FACILITATING DIGITALIZATION ADOPTION FOR SMALL AND MEDIUM ENTERPRISES IN MALAYSIA

Mohammad Noorizzuddin Nooh [i]

[i] (*Corresponding author*). Senior Lecturer, Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia. noorizzuddin@usim.edu.my

Abstract

This article discusses how digitalization has become a driving force for economic and social progress in Malaysia, particularly in creating new opportunities for Small and Medium Enterprises (SMEs) to expand their market reach and enhance productivity. The article emphasizes the importance of creating a business model that incorporates the appropriate strategy, processes, and infrastructure to succeed in the digital economy. The article also examines the advantages of digital technology and data, and how they streamline corporate operations and enhance productivity and efficiency. The article proposes a conceptual framework based on existing models and identifies four gaps that can support the digitalization process in SMEs more effectively. Overall, this article highlights the significance of embracing digitalization in today's entrepreneurial environment to create new opportunities for SMEs and enhance their competitiveness in the global market.

Keywords*: SME; digitalization; economic success; entrepreneurship*

INTRODUCTION

Today, digitalization in numerous sectors of life is driving the country's economic and social progress. The global labor market, particularly in Malaysia, expands as a result of community engagement in the digital economy. Digital technology has a significant impact on the corporate environment by expanding the labor market, enhancing economic development, and extending existing advances to faster advancements. In keeping with the aspirations of the Fourth Industrial Revolution, Malaysian entrepreneurs are justified in taking efforts to digitize their enterprises. This step must also be taken seriously by Malaysian Small and Medium Enterprises (SMEs) in order to assure their survival by expanding market reach, enhancing productivity, and stimulating the expansion of the SME sector, particularly in rural regions. A business model that incorporates the appropriate strategy, processes, and business infrastructure must be tailored to the digital economy (Blaschke, Cigaina, Riss, & Shoshan, 2017).

Digitalization is a change associated with the use of digital technology in all aspects of individuals, organizations and even a country (Hasan, Jamalolail, Abd Rahman, Ahmad, & Amaris, 2022). It transforms commercial transactions such as buying and selling, customer support, and feedback into a fully digital environment (Ulas, 2019). According to the OECD (2018), transformation refers to a shift in attitudes

and how things are enhanced or diminished. Furthermore, transformation denotes a change or new creation in various forms, functions, or structures (Rouse & Baba, 2006). The advantages of digital technology and digital data, such as the usage of artificial intelligence, the internet, and computers, will streamline corporate operations while enhancing a company's productivity and efficiency. Digitalization aids in the improvement of existing business processes without the need for changes. Processes that were previously conducted by the workforce will now be conducted via the efficiency of software such as the internet and computers. To do business conveniently and swiftly, company digitization requires only a computer and a broadband network.

Today's entrepreneurial environment is increasingly centered on digital or online company platforms. The use of digital technology or digitization has the potential to alter company paradigms and create new opportunities for SME entrepreneurs to provide value to customers (Giotopoulos, Kontolaimou, Korra, & Tsakanikas, 2017). Digital technology is the foundation of information and communication technology (ICT) systems that enable businesses to store, process, and transmit information so that organizational choices and internal control become more structured and manageable (Markus, Steinfield, Wigand, & Minton, 2006).

A digital platform is a socio-technical grouping in an organization that incorporates technical aspects such as software, hardware, procedures, and standards (Tilson, Sorensen, & Lyytinen, 2012). A digital platform, according to Ghazawneh and Henfridsson (2015), is a software-based platform that provides fundamental functionalities shared by modules and interfaces that communicate with one another. This digitalization will change corporate activities such as advertising, customer interactions, transactions, payments, order taking, services, and feedback into a fully digital environment.

Science and technological advancements have caused changes in the global industrial environment. Now, a shift in the industrial environment has occurred, popularly known as Industry 4.0 which will decide the performance of the industrial sector in the face of changing economic, social, and increasingly demanding business environments (Lasi, Fettke, Kemper, Feld, & Hoffmann, 2014; Sreedharan & Unnikrishnan, 2017). This transition will undoubtedly have a significant influence on the global industrial sector, particularly on SMEs (Lu, 2017; Mittal, Khan, Romero, & Wuest, 2018).

E-commerce is a game changer for SMEs since it has opened up new options for SMEs to break away from limited market limits and access the global market with billions of clients. Building an online presence is a fraction of the expense of opening a physical store, and it requires little investment in e-commerce solutions. Furthermore, social media, cloud-based services, and digital marketplaces level the playing field between SMEs and major corporations in terms of greater productivity in company operations such as marketing, accounting, sales, payroll, and inventory management. Because of developments in technology, the rise of Industry 4.0 has faced organizations with hurdles. Information has economic ramifications that will

transform the basis of value creation and drive firms to move to digital platforms (Kenney & Zysman, 2016). According to Muller (2019), the platform may integrate consumers, suppliers, and partners to build a new ecosystem.

Furthermore, this paper intends to propose a conceptual framework based on the existing models. From the literature analysis conducted, four gaps have been identified and can become the factors that can support the digitalization process in SMEs more effectively.

LITERATURE REVIEW

Small and Medium Enterprises

SMEs are often characterized by the number of workers and the company's yearly revenue. According to the European Commission, the SME requirements are as follows: i) the organization is at the enterprise level, ii) it has less than 250 people, iii) it has an annual turnover of less than €50 million, and iv) it is an independent firm (Berisha & Pula, 2015). Each country defines SMEs using different criteria, allowing them to be compliant with that country's needs, expectations, and desires. SMEs are defined in Malaysia based on total yearly revenue and the number of full-time workers. In the manufacturing sector, SMEs are defined as enterprises with annual sales of less than RM50 million "OR" less than 200 full-time workers. In the service and other industries, SMEs are defined as businesses with annual revenues of less than RM20 million "OR" less than 75 full-time employees (Madanchian, Hussein, Noordin, & Taherdoost, 2015). One of the methods to reduce poverty rates is to encourage economic development through employment opportunities and wealth (Chen & Sivakumar, 2021). In any developing country, SMEs are the primary source of revenue, a steppingstone for entrepreneurs, and a source of employment.

According to the Ministry of Entrepreneur Development and Cooperatives (MEDAC), Malaysia's economy added RM341.7 billion to GDP in the first quarter of 2019 compared to the same period the previous year (Kementerian Pembangunan Usahawan dan Koperasi (MEDAC), 2019). In general, entrepreneurial activities such as those conducted by SMEs, hawkers, cooperatives, franchise networks, start-ups, social enterprises, and internet businesses contribute to economic generation. In 2015, 920,624 new business entities were created in Malaysia, with SMEs accounting for 908,065 (98.5 percent) of the total figures (Kementerian Kewangan, Malaysia., 2017). This figure comprises 693,670 micro businesses (76.5 percent), 192,783 small businesses (21.2 percent), and 20,612 larger businesses (2.3 percent).Despite the huge number, micro and small businesses must compete with bigger organizations for market share in order to enhance the firm's success (Acquaah & Agyapong, 2015).

Analysis on Previous Models

In the literature review process, several previous and existing readiness models were studied and compared. The author has reviewed four model associated with the topic. The models are; Technology Acceptance Model (TAM), Nolan Model, Galliers Model, and Fink Model.

Technology Acceptance Model and Theory of Reasoned Action

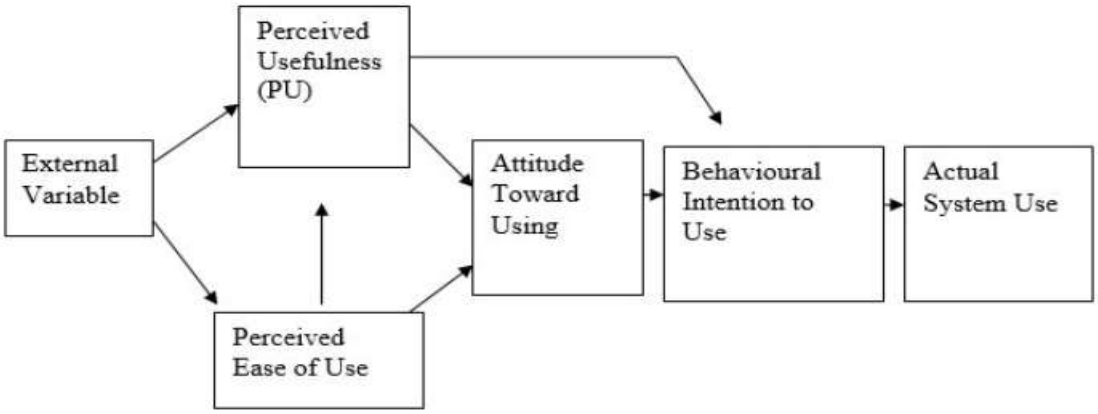

Figure 1: Technology Acceptance Model *(Davis, 1989)*

The Technology Acceptance Model (TAM) describes the relationship of the trust between user attitudes, aims, and "actual computer acceptance behavior" and trust in the usage of information systems. The TAM model's goal is to explain and forecast the user's acceptance of the information system based on the steps performed by the user after a brief encounter with the system. External elements such as tasks, user characteristics, political influence, organizational factors, and the development process were discovered to have a direct impact on acceptance attitudes through influencing beliefs, attitudes, and intentions. This technique is still commonly used to assess user acceptability of information technologies. The TAM model is seen in Figure 1.

TAM model is a hypothesis that evolved from Fishbein and Ajzen's Theory of Reasoning Action (TRA) (1975). TRA is constructed on three primary constructs, namely behavioral intention (BI), attitude towards behavior (AT), and subjective norms (subjective norms-SN). TRA discusses a person's conduct (actual behavior) as a function of behavioral intention (BI), where behavioral intention is a function of an individual's attitude toward behavior (AT) and subjective norms (SN) around behavioral performance. The TRA model is seen in Figure 2.

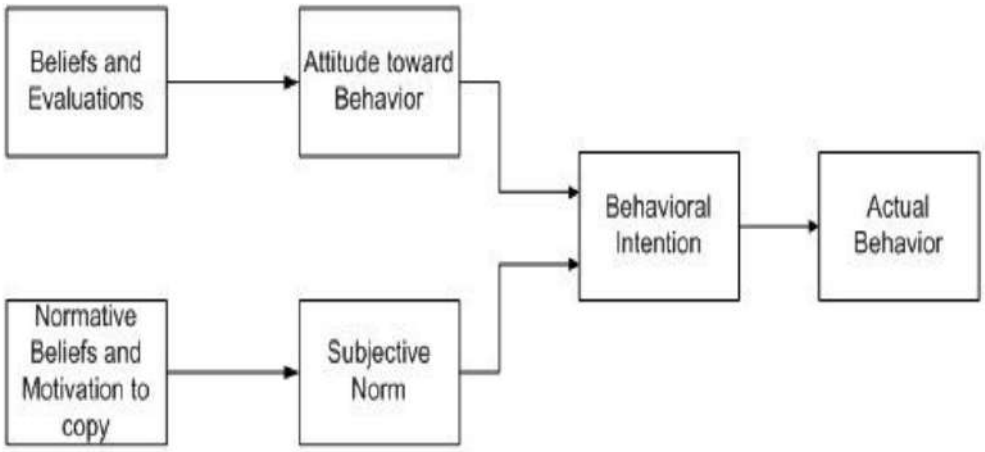

Figure 2: Theory of Reasoned Action (Fishbein & Ajzen, 1975)

Meanwhile, TAM, a more advanced TRA theory, explains why people adopt or reject information technology. TAM is developed based on two variables: The main cognitive variable is usefulness (perceived of usefulness–PU) and Easy to use (perceived ease of use–PEU). According to TAM, the use of information technology by a user actually derived directly or indirectly from the intention behavior (BI), attitude (AT), usefulness (PU) and ease of use (PEOU) of the system.

Nolan Stages Theory

Nolan's paradigm gives meaning to the evolution of IT in organizations. The model was created on the basis of the notion that the development of IT in an organization includes six stages of growth and building (Mutsaers, van der Zee, & Giertz, 1998). Each level's IT management strategy is distinct because each level has unique difficulties and issues linked to user information systems, technology, personnel, and management practices. According to Nolan's thesis, there are six phases of IT development that entail changes in the information age: initiation, contagion, control, integration, data, and maturity as shown in Figure 3.

Nolan's model is not a precision instrument, and company executives cannot use it to track their Computer Based Information System development (Montazemi, 1988). In any case, the executives indicated that computer usage becomes more complex over time and that the organization must attain a particular degree of sophistication in the sphere of data control, integration, and administration (Nolan, 1973).

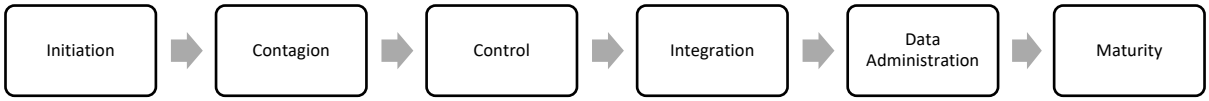

Figure 3: Nolan Stage Theory (Nolan, 1973)

Galliers Model

Galliers' model divides organizational evolution into six distinct stages of expansion (Jackson & Sloane, 2003). The higher the level attained by the organization, the bigger the incentives it receives. Table 1 illustrates a breakdown of Galliers' development phases according on the factors listed.

Element		*II*	*Ill*	*IV*	*V*	*VI*
Strategy	**Acquisition of hardware, software etc.**	IT audit **Find out and meet user needs (reactive)**	Top-down IS planning	**Integration, co-ordination and control**	**Environmental scanning and opportunity** seeking	**Maintain comparative strategic advantage** **Monitor futures** **Interactive** planning
Structure	**None**	Label or IS Often subordinate **to accounting or 6nance**	Data processing department Centralized DP shop **End users running free at stage 1**	**Information centers** Library records, **OA etc. in same unit** Information **services**	SBU coalition(s) (many but separate)	Centrally **coordinated coalitions** (corporate & SBU views **concurrently)**
Systems	Ad hoc, **unconnected** **Operational** Multiple manual and IS Uncoordinated **Concentration** on financial **systems** Little **maintenance**	**Many applications** Many gaps Overlapping **systems** Centralized Operational Mainly financial **systems** Many areas unsatisfied Large backlog Heavy **maintenance** load	Still mostly **centralized** Uncontrolled **end user** computing **Most major business activities covered**	Decentralized **approach with some controls,** but mostly lack **of coordination** Some DSS (ad hoc) Integrated office technology **systems**	Decentralized **systems central control and coordination** Added value **systems (more marketing** oriented) More DSS (internal, less ad hoc) Some strategic **systems (using external** data) Lack of **external and internal data integration** **Integration of communications** technologies with **computing**	**Inter• organizational systems** (supplier, **customer. government links)** New IS based products **External/internal data integration**
Staff	Programmers/ **contractors**	Systems **analysts** **DP manager**	IS planners **IS manager**	**Business analysts** **Information resource manager (chief information** officer)	Corporate / business/ IS planners (one role)	**IS director-member of** board of **directors**

Style	**Unaware**	Don't bother me (I'm too busy)	**Abrogation** **Delegation**	**Democratic** Dialectic	**Individualistic** (product **champion)**	**Business team**
Skills	**Technical** (very low level) (individual **expertise)**	**Systems development** methodology	IS believes **it knows what the business** needs **Project management**	**Organizational integration** IS knows how **the business works** **Users know** how IS works (for their area) **Business manageme nt** (for IS staff)	**IS manager- member of senior executive team** Knowledgeable **users in some** IS areas **Entrepreneurial/ marketing skills**	**All** senior **management** understand IS **and its potentialities**
Super- **ordinate** goals	Obfuscation	**Confusion**	**Senior management** concern DP defense	**Cooperation**	Opportunistic **Entrepreneurial intrapreneurial**	**Interactive planning**

Table 1: Galliers Growth Model (Gallier, 1991)

It is a paradigm for determining how far an organization has progressed toward becoming matured (in this example, making progress) at the organizational and managerial levels. This model may be used to represent the technical aspects found in the organization as well as how the effect of information technology on the organization affects its growth. This model has seven critical elements: strategy, structure, processes, personnel, style, skills, and superordinate goals, all of which are beneficial to the organization's success. These seven parts are interconnected and clearly documented so that the organization may analyses its development. Each of these parts provides a clear picture, allowing the organization to choose which elements are currently strong and should be developed and preserved, as well as which elements are still weak and need to be improved. Furthermore, this model features six stages that are highly valuable for companies, with each stage being a unity with the seven elements. The organization will be able to see where it is in each of the elements.

Organizational culture has a significant impact. When an organization refuses to modify its old behaviors, this approach will be tough to adopt since the company refuses to adapt in order to become more sophisticated. Poor communication between top management and subordinates causes the organization to lack objectivity in its judgments, resulting in employees not reaching their full potential or being placed in positions they should not be in. The organization disregards the principle of having the right people in the right place at the right time (Lin, Huang, & Cheng, 2007). The organization does not want to expose itself to the advancement of information technology and continues to use an out-of-date system, so applying the model will be difficult because information technology has a large impact on the organization's progress (Lin, Pervan, & McDermid, 2005).

Fink Model

Fink's model is based on ten success factors identified in the success of IT and SMEs (Fink, 1998). Table 2 shows the author's summary on Fink's model. Each factor is broken down into several measures related to that factor. Internal variables like as perceived ICT advantages, corporate culture, and in-house ICT skills and resources, according to Fink, impact ICT adoption.

1. Internal Source	Source of income
	Top management assistance/support
	IT skills
	The use of IT
2. IT Benefits	Learning
	Operational efficiency
	Management effectiveness
3. External assistance	Competitive advantage
	Expert consultants from outside
	Consultant's expert knowledge
	Ability of expert consultants
	IT vendor support/assistance
	Information on IT
4. External source	Cost of information on IT
	Approval from the government
	Industry associations
5. Extenal Environment	Ready to compete
	Use of IT by competitors
	Use of IT by trading partners
	Organizational image
6. Internal IT expert	IT knowledge by upper management
	IT knowledge by employees
	IT knowledge by supervisors
7. Organization culture	Recruitment of IT training
	Make flexible decisions
	A positive attitude in using IT
	Ability to manage change
	Strategic planning

8. Readiness	Hardware costs
	Cost of software
	New features of IT
	Internet connection
9. IT Selection	Product evaluation
	Acquisition criteria
	Selection based on criteria
	Justification for IT recruitment
	Successful past projects
10. IT Implementation	New IT integration
	Training for IT recruitment
	Support/help to introduce IT

Table 2: Author's Summary on Fink's Model

DISCUSSION

As a consequence of the literature analysis covered in the preceding sections, a table was created to compare the key aspects of the four IT readiness models reviewed. There are needs and recommendations to design a new IT Readiness Model based on the study between the comparisons reported in Table 3. Essentially, Fink and Galliers' IT readiness model may be utilized as a foundation for developing a new IT readiness model, even if other readiness elements and current demands are applied. In comparison to other models, IT readiness models are believed to be involved with the IT readiness element and ready to absorb IT.

Model/	TAM	Nolan	Gallier	Fink
IT readiness factor				/
Organizational Culture	/		/	/
External variables/resources	/			/
Internal Factors			/	/
Selection and implementation of IT				/
Suitable for SMEs				/
Focus on business			/	/

User involvement in IT	/	/	/	/
Readiness for IT				/

From the literature analysis conducted, four gaps have been identified and can become the factors that can support the digitalization process in SMEs more effectively. Thus, this will lead to a conceptual framework which can lead to further research. Figure 4 represents these factors. The four factors are: digital literacy, infrastructure and digital facilities, digital application skills and digital environment preparation. These four factors, if studied and mastered by the firm can help SMEs to improve their competitiveness. These four factors are suggested by the author to complement a new model developed based on Fink dan Galliers model.

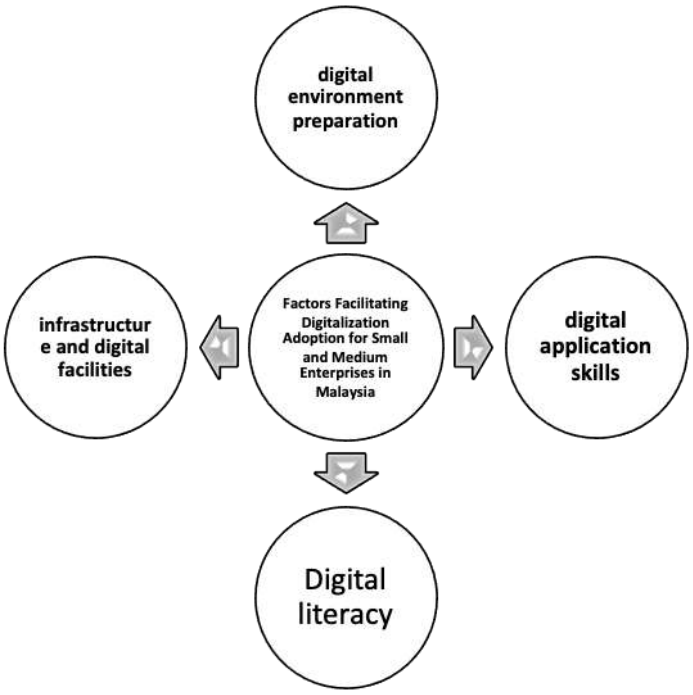

Figure 4: Conceptual Framework on Factors Facilitating Digitalization Adoption for Small and Medium Enterprises in Malaysia

Digital literacy

Discussions on the usage of digital platforms may be seen from two angles in terms of digital literacy. The first is the requirement for knowledge in order to benefit from the usage of digital platforms, and the second is new information gained by mastering digital platforms (Helfat & Raubitschek, 2018; Teece, 2018). This is due to the fact that the digitization problem demonstrates that the use of digital platforms cannot directly increase firm performance but requires dynamic capability mechanisms that can support the adoption of digital platforms (Kroh, Luetjen, Globocnik, & Schultz, 2018;

Ravichandran, 2018.). As a result of the availability of new information coming from a combination of existing knowledge and external knowledge, the usage of digital platforms is able to launch commercial operations that are capable of generating revenue. As a result of the availability of new knowledge arising from the integration of current knowledge and external knowledge, the use of digital platforms is able to start commercial operations that can more effectively exchange information with partners (Wan, Cenamor, Parker, & Van Alstyne, 2017; Cenamor, Parida, & Wincent, 2019). As a result, efficient use of digital platforms will improve information exchange with industry, partners, and customers.

The emphasis is not only on training the use of applications such as Facebook, Instagram, and other social media platforms, but also on knowledge related to the content that will be displayed on the digital platform such as copywriting, product images/images, branding, managing customer feedback, and others. In other words, knowledge includes not only technical knowledge of how to use the platform, but also knowledge of how to provide relevant resources and communication expertise of how to manage relationships with stakeholders. Firms, for example, must add material content that can attract customers, such as concise information, short films, visual pictures, and distinctive words that can successfully communicate and offer feedback with customers, rather than focusing just on marketing. The usage of digital platforms to boost company performance is thus influenced by knowledge. Companies who understand how to use digital platforms correctly, according to Scuotto et al. (2017), may surely have an influence on the firm's success. Furthermore, familiarity with digital platforms will surely aid in the adoption of Industry 4.0. (Kiel, Muller, Arnold, & Voigt, 2017). Specifically, the usage of effective digital platforms may help organizations become more inventive in line with the Industry 4.0 trend (Muller J. B.-I., 2018). Once this is understood, the company will reap additional benefits such as improved customer connections and the development of a digital ecosystem that improves commercial procedures.

Individual desire in acquiring relevant knowledge and the seriousness of management must exist in order to strengthen the firm's ability to grasp the usage of digital platforms. It is important to practice and act diligently in order to make the best use of digital platforms. However, some businesses continue to overlook the enormous potential of digital platforms for commercial growth (Muller J. , 2019; Muller, Pommeranz, Weisser, & Voigt, 2018). This is because there are still businesses that do not understand how to utilize digital tools and are unaware of the value of using digital platforms (SME Corp. Malaysia., 2018). As a result, digital literacy is a vital basis for using digital platforms.

Infrastructure and digital facilities

The rise in online purchases corresponds to customers' comfort and trust in doing commercial transactions in today's society. As a result, some people prefer to use this digital platform to purchase expensive or branded items online. In digitization, infrastructure includes physical components like as computers and smartphones, software, and a network of components that may be utilized by an individual or a corporation to do business online. The convenience of digitization is similar to broadband networks and line connections that may be found in any location.

The effective use of technology and communication has created new options for businesses to conduct business more flexibly, minimize manufacturing costs, and boost corporate efficiency (Tang & Konde, 2019). Small businesses may develop worldwide through internal strength such as financial aid, digital tool training, talented and experienced staff, R&D skills, and strong internet quality. In general, when confronted with the Industry 4.0 transformation, the usage of digital platforms is a useful option for improving the performance of micro and small businesses (Kementerian Pembangunan Usahawan dan Koperasi (MEDAC), 2019). Cataldo, Pino, and Mcqueen (2019) stated that efficient use of information and communication technology by micro and small businesses. Thus, efficient use of information and communication technology by micro and small businesses will create several chances for organizations to make more lucrative income and compete with larger businesses.

According to the SME Annual Report (2019), despite the fact that 90.1 percent of respondents have an internet connection, they confront challenges such as excessive costs, slow internet speeds, and bad connections. In terms of affordability, the majority of respondents in the Northern Region and the East Coast reported that internet costs are fairly high. Furthermore, slow internet speeds remain a worry, emphasizing the need to expand broadband infrastructure, since broadband remains a barrier to SMEs' digitalization. According to the study results, fixed broadband channels such as Streamyx, Unifi, and Time are the preferred broadband channels in all locations of Malaysia (SME Corp. Malaysia, 2019). Meanwhile, mobile broadband, which is wireless internet connection via a smartphone, is becoming more popular.

Digital application skills

Even if the enterprise has adequate infrastructure and facilities, it becomes a difficulty for the firm if the business owners do not have the necessary skills. If you have the expertise to promote online, digitization in business might increase business marketing. According to a study conducted by Rohayu Roddin et al. (2011), the average female entrepreneur in Malaysia faces a variety of obstacles and problems, including a lack of capital and marketing skills, a lack of education and training, a lack of motivation and self-confidence, and a lack of financial capital support. Alauddin Sidal (2014) agrees on this point, stating that women entrepreneurs have a lack of understanding when it comes to marketing and employing information and communication technologies in business.

Information and communication technology may be characterized as a complex and complete system containing various networks on a global scale and undergoing a dynamic development process in unison with the development of innovative technology. Speed and time savings may be recognized when contemporary technology develops and is enhanced over time by technical advancement. According to Siti Masayu Rosliah (2016), individuals' use of information and communication technology is impacted by factors such as their level of expertise in use, understanding in managing equipment, and stagnant thinking about advantages. While entrepreneurs understand the importance of information and communication technology in business, many do not employ it in their operations.

The availability of developing and thriving information technology is the greatest way for a company to stay competitive. As a result, it is vital for organizations to understand the responsibilities of digitalization in making organizational operations more responsive. They must overcome obstacles such as a lack of digital media understanding and skills.

Preparation of the digital environment

As merchants, they must take efforts to digitize their businesses in order to meet the government's Industrial Revolution 4.0 goals. There are several conditions that might hinder a company's operations if just human resources are anticipated. As a result, it is critical for a company to engage in e-commerce and embrace digitization. Infrastructure barriers, legal and administrative costs, a lack of finance, and a lack of digital skills in the workforce make it hard to develop a digital environment.

Internet participation in the realm of entrepreneurship is becoming increasingly popular in Malaysia. Furthermore, the availability of many apps that can be accessible via the internet allows a firm to develop more worldwide and effectively (Talib, Yusof, Zan, & Ngah., 2017). Shopping applications have played an important role in the expansion of e-commerce as customers increasingly use mobile phones.

Entrepreneurs have been advised to use the digital economy to do different business tasks online, as well as to improve operations through the use of technology to improve customer service. The latest trend of online ordering and e-commerce has also motivated businesses to invest in suitable digitization infrastructure, including internet connectivity. This digital strategy assists entrepreneurs in selling their items while also reducing business expenses. The majority of enterprises require finance support to build a conducive digitalization ecosystem, followed by technology and staff skill development. Government parties and agencies play an important role in creating a digital environment in which this online business may be supported and accessible by all people, particularly those living in cities and rural areas.

CONCLUSION

Overall, this paper explains how the usage of digital platforms may be critical in increasing the competitiveness of micro and small businesses. It is obvious that mastery of knowledge in the use of digital platforms may lead companies to compete

with larger firms. However, mastery necessitates knowledge backed up by enthusiasm and dedication. Although using digital platforms entails fees, the fast evolution of technology has reduced the prices and made them more accessible. Micro and small entrepreneurs can still reap the benefits of good usage of digital platforms with little or no expenditure.

Micro and small businesses may take advantage of the growth of digital platform capabilities to build solid customer interactions and create a digital ecosystem that can reduce operating expenses. Knowledgeable merchants will be able to use the available applications to engage with clients and so build strong relationships, which are essential for customer retention. Firms can also utilize consumer information to analyze and predict client wants. The company will then be more proactive in seizing chances arising from consumer communication. There is no disputing that mastering the use of digital platforms may assist micro and small businesses not only develop consumer connections, but also create a digital ecosystem comprising suppliers, retailers, and other stakeholders. To put it another way, knowledge and mastery of digital platforms become a dynamic skill for enterprises to create company enablement.

The domination of digital platforms becomes a unique resource that other businesses may find challenging to replicate. In reality, it becomes a dynamic capability as a result of its changing character in response to current technological advancements. The utilization of digital platforms necessitates the support of dynamic capabilities in order to achieve higher performance (Parida, Lahti & Vincent 2016; Ravichandran 2018). This discovery has aided the research of dynamic capabilities (Helfat et al. 2018; Teece 2018) by demonstrating the significance of leveraging digital platforms as a trigger that pushes enterprises to develop current dynamic capabilities. In particular, the usage of digital platforms may boost a firm's efficiency and creativity, facilitating the integration and reconfiguration of management in connections with stakeholders.

From the aspect of management implications, this paper emphasizes that firms need to look at the use of digital platforms from a strategic perspective, not just marketing. The sophistication of software technology and user involvement in the digital world create a situation where digital platforms are no longer limited to communication functions. Software such as Google Analytics helps firms in making strategic decisions using big data based on user behavior using social media. In addition, this paper proposes a more accurate information to develop more effective programs for entrepreneurs by stakeholders such as SME Corporation Malaysia and the Ministry of Entrepreneur Developmentand Cooperatives (MEDAC). Digital workshops such as e-entrepreneurs and e-rezeki organized by Malaysia Digital Economy Corporation Sdn Bhd (MDEC) need to consider aspects of the knowledge level of the participants and what is required by the participants in developing appropriate programs.

There are several limitations that have been identified in this paper. The proposals of this paper cannot be generalized due to the approach used. This paper is also only focused on small and medium firms, and it is possible that if it is extended to large enterprises, more factors that encourage firms to use digital platforms can be identified.

Future research might look into quantitatively created proposals to determine whether there is a link between digital platform capabilities and company competitiveness. Aside from quantitative investigations, large-scale corporate studies may be able to identify distinct aspects based on different degrees of expertise. Comparative study could also be planned to look at other factors that encourage the use of digital platforms in foreign countries, taking cultural issues as well as varying levels of knowledge and experience into account. Finally, the key aim for micro and small businesses is to expand expertise in order to improve the firm's capacity to use digital platforms. Firms may master use, cultivate customer connections, and create a successful digital ecosystem with digital literacy accompanied by interest and dedication.

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