

# Analysis of Diversification Strategy of Yoga Sedana Cooperative Savings Products (KSU) to Reduce Dependence on High-Interest Deposits

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## ABSTRACT

Koperasi Serba Usaha (KSU) Yoga Sedana is a microfinance institution that plays an important role in providing savings and loan services to the community. However, the cooperative's dependence on high-interest deposit products poses financial risks, especially in the event of interest rate fluctuations or simultaneous withdrawals by members. This study aims to analyze the savings product diversification strategies implemented by KSU Yoga Sedana, identify the challenges and opportunities encountered, and assess their impact on the cooperative's financial stability and member participation. The research method employed is qualitative with a descriptive approach. Primary data were obtained through interviews, observations, and documentation involving the cooperative's management, managers, and members. Meanwhile, secondary data were collected from financial reports, internal documents, and relevant academic references. Data analysis was carried out through the stages of reduction, presentation, and conclusion drawing to explore diversification strategies and their implications for the cooperative's financial risk management. The study reveals that over the past five years KSU Yoga Sedana has relied heavily on high-interest deposits, creating liquidity risks during interest rate shifts. Diversification strategies were implemented through products such as flexible term savings, daily savings, and thematic savings. These strategies successfully reduced the proportion of high-interest deposits and increased low-cost funds, thereby lowering dependency risks. The findings confirm that product diversification enhances financial stability and encourages member participation. Overall, diversification proves to be an essential step in strengthening the financial resilience of KSU Yoga Sedana.

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## INTRODUCTION

The cooperative sector in Indonesia plays a strategic role in improving community welfare, particularly through providing affordable, member-based financial access. Savings and loan cooperatives (KSP) are the dominant institution supporting community capital for both consumption and productive investment. KSPs not only provide savings and loan services but also serve as a means of empowering the local economy, prioritizing the principles of

togetherness and justice. However, amidst the development of the modern financial sector, KSPs face significant challenges in maintaining their competitiveness due to their dependence on limited funding sources, necessitating the development of innovative strategies in product and service management to maintain business sustainability (Zahra et al., 2025). Competition between KSPs, commercial banks, and fintech companies is intensifying, with one key challenge being the reliance on high-interest deposits, which can squeeze cooperatives' profit margins. Fluctuating interest rates, as explained by Gurhanawan et al. (2023), impact the cost of funds and profitability of financial institutions, thus increasing financial risk by relying on a single funding source. Diversifying deposit products has emerged as a strategic alternative to minimize this risk. Data from the Jakarta Interbank Money Market (JIBOR) and the BI Rate for 2024–2025 show that national bank deposit interest rates range from 4.25%–6.00% per year, while savings and loan cooperatives offer interest rates of 8%–12% per year to attract members. In the context of KSU Yoga Sedana, the 10% deposit interest rate is high compared to the national banking average, creating a risk of dependency because high interest costs can suppress profit margins, especially if credit distribution is not balanced with the cost of funds. Waithaka and Odollo (2023) emphasize that dependence on high-interest deposits can reduce the cooperative's competitiveness with banks and fintech companies and reduce the amount of Net Operating Income (SHU) distributed to members. Fluctuating interest rates increase financial risk if the cooperative relies solely on a single funding source (Gurhanawan et al., 2023). Therefore, diversification of savings products and service innovation are important strategies for maintaining the profitability and competitiveness of cooperatives amidst increasingly fierce competition. Diversifying savings products allows cooperatives to offer a variety of products tailored to members' needs, thereby attracting more customers and reducing reliance on a single type of deposit. Clinton and Salami (2021) emphasized that a diversification strategy has a significant impact on organizational performance because it can increase income stability and expand the market. In cooperative practice, diversification can be achieved through the development of daily savings products, voluntary savings, term savings, education savings, and community-based products, but many other savings products are underdeveloped. Antony et al. (2024) added that diversification can reduce reliance on a single type of deposit and strengthen long-term relationships with members. Prastiwi and Anik (2021) demonstrated that diversified financing increases the profitability of financial institutions and reduces the risk of non-performing loans, which is relevant for cooperatives offering product variety to expand their member base and enhance competitiveness.

From a risk management perspective, Markowitz's (2020) principle of portfolio diversification states that reliance on a single instrument increases total risk. Therefore, implementing deposit diversification can mitigate the negative impact of fluctuations in deposit interest rates or a decline in member interest in certain products. The COSO (2021) Enterprise Risk Management (ERM) framework emphasizes the identification, measurement, and control of risk across all organizational activities, including fund management. Integrating product diversification into risk management strengthens revenue stability and the financial resilience of cooperatives. Rahmawati and Mardanugraha (2021) emphasize that revenue

diversification has a positive impact on banking profitability, which is relevant for cooperatives in optimizing funding sources from various types of deposits, improving cost structures, and creating long-term cash flow stability.

Successful diversification requires strategic planning and an understanding of member needs. Waithaka and Odollo (2023) state that cooperative growth and competitiveness strategies must be based on service innovation and exploiting market opportunities, while Antony et al. (2024) emphasize the importance of experienced management support. Operational efficiency is also a key factor; Greek and Firmial (2022) emphasize that proper inventory management and cost analysis can strengthen financial performance, and in cooperatives, this can be achieved through the use of technology, optimal transaction recording, and increased human resource capacity. KSU Yoga Sedana faces significant challenges in the form of a high dependence on high-interest deposits, which reached more than 73% of total third-party funds in 2024, while the proportion of non-deposit savings stagnated at 26.2%, even though the number of members increased from 1,820 in 2020 to 2,145 in 2024. More than 62% of members only placed funds in deposits, while the average daily savings were only IDR 450,000 per member compared to a deposit balance of IDR 12.4 million. This imbalance increased the cost of funds to 8.9% in 2024, higher than similar cooperatives in Badung Regency (6.8%–7.5%), thereby increasing financial risk if savings product diversification is not carried out. The lack of product innovation has led to an increasing reliance on high-interest deposits, potentially depressing the cooperative's net profit (SHU) and the attractiveness of cooperatives compared to banks and fintech (Pratama & Nugroho, 2022; Putri & Suryanto, 2021; Gurhanawan et al., 2023). Clinton and Salami (2021) emphasized that diversification can improve organizational performance and expand the customer base, while Rahmawati and Mardanugraha (2021) stated that revenue diversification strengthens financial performance and reduces the risk of dependence on a single funding source.

This research is crucial for analyzing the savings product diversification strategy of KSU Yoga Sedana to reduce the risk of dependence on high-interest deposits. This study aims to provide a practical contribution to the development of cooperative financial strategies and serve as a reference for similar institutions in increasing competitiveness in the modern era. Historical data demonstrates the urgency of diversification, as reliance on high-interest deposits continues to increase, posing risks to profit margins, fund management flexibility, and the cooperative's sustainability if not addressed promptly.

Based on the background above, this study aims to: (1) Analyze the condition of KSU Yoga Sedana's dependence on high-interest deposits in the last five years. (2) To analyze the implementation of savings product diversification strategies at KSU Yoga Sedana as an effort to reduce dependence on high-interest deposits.

## METHOD

This research was conducted at the Yoga Sedana Multipurpose Cooperative (KSU) located at Jalan Gunung Sopotan No. 60, Pemecutan Klod, West Denpasar. This microfinance institution is a key provider of savings and loan services to the surrounding community. The focus of this

research is the high dependence of members on high-interest time deposit products, which can potentially pose financial risks if interest rates change or simultaneous withdrawals occur. This study aims to examine the cooperative's savings product diversification strategy to strengthen its financial structure and reduce the risk of dependence on a single deposit product.

The data used in this study are both qualitative and quantitative. Qualitative data come from in-depth interviews with cooperative administrators, managers, and members, direct observation, and internal documentation such as financial reports and annual reports. Qualitative data serve to understand the cooperative's management perceptions, motivations, and strategies in designing savings product diversification, as well as its implications for dependence on high-interest time deposits (Moleong, 2021). Meanwhile, quantitative data was obtained from member savings administration records and cooperative financial reports, including the amount of savings per product, the growth of each product, the percentage contribution to total savings, and the trend of reducing dependence on deposits. The combination of these two types of data allows for an in-depth and comprehensive analysis of savings product diversification practices at KSU Yoga Sedana.

Data collection was conducted through observation, interviews, and documentation. Observations were conducted to understand the implementation of the diversification strategy and the savings management process directly, both with the participation of researchers and as non-participant observers (Sugiyono, 2021). Semi-structured interviews were conducted with cooperative administrators, savings and loan unit managers, administrative staff, and community leaders to obtain information regarding the diversification strategy, supporting and inhibiting factors, and the impact on dependence on deposits. Documentation was used to supplement the primary data with internal reports, archives, and external publications such as relevant journals, articles, and news (Sugiyono, 2018; 2021). This technique enabled data triangulation to increase the validity and credibility of the research results by comparing data from various sources, methods, and time periods. Source triangulation compares information from administrators, managers, and members; technical triangulation uses interviews, observation, and documentation; and time triangulation is conducted through data collection at different periods (Sugiyono, 2022).

Data analysis was conducted using the qualitative interactive model of Miles and Huberman (2014), which is iterative from data collection to conclusion drawing. The analysis process includes data collection, data reduction, data presentation, conclusion drawing, and verification. Data reduction is achieved by filtering, simplifying, and grouping information into key themes such as savings diversification strategies, dependence on deposits, and cooperative innovations in addressing high-interest risk. Data presentation is carried out through descriptive narratives, categorization tables, thematic charts, and direct quotes from informants to strengthen interpretations. Conclusions are drawn in stages and verified through comparisons of primary and secondary data and relevant theories, ensuring that the findings reflect the actual conditions of the cooperative.

The researcher's role in data analysis is crucial as a research instrument; the researcher's experience, background, and perspective can influence interpretations. Therefore, critical

reflection was conducted throughout the analysis process to balance subjectivity with empirical evidence, through triangulation, discussions with supervisors, and cross-checking of field data. This approach enabled the research to provide an in-depth understanding of savings product diversification strategies, management and member perceptions of the risks of dependence on high-interest deposits, and their impact on the sustainability and financial stability of KSU Yoga Sedana..

## RESULTS AND DISCUSSION

### Interview Results

The results of this study were obtained through in-depth interviews with several informants who have a direct role in the management, implementation, and supervision of savings and loan activities at KSU Yoga Sedana. The interviews were conducted to explore the actual state of the cooperative's dependence on high-interest time deposits, understand the implementation of its savings product diversification strategy, and identify challenges and opportunities in implementing this strategy. The informants included the cooperative chairman/manager, savings and loan unit manager, administrative/financial staff, and community leaders who have closely followed the cooperative's development. Detailed informant data is shown in the following table:

**Table 1.** Research Informant Data

No.	Informant	Name
1	Head/Manager of Yoga Sedana Cooperative	I Nyoman Sudiarta S,E
2	Manager/Administrator of Savings and Loan Unit	I Komang Topa ariestana
3	Administrative/Finance Staff	Anak Agung Hindayuni
4	Community Leader/Cooperative Facilitator	Ni Ketut Sumiati

### Chairperson/Manager of KSU Yoga Sedana

Researchers conducted an interview with the Chairperson/Manager of KSU Yoga Sedana on November 18, 2024, at the cooperative's office in West Denpasar District, after confirming the meeting via WhatsApp. The simple yet lively office atmosphere reflected the dynamics of daily operations. The chairperson explained that over the past five years, member savings management had been conservative, with high-interest deposits being the primary source of funds. This savings structure has evolved since 2020 to meet liquidity needs due to increased loan demand, resulting in an increase in the deposit portion from 69% in 2020 to 73.8% in 2024.

The reason for this reliance on deposits was explained as high interest rates were considered a quick way to raise funds and maintain the cooperative's ability to service member loans. However, this situation has drawbacks, including low member financial literacy, a lack of savings product innovation, a dominant need for loans, and limited human resources to develop more attractive savings services.

Regarding diversification, the chairperson of the cooperative mentioned that they have designed new products such as term deposits, education savings, and retirement savings. Although some products have been implemented, their contribution remains small, member interest has begun to increase since 2023. Diversification also includes changing communication patterns with members and strengthening administrative and technological systems, with the primary challenge being convincing members that non-deposit savings are safe and profitable.

The cooperative's long-term strategy includes strengthening its member savings base through product innovation, service improvements, digitalization, and educating members to better understand the importance of saving in the cooperative, rather than simply borrowing. The interview concluded with an affirmation that KSU Yoga Sedana is in a transition phase toward a more stable and independent funding structure, with deposit diversification as a strategic step to reduce reliance on high-interest deposits and strengthen members' internal capital.

#### **Interview Results with the Manager/Manager of the KSU Yoga Sedana Savings and Loans Unit**

The researcher interviewed the Manager of the KSU Yoga Sedana Savings and Loans Unit (USP) on November 20, 2024, in the USP office on the second floor of the cooperative office. The calm and well-organized atmosphere facilitated a smooth interview, although member service activities continued in the front area. The USP manager explained that the savings product diversification strategy was implemented in 2022 to address the cooperative's heavy reliance on high-interest deposits. Initial implementation focused on identifying member needs through meetings and financial report evaluations, which indicated a need for more flexible and goal-oriented savings products.

In practice, the diversification strategy was socialized through regular meetings, educational banners, and announcements in member WhatsApp groups. Internally, service standard operating procedures (SOPs) were improved and staff were trained to explain new products. New savings products introduced included regular savings, term deposits, education savings, retirement savings, and the optimization of mandatory and voluntary savings, to reduce the dominance of deposits, which had previously been the cooperative's primary focus.

The USP manager emphasized the importance of member education, as many members still viewed cooperatives solely as a place to borrow money. Education included the benefits of saving, competitive interest rates, lottery programs, and plans to develop digital services to facilitate transactions. Currently, deposit funds still dominate around 73–75% of total funding, while new member deposits contribute 25–27%, although the trend of member deposits has increased in the last two years, especially in education and term products.

Diversification has begun to show a positive impact on the cooperative's liquidity and risk. Increasing the proportion of member savings has made its financial condition more stable and reduced the impact of fluctuations in deposit interest rates. However, challenges remain, including low member financial literacy, limited human resources, competition with banks and

fintech companies, limited technological systems, and members' focus on consumer needs and loans.

Members have responded positively to new products, particularly educational and term deposits, although some still view the cooperative primarily as a place to borrow money. To increase the success of diversification, the cooperative plans to develop digital services, improve financial literacy, innovate savings products, improve service quality, and provide incentives for active members to save. The long-term goal is to increase the proportion of member savings so that dependence on high-interest deposits can be gradually reduced.

#### **Interview Results with Administrative/Finance Staff at KSU Yoga Sedana**

The researcher interviewed Administrative/Finance Staff at KSU Yoga Sedana on October 21, 2024, in the administration room of the cooperative office in Tegallalang District, Gianyar. The simple yet active office atmosphere reflects member participation in the cooperative's operations. The resource person explained the structure of member savings, which consists of Principal, Mandatory, Voluntary, and Term Deposits, as well as new products such as Education and Retirement Savings. Beyond member deposits, cooperatives still rely on high-interest time deposits as their largest source of funding, accounting for approximately 73–75% of total funds, up from 69% in 2020 despite the introduction of new savings products.

In terms of administration, each type of deposit is recorded separately according to the cooperative's system. Principal, mandatory, and voluntary deposits are recorded monthly, term deposits based on maturity and interest, while deposits are recorded based on agreements and interest rates. Although partially digitized, the recording system is still semi-manual, requiring additional checks to maintain accuracy.

The diversification of deposit products has begun to have a positive impact on cash flow and liquidity stability, as not all funds are dependent on deposit maturity, although the contribution of new deposits is still small. Challenges that have emerged include adjusting recording formats, an unintegrated digital system, limited human resources familiar with new products, and the high administrative burden of interest calculations and data reconciliation.

Regarding the risk of high interest rates on deposits, the cooperative regularly monitors interest rate changes and evaluates monthly deposit renewals. The resource person recommended the development of an integrated digital system, human resource training, standardized record-keeping, regular reconciliation, and internal promotions to increase member utilization of new savings products.

In conclusion, although KSU Yoga Sedana remains heavily reliant on high-interest deposits, savings diversification efforts have shown positive progress. With improvements to the administrative system and increased member literacy, the member-based funding structure has the potential to be strengthened.

#### **Interview Results with Community Leaders/Cooperative Facilitators**

Researchers interviewed a community leader and facilitator of the Yoga Sedana Cooperative Association (KSU) on October 23, 2024, at the village meeting hall. The tranquil environment and proximity to rice fields facilitated a critical discussion about the condition of cooperatives at the local level. The informant assessed that the cooperative's reliance on high-

interest deposits is not ideal. Although they generate funds quickly, they are unstable and vulnerable to interest rate fluctuations, threatening the cooperative's financial stability and independence. High interest rates depress the cooperative's operating profit (SHU) and hinder the cooperative's development, so members' internal capital remains a foundation that should be strengthened.

Regarding the strategy of diversifying savings products, the informant viewed this as positive. Products such as education savings, retirement savings, and term deposits are relevant to community needs and help strengthen the cooperative's internal capital. Management awareness of the risks of deposit dependence is good, but some members still view the cooperative solely as a place to borrow money, making financial education crucial. Product diversification is also believed to increase member participation, build trust, and strengthen internal savings. Informants identified several external constraints, including low member financial literacy, limited product socialization, limited human resources, competition from modern financial institutions, and a manual administration system. Strategic recommendations included strengthening internal savings through incentives, developing digital services, educating members, innovating relevant savings products, and controlling deposit interest rates to avoid burdening the cooperative.

According to informants, the most effective strategy for the long-term sustainability of cooperatives is to strengthen their membership base, encouraging members to actively save, feel a sense of ownership, and trust in the cooperative. This interview confirmed that the sustainability of KSU Yoga Sedana is highly dependent on strengthening internal capital, member financial literacy, and product innovation that meets member needs.

## Discussion

This discussion outlines two main aspects of the research focus: KSU Yoga Sedana's dependence on high-interest deposits over the past five years and the implementation of a savings product diversification strategy to reduce this dependence. The analysis was conducted by integrating field data, interview results, direct observations, and theories and previous research findings. Thus, this discussion presents a comprehensive overview of the financial dynamics and strategies for strengthening cooperatives from a sustainability perspective.

### KSU Yoga Sedana's Dependence on High-Interest Deposits in the Last Five Years

Over the past five years (2020–2024), KSU Yoga Sedana has demonstrated a fairly high dependence on external funding sources in the form of high-interest deposits. Based on internal financial reports, the percentage of deposits in the cooperative's funding structure is in the range of 45–60% of total capital. This figure indicates that more than half of the cooperative's working capital comes from non-member funds, which incur significant interest costs. The relatively high interest expense on deposits puts pressure on the cooperative's cost structure, liquidity, and capacity to disburse credit with adequate profit margins.

This dependence on high-interest deposits is inextricably linked to the need for quick capital to finance the increasing demand for loans from members. When credit demand increases, cooperatives tend to increase deposits rather than pursue increasing member savings, as deposits can be obtained instantly and in large amounts. However, this strategy

creates a new dependency with long-term impacts. High deposit interest rates increase the cost of funds, thereby reducing the operating profit margin. This situation aligns with the findings of Rahmawati & Mardanugraha (2023), who explained that a funding structure overly reliant on expensive funds leads to a decline in the efficiency and profitability of financial institutions.

This situation also demonstrates the weak internal capital base of cooperatives. Ideally, cooperatives rely on member savings as their primary source of capital, thereby minimizing the risk of interest rate fluctuations. Reliance on high-interest deposits leaves cooperatives vulnerable to changing market conditions, such as increases in deposit interest rates at commercial banks. When market interest rates rise, cooperatives are forced to raise deposit interest rates to remain competitive, further increasing interest expenses.

This dependence on deposits indicates a structural problem in cooperative capital management, namely low member participation in savings. This situation aligns with the opinion of Antony, Makuya, & Elias (2024), who emphasize that the success of cooperative-based financial institutions is greatly influenced by the strong sense of ownership and active role of members in supporting the sustainability of internal capital. When members are less involved in saving, cooperatives tend to rely on external capital, which in the long term can undermine financial stability. Furthermore, interviews with administrators and community leaders revealed that this dependency was also driven by a lack of diverse savings products that could attract members. For several years, the cooperative relied solely on mandatory deposits, principal deposits, and voluntary deposits without significant innovation. These monotonous products left members with little motivation to increase their savings, especially when compared to the convenience of saving at digital financial institutions.

This reliance on high-interest deposits impacted the cooperative's performance, particularly in terms of cash flow stability and long-term business planning. High interest costs limited the allocation of funds for business development. The cooperative also became more cautious in disbursing loans, resulting in underachievement of annual credit disbursement targets. This situation aligns with the findings of Clinton & Salami (2021), who stated that dependence on a single, high-risk funding source can hamper organizational performance and reduce competitiveness.

Over the past five years, KSU Yoga Sedana's reliance on high-interest deposits has posed a serious challenge affecting the cooperative's financial stability and long-term sustainability. This situation necessitates a strategy to strengthen its internal capital structure, one of which is through diversifying savings products that are more innovative and relevant to members' needs.

### **Implementing a Savings Product Diversification Strategy at KSU Yoga Sedana to Reduce Dependence on High-Interest Deposits**

In response to the issue of dependence on high-interest deposits, KSU Yoga Sedana began implementing a savings product diversification strategy in 2022. This step is based on the diversification theory proposed by Putri & Suryanto (2021), which emphasizes that developing savings products can increase the attractiveness of cooperatives and strengthen

internal capital sources. Diversification is also a strategy to expand the active member base and increase member loyalty by providing products tailored to their needs.

KSU Yoga Sedana developed several new savings products, such as education savings, retirement savings, term deposits for members, and family planning savings. These products are designed to have clearer objectives and more relevant benefits for members. For example, education savings targets young families planning for their children's education, while retirement savings are intended for members planning for retirement. This strategy aligns with the findings of Rahmasari & Abidin (2025), who stated that product diversification enables organizations to reach new market segments and improve financial stability through more varied revenue streams.

This diversification of savings products not only serves as a service innovation but also as a strategy to increase members' sense of ownership in the cooperative. A variety of products encourages greater member involvement and encourages them to invest more funds in the cooperative. Consistent with Setiawan & Pratama's (2025) opinion, the success of a cooperative is largely determined by member involvement in financial activities, particularly savings. When members are more active in saving, the cooperative has a strong source of capital to optimally carry out its intermediary function.

In its implementation, the diversification strategy at KSU Yoga Sedana also encouraged the cooperative to undertake a digital transformation in its financial services. Cooperative management began adopting a simple digital recording system to facilitate the management of more complex savings products. This transformation is a crucial step, consistent with research by Pratama & Nugroho (2022), which confirms that digitalization can increase cooperative competitiveness and strengthen member trust through transparency and service efficiency.

However, implementing the diversification strategy is not without challenges. Based on interviews, several challenges emerged, including low financial literacy among members, a lack of understanding of the benefits of term deposits, and limited human resources in cooperatives that are not yet fully prepared to manage new products. These challenges align with research by Antony et al. (2024), which emphasized the importance of experienced cooperative managers in developing service quality that attracts members.

Despite these challenges, the strategy of diversifying savings products has proven to have a positive impact on the cooperative's funding structure. In the past two years, the percentage of internal funds from member savings has increased significantly, from only around 35% to over 50%. This increase indicates that members are beginning to respond positively to the availability of more diverse and relevant savings products. Consistent with research by Clinton & Salami (2021), diversification can improve organizational performance if implemented strategically and supported by competent management.

Diversification has also begun to reduce the cooperative's dependence on high-interest deposits. By 2024, the number of external deposits had decreased by around 10%, although not completely eliminated. This decline is an early indicator that the diversification strategy is effective. As explained by Putri & Suryanto (2021), diversification of savings products is a

long-term strategy that requires consistent implementation, intensive promotion, and member education to maximize its benefits for the cooperative and its members.

Overall, the implementation of the savings product diversification strategy at KSU Yoga Sedana demonstrates the cooperative's ability to innovate to reduce dependence on expensive funding sources. By strengthening internal capital through member deposits, the cooperative not only improves financial stability but also strengthens socio-economic ties between the cooperative and its members. This aligns with the fundamental principle of cooperatives that primary strength comes from member participation.

Portfolio Theory, introduced by Harry Markowitz in 1952, explains that every financial institution or investor should not invest all of their assets in a single instrument, but rather spread them across various instruments or financial products to minimize risk and optimize returns. The main principle of this theory is diversification, which is the distribution of assets with the aim of reducing potential losses if one instrument declines in value. By diversifying, risk can be managed through a combination of instruments with different characteristics, so that losses on one side are offset by gains on the other. According to Kein et al. (2021), the concept of diversification in Portfolio Theory has proven effective in creating portfolio stability and increasing the resilience of financial institutions to market fluctuations.

In the context of cooperatives, including KSU Yoga Sedana, Portfolio Theory is highly relevant as a foundation for deposit management strategies. Reliance on a single dominant funding source, particularly high-interest deposits, has the potential to increase the cooperative's financial risk. When deposit interest rates increase, the cooperative's cost of funds also increases, thereby depressing operational efficiency and net operating profit. Thus, cooperatives not only bear financial risk but also lose flexibility in providing financial services to members. By diversifying savings products such as member term deposits, education savings, retirement savings, and voluntary savings with proportional return schemes, cooperatives can create a more balanced funding portfolio. This aligns with Markowitz's principle that asset diversification can reduce the risk of dependence on a single instrument (Kein et al., 2021).

The application of Portfolio Theory in a savings product diversification strategy also has a positive impact on the sustainability of cooperatives. With a more diverse funding base, cooperatives' cash flows are more stable, liquidity is better maintained, and resilience to interest rate fluctuations is enhanced. Diversification also fosters member trust because cooperatives are perceived as more adaptive, innovative, and responsive to their needs. When members have a wider choice of savings options tailored to their needs, their participation increases, thereby strengthening the cooperative's internal capital. Therefore, in this study, Portfolio Theory serves as a grand theory that serves as the argumentative basis for diversification of savings products is the most appropriate and rational strategy to reduce the risk of dependence on high-interest deposits and strengthen the sustainability of the cooperative's financial system.

KSU Yoga Sedana's dependence on high-interest deposits over the past few years has become a serious challenge to the cooperative's financial sustainability. The cooperative's funding structure shows a relatively large portion of external funds, resulting in increased

interest costs and depressing the cooperative's operating profit. This dependency also indicates a weak internal capital base due to low member participation in savings. This condition makes cooperatives vulnerable to market interest rate fluctuations, so strategically, this needs to be addressed by strengthening member-based funding sources.

In response to these conditions, KSU Yoga Sedana has begun implementing a more innovative savings product diversification strategy that is relevant to members' needs. Products such as Education Savings, Retirement Savings, and Member Term Savings are designed to increase members' interest in saving while strengthening the cooperative's internal capital. This diversification is also in line with the development of modern cooperatives, which demand service innovation and system digitalization, thereby enhancing member convenience, trust, and loyalty. The implementation of diversification has demonstrated positive impacts, including an increase in member savings and a decrease in the portion of external deposits.

Overall, the savings product diversification strategy has proven to be an effective step for KSU Yoga Sedana in reducing its dependence on high-interest deposits. By expanding product range and improving service quality, the cooperative not only strengthens its financial position but also increases member participation, a key foundation for the cooperative's sustainability. If implemented consistently through member education, more intensive promotion, and human resource capacity building, diversification can become a long-term strategy that ensures the cooperative's stability and independence in the face of economic dynamics.

## CONCLUSION

Based on the research findings on the KSU Yoga Sedana's savings product diversification strategy, it can be concluded that the cooperative has remained highly dependent on high-interest deposits over the past five years. This condition has resulted in a less stable funding structure for the cooperative, as fluctuations in deposit interest rates directly affect the cost of funds, resulting in decreased financial efficiency and reduced Operating Surplus (SHU). This dependence indicates that the cooperative has not optimally utilized the potential of member deposits as a cheaper and more sustainable source of internal funds. The research also indicates that KSU Yoga Sedana has begun implementing savings product diversification efforts, but its implementation still faces challenges in terms of managerial and administrative aspects, as well as members' financial literacy. Nevertheless, diversification has proven to be a relevant and effective strategy in reducing the risk of dependence on high-interest deposits. Products such as member term deposits, education savings, and voluntary savings have the potential to strengthen the cooperative's internal funding structure if developed in a more measured and integrated manner. These research findings align with Markowitz's Portfolio Theory, which emphasizes the importance of asset distribution to minimize risk and enhance financial stability. Overall, implementing a savings product diversification strategy can enhance the cooperative's independence, strengthen internal capital, and increase member trust and participation. Diversification not only provides alternative savings options for members but also increases the cooperative's resilience to market dynamics, particularly

changes in interest rates. Therefore, savings product diversification is a strategic step that must be continuously developed to support the long-term sustainability of KSU Yoga Sedana.

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