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**LONGEVITY IN BUSINESS IS ABOUT BEING ABLE TO REINVENT YOURSELF  
OR INVENT THE FUTURE**

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**Abstract:**

In today's competitive business world, each business strives hard to survive in its cutthroat competition. Changing business style or strategies will help a business to flourish; one such method is moving to the concept of digitalization which refers to the process of converting data at machine level analog into a user-friendly readable digital format with suitable electronic devices so that information can be processed, stored and transmitted through digital circuits, equipment and networks. Digitalization is said to be the lifeline of the business, which is required for keeping a business growing and easing lives, creating a more self-reliant business model which is standardized and cost-efficient. Enterprises need a vital decision for moving towards digitalization as few organizations are reluctant to go for this due to complexity, addictivity, data insecurity, and privacy concerns. Businesses are looking for technology-based products and services. In this context, MSME is also working on par with the other competitors to keep pace and have a competitive edge. MSME is a vibrant and thriving sector that accounts for 45% of the country's manufacturing output and employed workforce. The data is collected from secondary sources such as websites and articles. The paper focuses on the reasons for digitalization, application, and impact of digitalization in MSME, benefits, and limitations. It is concluded by giving the trends of business in MSME digitalized scenario.

Keywords: Business, Competitive edge, vibrant, impact and trends.

**Introduction:**

Technology has become an indispensable facet of modern life, profoundly transforming the operational landscape of businesses. In today's digital era, technological advancements have empowered decision-makers with immediate access to critical information from any location and device, ensuring seamless business continuity. Digitization enables organizations to respond swiftly to changing market dynamics, tailor their products and services to meet individual client needs, enhance their societal presence, and cultivate awareness and goodwill within the community.

A notable example of leveraging technology for business enhancement is seen in the initiatives undertaken by Micro, Small, and Medium Enterprises (MSMEs). These enterprises represent a vibrant sector crucial to the socio-economic development of nations. However, many MSMEs struggle with basic computer literacy, which hampers their ability to establish a digital footprint and leverage technology to compete on a global scale. Addressing this gap is essential for the sustainable growth and global competitiveness of MSMEs.

The integration of digital tools within MSMEs can significantly improve their operational efficiency, market reach, and customer engagement. By adopting digital technologies, these enterprises can streamline their processes, reduce costs, and enhance productivity. Additionally, digital platforms can enable MSMEs to access new markets, both locally and internationally, by providing them with the tools to market their products and services effectively. This expanded reach not only opens up new revenue streams but also

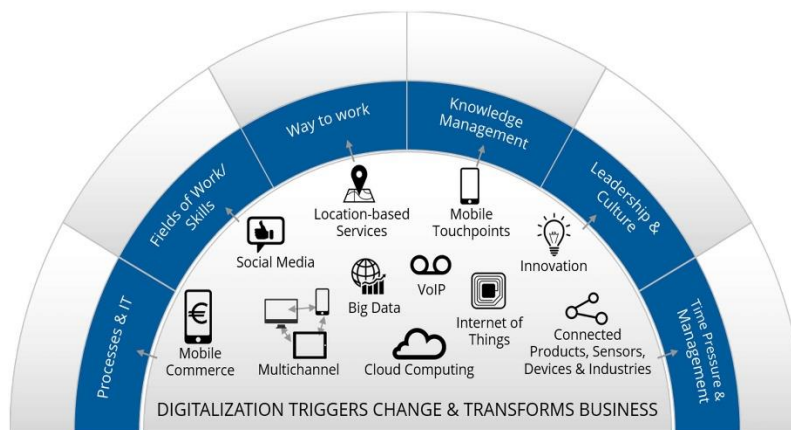
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allows MSMEs to diversify their customer base and mitigate risks associated with over-reliance on local markets.

Moreover, technology facilitates better communication and collaboration within the organization and with external stakeholders. Cloud-based solutions, for instance, allow for real-time data sharing and collaboration, improving decision-making processes and operational agility. Enhanced communication tools also enable MSMEs to build stronger relationships with customers, suppliers, and partners, fostering a more collaborative business environment.

However, the journey towards digital transformation is not without its challenges. Many MSMEs face significant barriers, including limited access to financial resources, lack of technical expertise, and resistance to change. These challenges can impede the adoption of digital technologies and prevent MSMEs from fully realizing the benefits of digitization. It is crucial for policymakers, industry leaders, and educational institutions to collaborate and create supportive ecosystems that facilitate the digital transition of MSMEs. This can include providing financial incentives, offering training programs to build digital literacy, and developing infrastructure that supports technological adoption.

The integration of technology into business operations has revolutionized the way businesses function, offering unprecedented opportunities for growth and efficiency. For MSMEs, embracing digital transformation is not just an option but a necessity to remain competitive in an increasingly digital global market. By addressing the barriers to digital adoption and fostering a supportive ecosystem, MSMEs can harness the power of technology to drive socio-economic development, enhance their market presence, and contribute to the broader economy. The digital future of MSMEs promises a landscape of innovation, efficiency, and global connectivity, paving the way for sustained growth and success.



**Figure No. 1 - Business Growth is all about Digital Maturity**

## **LITERATURE REVIEWS**

According to Bardhan (2008), implementing information technology (IT) is essential for enhancing a firm's dynamic capabilities. For organizations to achieve substantial performance improvements, it is crucial to prioritize the effectiveness and efficiency of IT investments. Without a strategic focus on successfully integrating IT, organizations are unlikely to realize the potential benefits and advancements in their operational and competitive performance. This research underscores the importance of targeted IT investments to foster growth and agility within firms, emphasizing

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that merely adopting technology is insufficient without a comprehensive approach to its effective and efficient implementation.

Adopting Information Technology (IT) significantly influences an organization's operations, driving substantial change. This transformation enhances the organization's competitiveness and success within the marketplace, as highlighted by McAfee (2006). By integrating IT, businesses can streamline processes, improve efficiency, and foster innovation, leading to a more dynamic and responsive organizational structure. The strategic use of IT not only optimizes internal workflows but also enhances customer engagement and market reach. Consequently, organizations that effectively embrace IT are better positioned to navigate competitive landscapes and achieve sustained growth and prosperity. Everett Rogers' seminal work, "Diffusion of Innovations," lays the groundwork for understanding how, why, and at what rate new technologies spread through cultures. Rogers identifies five key factors influencing adoption: relative advantage, compatibility, complexity, trialability, and observability. He also categorizes adopters into innovators, early adopters, early majority, late majority, and laggards based on their readiness to adopt new technology.

The Technology Acceptance Model posits that perceived usefulness and perceived ease of use are the primary determinants of technology adoption. Davis (1989) suggests that these perceptions influence users' attitudes towards technology, which in turn affect their intention to use and actual usage behavior. Building on earlier models, UTAUT integrates constructs from TAM, the Theory of Planned Behavior (TPB), and other frameworks. It identifies four key determinants of adoption: performance expectancy, effort expectancy, social influence, and facilitating conditions. UTAUT has been widely validated across various contexts, demonstrating its robustness in predicting technology adoption.

Age, gender, education, and income levels significantly impact technology adoption rates. Younger individuals and those with higher educational attainment are generally more likely to adopt new technologies (Venkatesh et al., 2012). Innovativeness, risk tolerance, and personal innovativeness in the domain of IT (PIIT) influence individuals' propensity to adopt new technologies (Agarwal & Prasad, 1998).

An organization's culture, including its openness to change and innovation, plays a crucial role in technology adoption. Decentralized structures often facilitate faster adoption (Zmud, 1984). Strong leadership and management support are critical for successful technology adoption. Leaders who champion new technologies can influence organizational members' attitudes and reduce resistance to change (Thong et al., 1996). Technologies that are compatible with existing systems and processes are more likely to be adopted. Conversely, high complexity can deter adoption (Tornatzky & Klein, 1982). The ability to test and observe the benefits of a technology before full-scale adoption can significantly enhance its uptake.

Government policies, regulations, and competitive pressures can drive technology adoption. For instance, stringent data protection regulations have accelerated the adoption of cybersecurity technologies (Kuan & Chau, 2001). Societal norms and cultural values influence technology adoption. Cultures that value innovation and progress are more likely to embrace new technologies (Hofstede, 1980).

Numerous studies highlight the rapid adoption of mobile technologies in developing countries, driven by the need for connectivity and the absence of legacy infrastructure. For example, the widespread adoption of mobile banking in Kenya, exemplified by M-Pesa, showcases how mobile technology can leapfrog traditional banking systems (Mbiti & Weil, 2011). Research on ERP adoption demonstrates the importance of top management support, user training, and change management practices. Successful ERP implementation often requires significant organizational change and alignment of business processes with the new system (Umble et al., 2003). The adoption of e-government services is influenced by factors such as perceived usefulness, trust in government, and the digital divide. Studies indicate that

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user-centric design and ensuring accessibility can enhance the adoption of e-government platforms (Carter & Bélanger, 2005).

## **REASONS FOR DIGITALIZATION**

**1)Increased Competition** – Firms go for digitalization to survive in this competitive world, which will help them to grow to a large extent.

**2)Readily Available** - Digitally transforming business enhances the future scope of the company. The technology required for a digitally transforming company is readily available today.

### **3)More control and better insight**

Transparency is a central concept in digitalization because companies gain more control over and insight into processes and data and the tools to analyze these.

### **4)Data Capture**

Intelligent data capture manages the process of capturing incoming information or data to the business, ensuring it is processed and documented efficiently.



**Figure No.2 Steps to Go Digital**

## **MSME INITIATIVE – DIGITALISATION SCHEME**

Union Minister launched it for MSME Shri. Kalraj Mishra revolves around cloud computing, has emerged as a cost-effective tool, and is a viable alternative to in-house infrastructure installed by MSME.

### **Objectives of the Scheme:**

- 1) To sensitize and encourage MSMEs towards a new approach
- 2) Adoption of best practices to improve the quality of products and services
- 3)To benefit a large number of MSMEs in terms of standardizing their business processes, delivery time improvement, inventor cost reduction, and production quality.

### **Outcomes of the Scheme:**

- 1)Adoption of best practices to improve the quality of products and services

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2)To enable MSME to search for value chain

3)To promote an echo system of cost-practical and inclusive ICT application for MSMEs.

**THE GOVERNMENT HAS TAKEN INITIATIVES TO BRIDGE DIGITAL SKILL GAP IN MSME WHICH IS MENTIONED BELOW:**

**INDUSTRY INITIATIVES TO BRIDGE DIGITAL SKILL GAP** several multi-national organizations have launched major India-focused efforts to give this sector a boost.

**Facebook has announced personalized online learning through 'Start-up Training Hubs' and 'Digital Training' programs**

**SAP India is also working on empowering SMEs to transition to a digital platform. It has signed a MoU with the Ministry of MSME to launch the 'Bharat ERP' program, aimed to train more than 30,000 SMEs and youths on ERP solutions**

**HDFC Bank has introduced digital banking for SMEs to access credit, payments and other transactions online. Its 'Digital SME Bank' program will encourage SMEs to use the internet for all their banking needs.**

**Volunteers from both organizations will promote IT literacy among school students and rural youth to groom the digital workforce of the future.**

**DIGITAL TRANSFORMATION COULD ENABLE MSMES TO FULFILL THE FOLLOWING NEEDS:**

- Access to knowledge and international best practices
- Operational excellence across broader geographies through real-time insights and achieving resource conservation
- Financial prudence, decision-making, and risk mitigation
- Targeted marketing reach and sales
- Efficient provisioning of products & services

**APPLICATION AND IMPACT OF DIGITALISATION IN MSME**

**1)YES BANK - YES BANK** has started MSME CSR Project “**Say YES to Sustainable MSMEs in India**” had piloted a first-of-its-kind E-commerce training program for offline MSMEs/retailers. The aim is to train the entrepreneurs on E-commerce, help them understand technology, remove barriers, and thus increase livelihood opportunities by enabling them to reach out to broader geographies... Entrepreneurs & their units that are successful in understanding the power of digitalization and harnessing it across their value chain will lead this new wave of inclusive & sustainable growth.



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2) **SWECHHA, FOUNDED IN 2000**, is a social enterprise spread across multiple spheres of focus. Digital adoption has helped them launch “Million Kitchen,” - an initiative that empowers 20+ women chefs in the slums of Delhi through a hyperlocal homemade food delivery application

3) **HARSHIL JEWELLERS**, established in the late 1980s, is a leading manufacturer and trader of precious and semi-precious gemstones. Digital adoption in the last several years has helped them access 40 countries and establish a profitable export business across the world

4) **ZESTY BITES**, la Zesty Bites, launched in 2004 by Veena Singla, is a bakery based in Chandigarh serving international-style baked treats and desserts. Increased digital adoption over the last few years has helped the bakery grow its business by 25 percent - extending its customer reach to six more cities across Punjab and Haryana. The online presence and effective marketing helped her grow their customer base and build a more significant business.

### KEY DRIVERS ESCALATING DIGITALIZATION ADOPTION TODAY

- The exponential growth in the adoption of intelligent devices enables easy access to 3G or 4G networks.
- The increased popularity of social media
- Rapidly increasing volumes of data are being captured by businesses across customer touch-points
- Advancement made in analytic tools and technology that is helping to bring analytics closer to business users and not limit it to statisticians and PhD-holders
- Cloud-enabling businesses to deploy mobility and analytic solutions in a cost-effective manner and reduces time-to-market

### DIGITAL INITIATIVES BY MSME

The Ministry of Micro, Small and Medium Enterprises (MSME) has introduced various digital initiatives in this regard. Some of them listed below:

- Udyog Aadhaar Memorandum - Registration form constituting self-declaration format
- MSME SAMADHAAN Portal - empowering micro and small entrepreneurs across the country
- MSME SAMBANDH Portal - implementing public procurement by MSME
- MSME SAMPARK Portal - registration site for job seekers and recruiters for employment.

### IMPROVING DIGITAL SKILLS AT MSME WORKPLACE

A talent audit is to be conducted to identify skill gaps and evaluate the stage of digitization in the workplace for which appropriate training, development, and recruitment plans, must be designed. It can also leverage online digital courses and free tools to develop its digital skills. Digital Vidya, NIIT, UpGrad, and SimpliLearn.com are a few among many who offer comprehensive virtual courses in digital skills at affordable costs. There are also tools such as HootSuite, Google Analytics, and BuzzSumo for SMEs with essential digital marketing knowledge to advance their skills further. India's SME sector seems to know where it stands and appears ready to embrace technology to upgrade its digital skills and recruit tech-savvy talent. It is now up to the government and private organizations to empower SMEs with a digital workforce.

### DIGITALISATION TRENDS IN MSME SECTOR

Sustaining businesses require entrepreneurs to adopt technology at a fast pace.

**1)Lead Management Capability:** Small and medium businesses actively look for newer business opportunities and digital channels to get customer leads.

**2)Staying Mobile Focused** The rapid increase in smartphone users in every part of the country is accelerating the growth of e-commerce in India, where new businesses must adopt web-based technologies.

**3)Customer Relationship:** Customers should be valued to build a strong reputation for the business to retain and develop new customers.

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**4)Personalization:** An excellent trend for business in marketing is offering a personal touch to the customers. Companies need to create and send out segmented emails with high-quality content.

**5)Payment system:** Businesses need to explore new ways of accepting payment to make the purchase process easier for their customers, such as net banking, Paytm, Cash on Delivery (COD) along with tie up with payment avenues that offer cash backs such as Mobikwik, Paytm, PhonePe is another move.

**6)Cybersecurity:** MSMEs require strong and dedicated cybersecurity to deal with the situation and not lose their customers, for which it is recommended to make use of Cloud solutions and Hybrid security systems.

**MERITS AND DEMERITS OF DIGITALIZATION IN MSME SECTOR**

**MERITS**

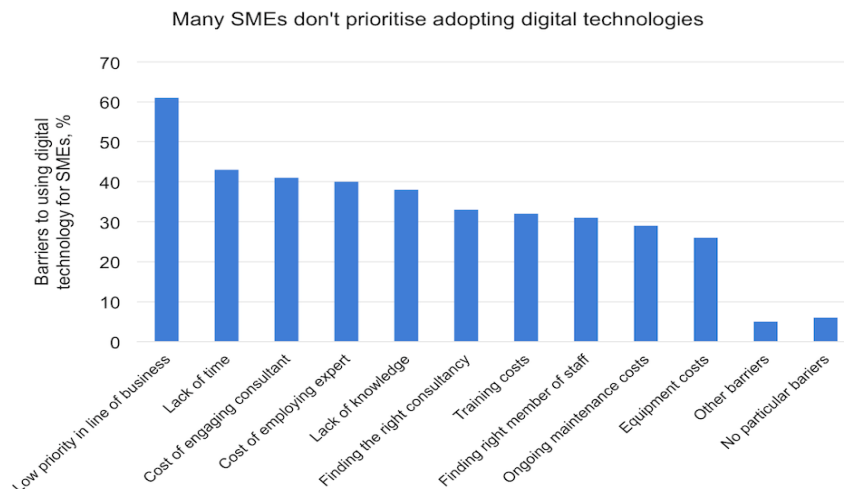
- Increases operational Efficiency
- Customer Acquisition
- Data Security
- Access to enabling Infrastructure

**DEMERITS:**

- Inadequate infrastructure Facility
- Inadequate funds
- Lack of innovation
- Technology knowledge gaps
- Lack of training and skills
- Inability to attract tech-savvy talent

**Challenges and Future Directions**

Despite extensive research, several challenges remain in the field of technology adoption. These include understanding the long-term impacts of technology adoption, addressing digital inequalities, and ensuring ethical considerations in technology deployment. Future research should focus on: Longitudinal Studies: Examining the long-term effects of technology adoption on individuals and organizations. Cross-Cultural Comparisons: Investigating how cultural differences impact technology adoption across different regions. Emerging Technologies: Understanding adoption patterns for emerging technologies such as artificial intelligence, blockchain, and the Internet of Things (IoT).



**Figure No.3**

**Ms. SMRITI NAGARIA****CONCLUSION**

The literature on technology adoption is diverse and comprehensive, incorporating numerous theoretical frameworks and empirical studies. By examining the factors that influence technology adoption, stakeholders can develop strategies to improve the uptake and successful implementation of new technologies. Ongoing research is crucial to addressing persistent challenges and capitalizing on emerging opportunities in this dynamic field. Micro, Small, and Medium Enterprises (MSMEs) are experiencing exponential growth due to increasing digitalization, which offers excellent work opportunities. Digitalization has uniquely impacted the services and manufacturing sectors within MSMEs, enhancing efficiency, profitability, spillover effects, innovation, and accountability. This development supports the nation's overall growth strategy.

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