

## Future Smes Village in Vuca Era: Evidence in Indonesia

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### ABSTRACT

#### Keywords:

Future SMEs;

Vuca Era;

Collaboration and Partnership;

Sukabumi City and Regency

This study aims to examine and analyze the readiness (legality, financing, marketing, innovation, and collaboration and partnership) of MSMEs in facing the VUCA era. The method used in this study is qualitative. This research data is MSMEs in Sukabumi City and Regency, with a population of 417,155. The sampling technique uses a [web.raosoft.com](http://web.raosoft.com) sample size calculator with an error rate of 5% so that a sample of 384 respondents was obtained. In this study, the questionnaire approach was applied through the delivery of surveys directly to respondents by researchers using *google forms*. The results showed that the legality owned by MSMEs was incomplete, especially PIRT certificates and Halal Certificates, and most MSMEs had only NIB business entities. The financing aspect of most MSME business capital comes from their capital with an average working capital of IDR 5,000,000 - IDR 50,000,000, while the funding aspect of banks has many administrative requirements that do not pass BI Checking. The marketing aspect of most of the destination markets of MSMEs is the local and national market and only a small part has penetrated the international market, as well as low use of digital applications as a tool in marketing products, and there are still MSMEs that do not use any digital applications. In the innovation aspect, most MSMEs have not used technology in the process of product design and development, and most MSME human resources have not been included in training on the use of technology and other development training. In terms of collaboration and partnership, only a small percentage of MSMEs already know the MSME sister business model. Meanwhile, the condition of MSMEs is mostly in a position that is not yet established or needs to be fostered, as well as the low use of technology by MSMEs in collaboration and partnership. So from all these aspects, it can be stated that MSMEs are currently not ready to face and compete in the VUCA era. The contribution of this study is to provide an overview of the current condition of MSMEs and a picture of the future that must be done if they want to survive and compete in the VUCA era.

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## INTRODUCTION

The rolling era of the industrial revolution 4.0, forced changes in all fields, both micro and macro. In the micro sector or better known as the micro, small, and medium industry sector (IMKM), it is required to be more active in using technology from the beginning of making products until the product is sold in the market (Zambon et al., 2019). While the macro sector entrepreneurs are required to use technology that is more environmentally friendly. The existence of this technological revolution certainly has an impact on national economic growth (Marcysiak & Pleskacz, 2021). At the beginning of the emergence of the COVID-19 pandemic, national economic growth experienced a significant decline. This condition is certainly a blow to micro and macro entrepreneurs, where people prioritize purchasing the main staples (nine staples), rather than buying supporting goods. With COVID-19, the economy has experienced shocks and uncertainty.

In the face of economic shocks and uncertainties, the government through the Ministry of Cooperatives and SMEs makes policies to grow the economy from the bottom, namely optimizing

products owned by micro, small, and medium enterprises (Mallett et al., 2019). Many efforts have been made by the Ministry of Cooperatives and SMEs and the Governor of West Java to improve the products owned by MSMEs, including West Java Champion MSMEs and MSMEs upgrading classes. In addition, at the G-20 Summit held in Nusa Dua, Bali, Bali Province from November 10 to 19, 2022, the Ministry of Cooperatives and SMEs echoed a slogan, namely Future SMES Village Local Wisdom for Global Sustainability. Future SMES Village includes future mobility, future craft, future fashion, future wellness, and future food.

As one of the backbones of the economy, MSMEs have contributed significantly to the country's economic growth, job creation, and social inclusion (Ratnawati et al., 2018). In the future, MSMEs have great potential to experience better and more sustainable development, if supported by the widespread use of digitalization (Breckova & Karas, 2020). Adopting digital technologies such as e-commerce, social media, artificial intelligence, and data analytics will enable MSMEs to increase efficiency, reach a wider market, and improve customer experience (Bouwman et al., 2019). In addition, access to funding will become easier for MSMEs, with the development of fintech and alternative funding platforms will make it easier for MSMEs to access greater funding sources (Hoque, 2023). So it will encourage MSMEs to develop their businesses, innovate, and expand their markets.

The development of MSMEs in the future must certainly pay more attention to issues of sustainability and social responsibility. In response to the demands of increasingly environmentally and socially conscious consumers, MSMEs will adopt environmentally friendly business practices, maintain environmental quality, and contribute to social development in their communities (Virani, 2023). In addition, partnership and collaboration are one of the successes of MSMEs in the future. Through partnerships between MSMEs, educational institutions, large companies, and other organizations, MSMEs will be able to share knowledge, resources, and access to a wider range of markets (Amin, 2021). In dealing with this, MSMEs must remain flexible and ready to face the changes that occur. They must be able to innovate, keep up with market trends, and continuously improve the quality of their products and services (Rhee & Stephens, 2020). With these potentials, MSMEs in the future have attractive opportunities to grow and develop significantly, making a greater contribution to the economy and society as a whole (Hamad et al., 2018).

Although MSMEs have great potential in the future, of course, several problems must be overcome first. The first problem is legality, where most MSMEs do not yet have legality (NIB, Halal, PIRT) so it has an impact on the difficulty of products from MSMEs to enter national and international supermarkets (Puthusserry et al., 2020). Both capital and access to funding, namely MSMEs do not yet have strong capital to meet broad market needs, as well as difficult access to funding from banks (Goudswaard & Caminada, 2016). This is caused by MSMEs that do not have sufficient collateral, and problematic credit history that will cause it to be rejected automatically. Third, marketing, in this case, MSMEs do not yet have a clear market and continuity of production. In addition, marketing must utilize technology and digital transformation (Priyono et al., 2020). So that this problem has an impact on the constraints of creating loyal customers and the limited market reach of MSMEs. Fourth, is innovation, where most MSMEs have not been able to innovate their products, causing limited product variants owned by MSMEs (Samanta, 2022). Fifth, collaboration and partnership, namely most MSMEs do not collaborate to meet market needs. Where if MSMEs collaborate with MSMEs or do matching business with the partnership pattern of Pioneer MSMEs and Assisted MSMEs (Sister Business), of course, market needs will be met and able to compete in national and international markets (Lingyan et al., 2021). Of all the problems that must be overcome by MSME actors, this will have an impact on the performance of MSMEs.

This study aims to examine and analyze the readiness of MSMEs in facing the VUCA era. Where there is an assumption that in the VUCA era, only established MSMEs and large companies can

survive. Based on the results of several previous studies, to survive uncertainty there must be a special strategy prepared in dealing with it. The research found that if you want to survive and be competitive, MSMEs must have business legality, business capital, marketing, and innovation (Nikmah et al., 2020). Meanwhile, to face the VUCA era of collaboration and partnership (Sister Business), it is a strategy to cover the limitations of MSMEs in meeting market needs (Zahoor & Al-Tabbaa, 2020). This is the novelty of this study.

The relevance of this research is based on the similarity of previous empirical studies with researchers' allegations that MSMEs, most MSMEs, are unable to meet market needs due to legality, funds, human resources, marketing, IT, and others (Osano, 2019; Xu & Li, 2019). Thus, the formulation of the problem in this study is how collaboration and partnership with sister business models are applied by MSMEs by providing catalysts for several variables that support their implementation, with analysis based on previous research. This research is expected to be continued by researchers not only based on review papers but also on field studies with many respondents.

Given the role of MSMEs as the main economic source, it should be remembered that macroeconomic conditions in the future will be more resilient in the face of unpredictable global market conditions (Pansuwong, 2020; Wichmann et al., 2022). In addition, pro-MSME policies are expected to focus on building collaboration and partnerships between MSMEs that are already established as Pioneer MSMEs, and MSMEs that are not yet established as Sister Business MSMEs. Whereas assisted MSMEs only focus on production without having to think about how to sell it. This is a major obstacle for MSMEs in meeting market needs.

## **METHOD**

### **Types of Research**

This research uses a qualitative approach so that the research procedure produces descriptive data, which is in the form of speech, behavior, and phenomena found when going directly into the field to observe the Objects and Subjects to be studied (Sugiyono, 2019). According to (Creswell, 2016) the intent of qualitative research is to understand a particular social situation, event, role, group, or interaction. It is largely an investigative process where the researcher gradually makes sense of a social phenomenon by contrasting, comparing, replicating, cataloging, and classifying the object of study. The type of research used is descriptive, which is research that aims to decrypt or explain something as it is. This study aims to provide a description or description of a situation.

### **Data Sources**

This study used primary data, namely data collected directly from respondents through interviews and questionnaires used in this study. The primary data of this study came from questionnaires sent to respondents who were micro, small, and medium enterprises (MSMEs) of Sukabumi City and Regency, West Java Province. In this study, the questionnaire approach was applied through the delivery of surveys directly to respondents by researchers using *google forms*.

### **Data Collection Methods**

The data collection method in this study used literature studies, observations, and interviews. The data collected is in the form of business legality, business capital, marketing (use of digital technology, and production consistency), product innovation, and MSME collaboration and partnership.

### **Population and Sample**

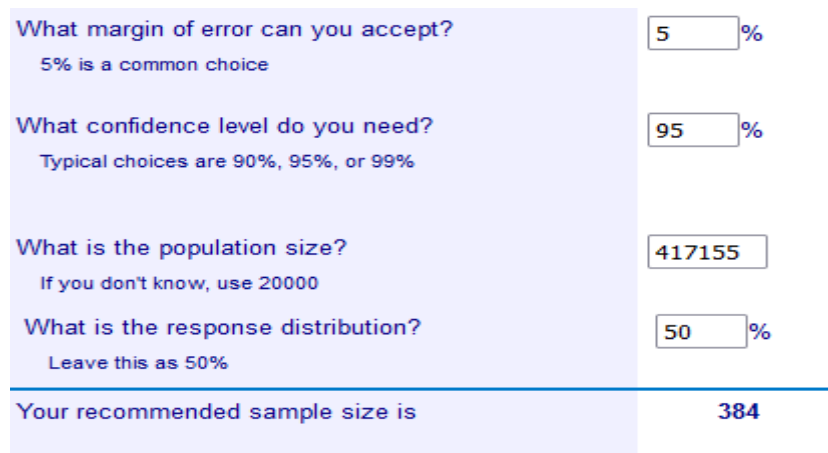
The population of this study is micro, small, and medium enterprises located in Sukabumi City and Regency in 2022, with a total population of 417,155 ([opendata.jabarprov.go.id](https://opendata.jabarprov.go.id)). Samples were

taken using a web raosoft.com sample size calculator with a data accuracy rate of 95% and a margin of error of 5%.

$$x = Z(c/100)^2 r(100-r)$$

$$n = N x / ((N-1)E^2 + x)$$

$$E = \text{Sqrt}[(N-n)x / n(N-1)]$$



What margin of error can you accept?  %  
5% is a common choice

What confidence level do you need?  %  
Typical choices are 90%, 95%, or 99%

What is the population size?   
If you don't know, use 20000

What is the response distribution?  %  
Leave this as 50%

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Your recommended sample size is **384**

Figure 1. Sample Size Calculator

So 384 respondents were sampled in this study. With the following details:

Table 1. Respondent Group

Product Groups	Population	Percentage %	Sample
Accessories	971	0,23	1
Batik	971	0,23	1
Embroidery	139	0,03	1
Craft	34.682	8.31	32
Fashion	33.850	8,11	31
Convection	20.671	4,95	19
Culinary	149.271	35,8	137
Food	109.179	26,17	100
Drink	20.254	4,86	19
Services/Others	47.167	11,31	43
<b>Total</b>	<b>417.155</b>	<b>100%</b>	<b>384</b>

### Data Analysis Techniques

To test the validity of research data using data triangulation techniques that aim to obtain findings or interpretations accurately and credibly. This study uses qualitative data analysis techniques, namely data analysis is carried out simultaneously with data collection or during observation and interviews. The practical steps taken during data analysis are (1) data collection, namely the data found in the field can exceed the author's wishes, and the author must write down the data in detail because the longer the researcher plunges into the field, the more complex the data will be obtained. (2) data presentation, namely collecting information, taking action, and presenting qualitative data in the form of graphs, figures, or tables, (3) data reduction, namely sharpening, classifying, arranging, discarding unnecessary information, and organizing data. and taking action. (4)

conclusion, re-verifying the data and drawing conclusions on the data, the conclusion is taken when the data is saturated and each addition of new data only means redundant.

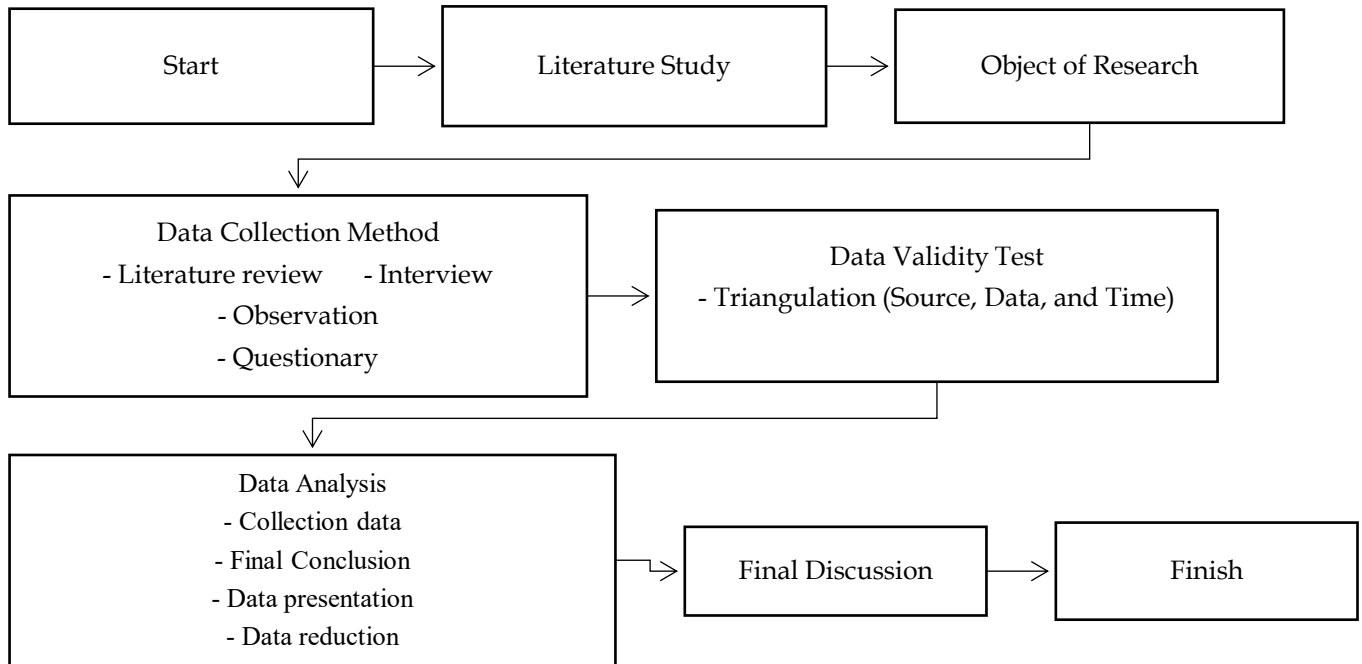


Figure 2. Research Flowchart

## RESULTS OF RESEARCH AND DISCUSSION

### Correspondent Characteristics

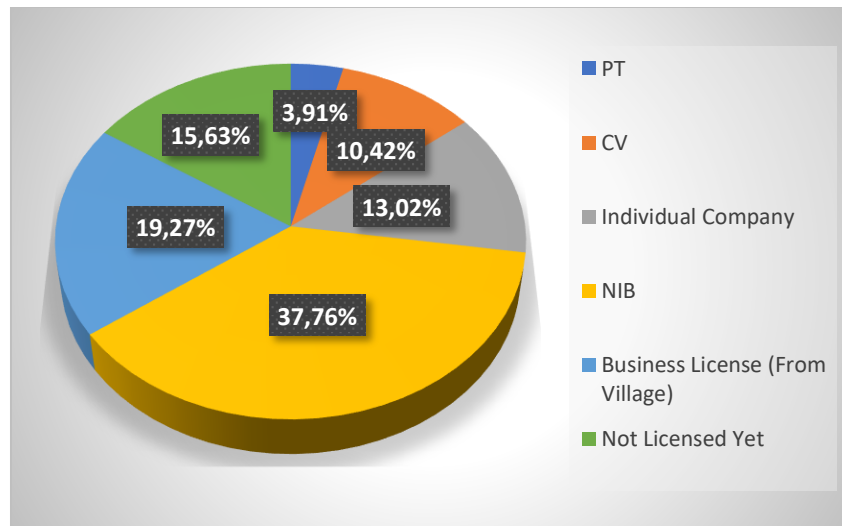
The following is a description of respondents' characteristics by gender, education level, and product type.

Table 2. Characteristics of Respondents

No	Information	Frequency	Percentage
1.	Gender		
	Man	174	45,3%
	Woman	210	54,7%
2.	Education Level		
	SMP	30	7,8%
	SMA	160	41,7%
	Diploma III	44	11,5%
	Strata 1 (S1)	110	28,6%
	Strata 2 (S2)	40	10,4%
3.	Product Type		
	Accessories	1	0,23%
	Batik	1	0,23%
	Embroidery	1	0,03%
	Craft	32	8,31%
	Fashion	31	8,11%
	Convection	19	4,95%
	Culinary	137	35,8%
	Food	100	26,17%
	Drink	19	4,86%
Services/Others	43	11,31%	
	<b>Sum</b>	<b>384</b>	<b>100%</b>

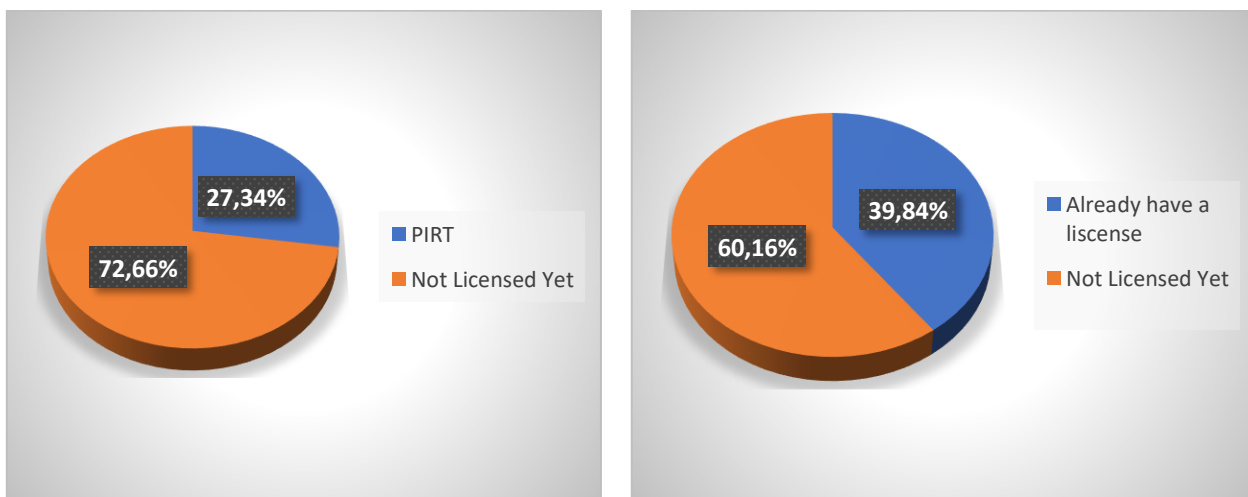
### Legality

In facing the Vuca Era, of course, legality is a basic thing that must be prepared, namely the legality of business entities, PIRT, and halal certificates. The following is the data of MSMEs that already have legality:



**Graph 1. Legality of Business Entity**

The legality graph of business entities above explains that the legality owned by MSMEs is PT 3.91%, CV 10.42%, individual companies 13.2%, NIB 37.76%, and business licenses from villages 19.27%. This indicates that most of the legality owned by MSMEs is the business identification number (NIB), as a formal legal from the government. But if you want to cooperate with the company, then this business license is not yet eligible for cooperation.

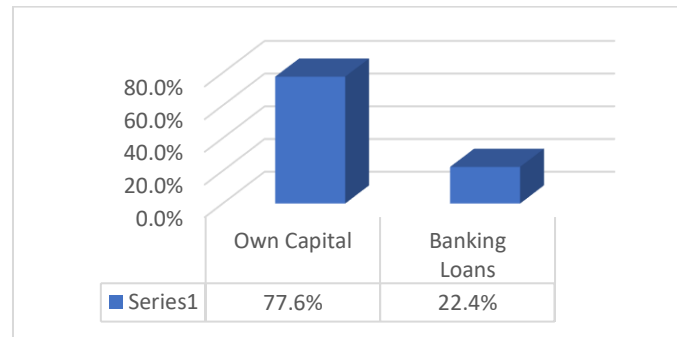


**Graph 2. The legality of PIRT and Halal Certificate**

Legality of PIRT and Halal Certificate for MSMEs engaged in food, beverages, and culinary. Where 27.34% of MSMEs already have a household industry food permit certificate (PIRT), while 72.66% of MSMEs do not have a PIRT permit certificate. As for the halal certificate of MSMEs, which already has 39.84%, and 60.16% do not have a halal certificate. The large number of MSMEs that already have halal certificates is caused by the self-declared or free halal certificate issued by the Ministry of Religious Affairs of the Republic of Indonesia.

### Business Capital

A business must certainly have sufficient capital in fulfilling its operational activities (Nazir & Tbaishat, 2023). The business capital can come from own capital or loans from banks (Ehret & Olaniyan, 2023). In facing the VUCA era, of course, what is related to business capital, namely how the capital is obtained (access to funding) and the amount of capital owned by MSMEs (Wasiuzzaman, 2019). The following is data on access to business capital funding and the amount of capital owned by MSMEs.



Graph 3. Access to Funding

From the graph above, it can be seen that access to MSME business capital funding comes from own capital and bank loans, where working capital from own capital is 77.6% and business capital from banks is 22.4%. Meanwhile, the amount of business capital owned by MSMEs is as follows:

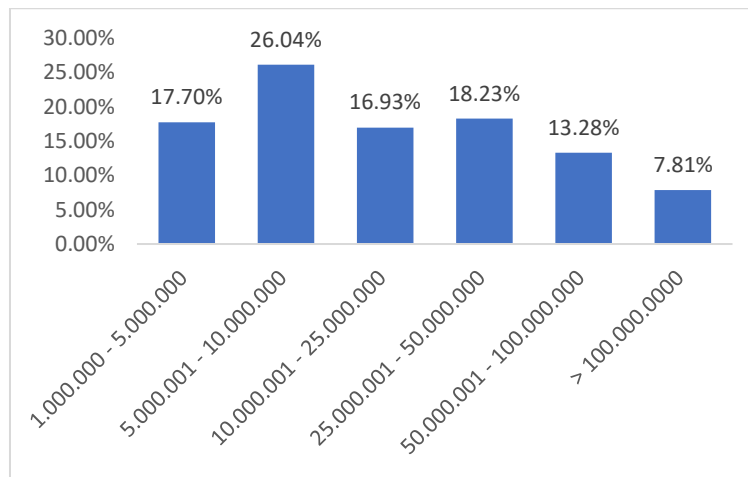
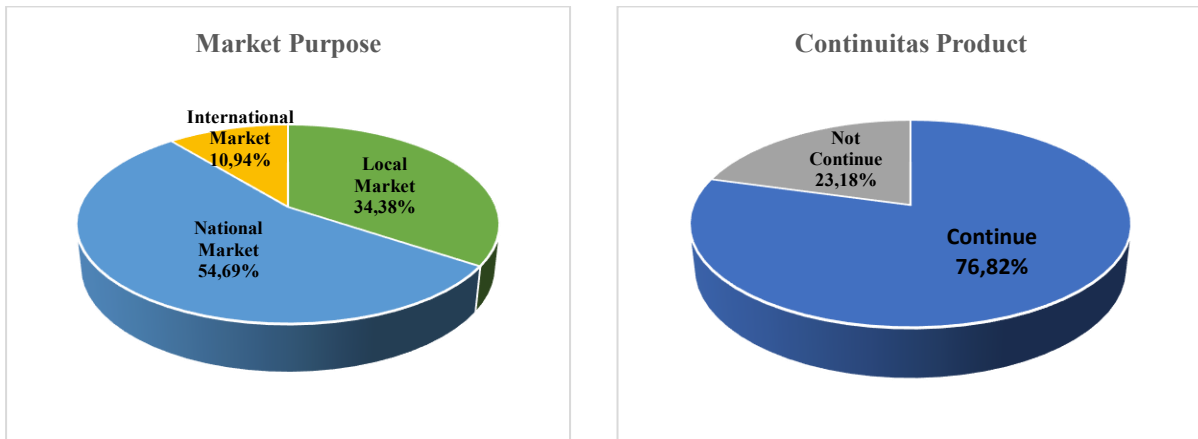


Figure 4. Capital Working

The chart above explains that the percentage of working capital of IDR 1,000,000 – 5,000,000 is 17.7%, IDR 5,000,001 – IDR 10,000,000 is 26.04%, IDR 10,000,001 – IDR 25,000,000 is 16.93%, IDR 25,000,001 – IDR 50,000,000 is 18.23, IDR 50,000,001 – IDR 100,000,000 is 13.28%, and > IDR 100,000,000 is 7.81%. The highest percentage of MSME business capital is in the range of Rp 5,000,000 – Rp 10,000,000 of 26.04%.

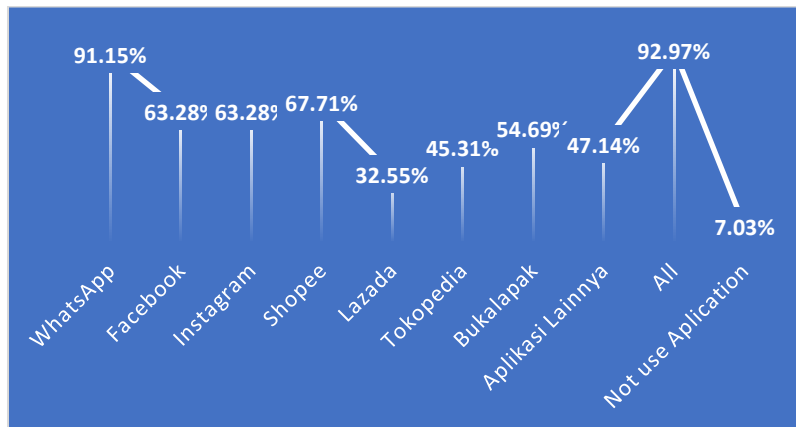
### Marketing

In marketing, of course, several things must be considered, namely the destination market, continuity (product consistency), and digital applications used to market MSME products. The following is MSME data related to destination markets, product continuity, and the use of digital applications (Zamani, 2022).



**Graph 5. Market Purpose and Product Continuity**

The chart above explains that the destination markets for selling MSME products are the local market at 34.38%, the national market at 54.69%, and the international market at 10.94%. While product consistency or consistency of most production from MSMEs has been produced every day, this is shown by the percentage of 76.82%, and MSMEs whose production still often experiences problems or inconsistencies in production by 23.18%. This is due to the lack of business capital owned, and the unclear market to sell its products.

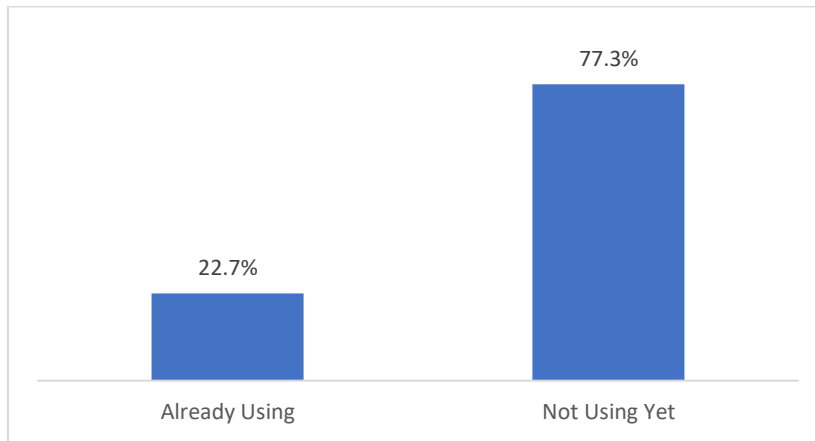


**Graph 6. Digital Applications Used**

Graph 6 above explains that most MSMEs already use digital applications and digital applications are used by more than one. The average applications used by MSMEs are Whatsapp (91.15%), Facebook (63.28%), Instagram (63.28%), and Shopee (67.71%). But there a small percentage of MSMEs that do not use digital applications at all at 7.03%, are MSMEs that only sell products to traditional markets.

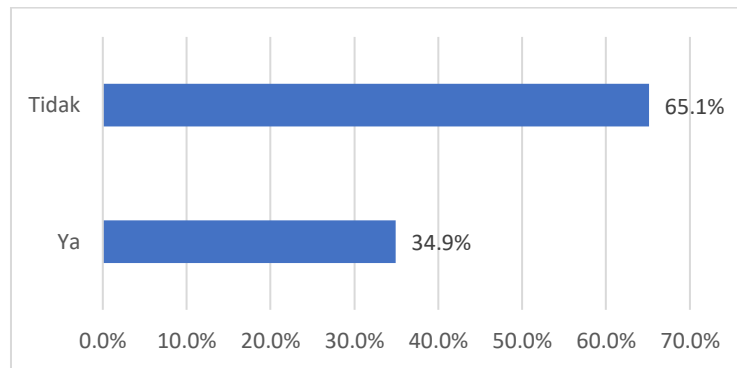
### Innovation

Innovation in MSMEs concerns four things, namely the use of technology in the product design and development process (Özşahin et al., 2022), Increased human resource capacity, ease of obtaining quality raw materials, and accuracy of quality raw material supply (Pertuz & Pérez, 2021). It can be seen in the chart below:



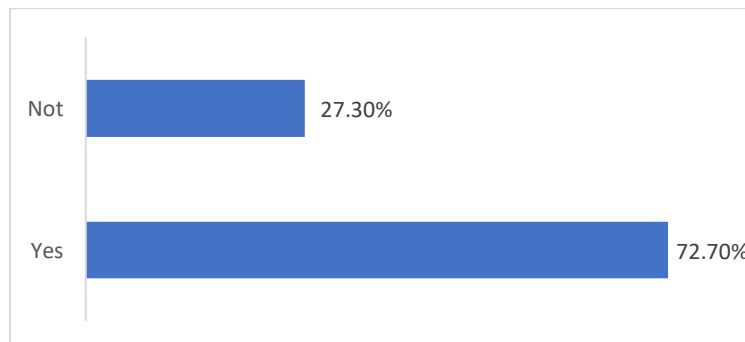
**Graph 7. Utilization of Technology in the Product Design and Development Process**

The graph above explains that 22.7% of MSME players have used technology in the product design and development process, and those who have not used technology 77.3%. This explains that most MSMEs have not made technology in the process of design (product innovation), and product development. So it has an impact on the low innovation of the products produced.



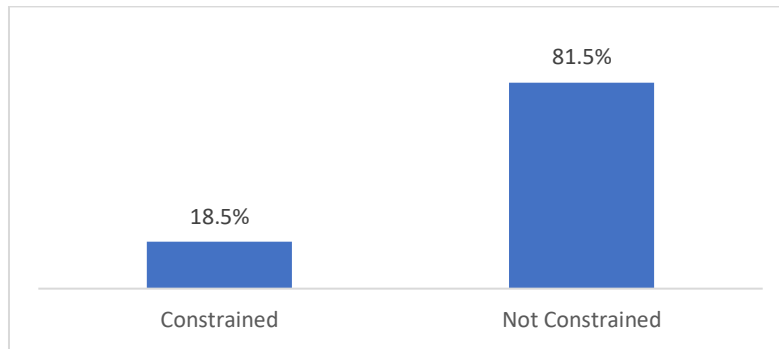
**Graph 8. Human Resources Capacity Building**

The graph above explains that MSME human resources have received training to increase human resource capacity by 34.9%, while MSME human resources who have not received training have increased human resource capacity by 65.1%. This explains that the human resource capacity of MSMEs is still low, this is due to the lack of training organized by the government and the lack of initiative of MSME actors in increasing their capacity.



**Graph 9. Ease of Getting Quality Raw Materials**

In making quality products, of course, the raw materials used must be of high quality. Graph 9 above explains that in obtaining quality raw materials, most (72.7%) MSMEs have no difficulty. Meanwhile, 27.3% of MSMEs have difficulty obtaining quality raw materials.

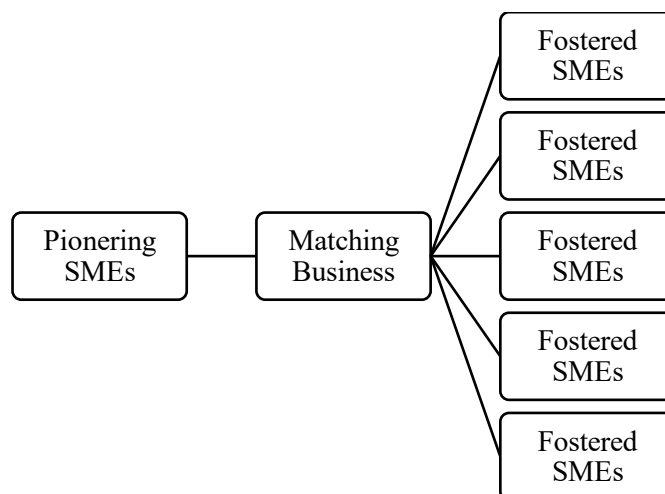


**Chart 10. Supply Quality Raw Materials**

Based on chart 10 above, explains that in the supply of quality raw materials, most (81.5%) MSMEs do not experience problems, and only a small percentage (18.5%) of MSMEs in the supply of quality raw materials have problems. This is due to the type of raw materials needed to have to buy out of town, where shipping expeditions used by raw material stores are often overloaded.

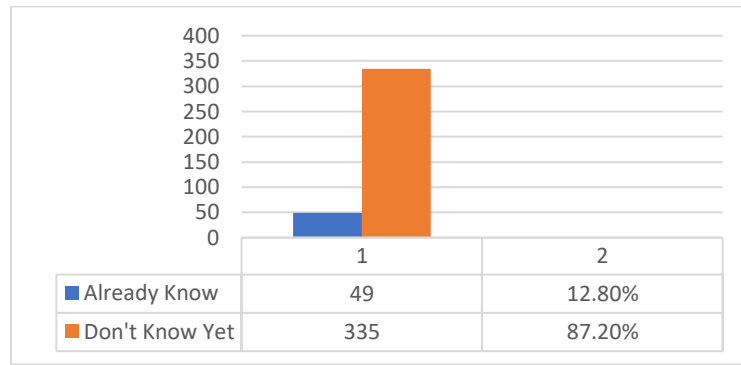
**Collaboration and Partnership**

Collaboration and partnership in this study is the sister business model of MSMEs, where the partnership model consists of Pioneer and Fostered MSMEs. Pioneer MSMEs are MSMEs that are legally complete, financially established, have a market that has not been able to meet market needs, and production has been running consistently or product continuity has been running well (Alhidayatullah et al., 2022). Meanwhile, assisted MSMEs are MSMEs that are legally incomplete, have financial limitations, do not have a market in marketing their products, and product continuity is still experiencing obstacles or inconsistency. The existence of this collaboration and partnership is a symbiosis of mutualism, where Pioneer MSMEs can meet market needs (Sudarma et al., 2022). Meanwhile, assisted MSMEs are not confused in finding markets, and only focus on production. This collaboration and partnership is of course only carried out to MSMEs whose products are the same. The following is an overview of the MSME sister business model.



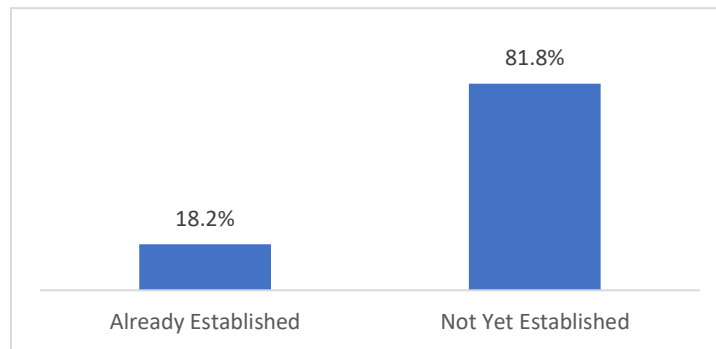
**Figure 3. Sister Business MSMEs**

In this collaboration and partnership, it can be seen from knowledge about the MSME sister business model, the condition of MSMEs, and the technology used in collaboration and partnership. It can be seen in the chart below:



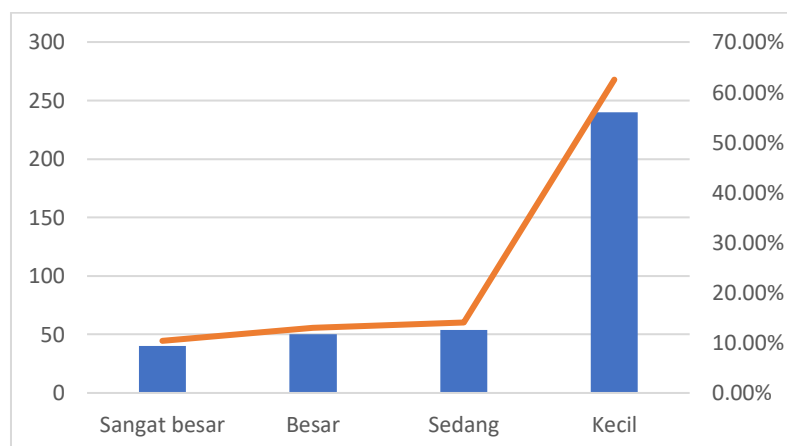
**Graph 11. Knowledge of MSME Sister Business Model**

Graph 11 above, explains that MSME knowledge related to the sister business model, as many as 12.8% already know and 87.2% do not know. This indicates that this model of collaboration and partnership has not been widespread among MSMEs.



**Graph 12. MSME Conditions**

In Graph 12 above, it can be seen that the condition of established MSMEs is 18.2%, and those that are not yet established are 81.8%. This condition explains that most MSMEs are not yet financially capable, and do not yet have a market to sell their products. For established MSMEs, of course, they can be used as pioneer MSMEs, and MSMEs that are not yet established can be used as fostered MSMEs.



**Graph 13. Technology in Collaboration and Partnership**

The use of technology in collaboration and partnership is a step that must be taken by MSME players if they want to be competitive in the market. Graph 13 shows that most MSMEs have not used technology in collaboration and partnership, and a small number of MSMEs have used technology.

## **Discussion**

### **Legality**

Based on the results above, it can be seen that most (37.76%) of the legality owned is a business identification number (NIB), this can be interpreted that most MSMEs do not have the legality of a business entity. Likewise, most PIRT certificates (72.66%) do not have permits in household production, meaning that the industry carried out currently does not meet industry standards set by the government. The halal certificate, most (60.16%) MSMEs do not have a halal certificate, indicating that products, especially food, culinary, and beverages made and circulating today are not suitable for circulation in the market. This situation will certainly make MSME products difficult to accept in the market, especially in supermarkets, and difficult to cooperate with large companies. These results explain that MSMEs are currently not ready to face the VUCA era. Based on the government's motto through the Ministry of Cooperatives and SMEs, namely to revive the economy from below or make the MSME sector business the backbone of the nation's economy, the government must work hard to provide insight to MSME actors that business legality is very important. With complete legality owned, it will make it easier for MSMEs to market their products at the international level and of course, these products have competitiveness.

### **Business Capital**

Based on the results above, the business capital owned by MSMEs comes from their capital and loans from banks. Working capital from own capital (77.6%) is more dominant than working capital from bank loans (22.4%). While the amount of business capital owned by MSMEs is from IDR 1,000,000 - > IDR 100,000,000. The dominant business capital is owned by MSMEs with an average of IDR 5,000,000 - IDR 50,000,000 of 78.91%. The small business capital owned, of course, indicates the limitations of MSME actors in accessing funding outside their capital, such as access to funding from banks. The difficulty of accessing funding from banks is caused by the lack of placement of funds used. Where the funds obtained from banking loans are more used for personal interests than product development. And many of the MSME players have administrative requirements that do not pass BI Checking, which is due to the large number of loans made. Of course, this condition will make it difficult for MSMEs to compete in the VUCA era.

### **Marketing**

Based on the results above, where marketing includes the destination market, product continuity, and the use of digital applications. In marketing their products, MSMEs are more dominant in the local market and the national market (89.07%), while only a small part has its market objectives at the international level. From the aspect of product continuity, most MSMEs have been producing continuously. Regarding MSMEs, the continuity of production is still inconsistent, this is due to limited working capital owned, the availability of raw materials, and the absence of a clear market in marketing their products. In terms of application use, most products are marketed using the WhatsApp application, while other marketing applications have only reached 60%. In addition, some MSMEs do not use marketing applications at all, they are more likely to sell their products to traditional markets directly. Product consistency and digital utilization are solutions in facing the VUCA era. The low use of digital as a marketing tool indicates that MSME players are not ready to compete in the VUCA era. Of course, this is a big task for the government to provide training and improve the digital literacy of MSME actors.

### **Innovation**

Based on the results above, where innovation is based on the use of technology in design and development, increasing human resource capacity, ease of obtaining quality raw materials, and supply of quality raw materials. Where most (77.3%) MSMEs have not utilized technology in product design

and development. This indicates that MSME actors, in designing their products, still use manuals and do not have design planning and product development planning. In addition, the increase in human resource capacity is still low, where 65.1% of MSME human resources have not been given and included in training, both training on the use of technology and training on human resource development. In the ease of obtaining quality raw materials, only a small percentage (27.3%) of MSMEs stated that they experienced problems in obtaining them. Likewise, in the supply of quality raw materials, most (81.5%) stated that there were no obstacles in supplying quality raw materials. In this innovation, of course, the main obstacle lies in the use of technology and increasing the capacity of human resources. These obstacles indicate that MSMEs are not ready to face the Vuca era. This is the government's task in providing training on the use of technology as a product design and development process, and training on improving the quality of MSME human resources. The more frequent training held by the government, and the readiness of MSMEs to change, will have an impact on the development of MSMEs that can utilize appropriate technology and can compete at both the national and international levels.

### **Collaboration and Partnership**

Collaboration and partnership is a step that must be taken by MSMEs, with this collaboration and partnership, any difficult problem will be overcome. Based on the results above related to knowledge about MSME sister business models, MSME conditions, and technology in collaboration and partnership. Only a small percentage (12.8%) of MSME players already know the MSME sister business model, while 87.2% do not know. This indicates that this model is not yet popular among MSMEs. Meanwhile, from the aspect of MSME conditions, 81.8% of MSMEs are not yet established, so these unestablished MSMEs can be used as assisted MSMEs from established MSMEs (Pioneer MSMEs). Likewise, the use of technology in collaboration and partnership is only a small part that has utilized the technology, while most have not used technology in collaboration and partnership. This condition indicates that MSMEs are not ready to face the Vuca era. The role of the government in this case is DK-UKM Sukabumi Regency and Academics of Muhammadiyah Sukabumi University who have made a collaboration and partnership model with the MSME sister business model, to better introduce and provide understanding to MSME actors regarding the advantages and advantages of this model compared to other business models. If most MSMEs have collaborated and partnered with this sister business model, then the problems that have been a frightening scourge will be resolved, especially product marketing problems. Pioneer MSMEs are no longer confused with the inability to meet market needs, while assisted MSMEs are no longer confused with where their products will be marketed or sold. And of course, MSMEs already have strong resilience in facing the Vuca era, which is called the era of uncertainty.

### **CONCLUSION**

The Vuca era is a frightening scourge for the community, large companies, especially for MSME players. Based on the results of the research above related to the legality aspect, namely the incomplete legality owned by MSMEs, especially PIRT and Halal Certificates, besides that, only a small number of MSMEs already have the legality of business entities that make it easier for them to cooperate with other parties. From the financing aspect, most of the MSME business capital comes from their capital and the average working capital is IDR 5,000,000 - IDR 50,000,000. The difficulty that arises is that when orders are abundant, MSMEs cannot access loans from banks due to administrative requirements that do not pass BI Checking. From the marketing aspect, most of the destination markets of MSMEs are local and national markets and only a small part has penetrated the international market. In addition, there is still low utilization of digital applications as a tool in marketing products, there are even MSMEs that do not use any applications. From the innovation aspect, most have not used technology in the product design and development process, and most MSME human resources have

not been included in training on the use of technology and other development training. From the aspect of collaboration and partnership, only a small percentage of MSMEs already know the MSME sister business model. Meanwhile, the condition of MSMEs is mostly in a position that is not yet established or needs to be fostered, and the use of technology is low by MSMEs in collaboration and partnership. From these five aspects, it can be concluded that MSMEs are not ready to face and compete in the VUCA era. It is hoped that the results of this research can be used as a reference for DK-UKM, the Ministry of Cooperatives and SMEs, and the Central Government regarding the future of MSMEs in the VUCA era. The contribution of this study is to provide an overview of the current condition of MSMEs and an overview of what must be done if they want to survive and compete in the VUCA era. And it is hoped that this research can be a reference for other researchers who conduct research related to the future of MSMEs in the VUCA era in terms of legality readiness, business capital, marketing, innovation, and MSME collaboration and partnership. And suggestions for future research to add discussions related to the future of MSMEs in the VUCA era in terms of market orientation, expand the object of research by involving more MSMEs, and add quantitative research methods so that the results can be clearly illustrated.

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