Penggunaan Dana

Lihat

Source: <https://blog.kitabisa.com/catatan-pengembangan-platform-kitabisa/>

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Appendix 4: Display of the Fundraising Misuse Report

Laporkan

Laporkan Penyalahgunaan Galang Dana

Nama Lengkap

Nomor Handphone

Email

Kategori Pelanggaran

Pilih kategori pelanggaran

Detail Laporan

Silahkan tulis deskripsi laporan anda

0 / 1000

Lampirkan foto bukti atau dokumen pendukung untuk menunjang laporan Anda

Foto

Kirim

Source: <https://blog.kitabisa.com/catatan-pengembangan-platform-kitabisa/>

Appendix 5: Display of Funding Use Plan on the Fundraising Campaign Page

✕ Rincian Penggunaan Dana

Rencana Penggunaan Dana	
Target donasi	Rp263.829.380
Total alokasi utama Rp167.649.380 Penggalang dana setuju menentukan target donasi dan rencana alokasinya sebagai berikut:	
> Donasi Untuk Pengobatan	Rp82.800.000
> Donasi Operasional Pasien	Rp30.000.000
> Donasi Penunjang Pengobatan	Rp10.920.000
> Donasi Lembaga Pendamping	Rp20.000.000
> Donasi Promosi Iklan	Rp23.929.380
Total target dan penggunaan donasi dapat berubah menyesuaikan kondisi dan kebutuhan selama galang dana berlangsung	

Source: <https://kitabisa.com/campaign/bantuparidsembuh>