

COMMERCIALIZATION OF MSME DIGITALIZATION INCUBATION WITH BUSINESS DEVELOPMENT OF PROFIT SHARING AND EQUITY FUNDING MODELS

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Abstract

MSMEs in Indonesia play a vital role in the economy, contributing more than 60% to GDP and absorbing 97% of the workforce. Digitalization provides new opportunities for MSMEs to increase competitiveness and diversify income sources, but challenges remain, such as low digital literacy, access to technology, and lack of training. This study aims to develop and determine the effectiveness of MSME digitalization incubation that combines profit-sharing and equity funding business models. The research method used is the business model canvas method with a quantitative and qualitative approach. The study results show that digitalization incubation programs significantly positively impact the growth of MSMEs, with 45% of respondents stating that digitalization is essential in improving business performance. However, only 30% of MSMEs understand the concept of equity funding well, indicating the need to improve financial literacy. In addition, the study found that trust in the profit-sharing model was higher than equity funding, with 40% and 35%, respectively. The implication of this study is the need to increase MSMEs' understanding and accessibility to digitalization-based business models through more comprehensive incubation programs, as well as the development of policies that support the strengthening of financial literacy among MSME actor.

Keywords : Incubation, Digitalization, MSMEs, Profit Sharing, Equity Funding

Abstrak

UMKM di Indonesia memegang peranan penting dalam perekonomian, dengan kontribusi lebih dari 60% terhadap PDB dan menyerap 97% tenaga kerja. Digitalisasi memberikan peluang baru bagi UMKM untuk meningkatkan daya saing dan mendiversifikasi sumber pendapatan, namun masih terdapat tantangan seperti rendahnya literasi digital, akses teknologi, dan kurangnya pelatihan. Penelitian ini bertujuan untuk mengembangkan dan mengetahui efektivitas inkubasi digitalisasi UMKM yang menggabungkan model bisnis bagi hasil dan pendanaan ekuitas. Metode penelitian yang digunakan adalah metode business model canvas dengan pendekatan kuantitatif dan kualitatif. Hasil penelitian menunjukkan bahwa program inkubasi digitalisasi memberikan dampak positif yang signifikan terhadap pertumbuhan UMKM, dengan 45% responden menyatakan bahwa digitalisasi penting dalam meningkatkan kinerja bisnis. Namun, hanya 30% UMKM yang memahami konsep pendanaan ekuitas dengan baik, yang menunjukkan perlunya peningkatan literasi keuangan. Selain itu, penelitian menemukan bahwa kepercayaan terhadap model bagi hasil lebih tinggi daripada pendanaan ekuitas, yaitu masing-masing sebesar 40% dan 35%. Implikasi dari penelitian ini adalah perlunya peningkatan pemahaman dan aksesibilitas UMKM terhadap model bisnis berbasis digitalisasi melalui program inkubasi yang lebih komprehensif, serta pengembangan kebijakan yang mendukung penguatan literasi keuangan di kalangan pelaku UMKM.

Kata Kunci : Inkubasi, Digitalisasi, UMKM, Bagi Hasil, Pendanaan Ekuitas

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Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in supporting economic growth and improving the welfare of people in Indonesia (Handayani & Mahendrawathi, 2019). MSMEs contribute significantly to the national gross domestic product (GDP), contributing to more than 60% of the total GDP (Gunawan & Cahaya Ni, 2022). In addition, this sector is also the backbone of job creation, absorbing around 97% of the workforce in Indonesia (Hariri et al., 2021). MSMEs play a role in reducing the unemployment rate and improving community welfare (Castillo et al., 2019). The strategic role of MSMEs in Indonesia's economy can also be seen from their ability to adapt and survive in various economic situations, including in times of crisis (Lin & Xu, 2024). Flexibility and relatively small business scale allow MSMEs to more quickly adapt to changes in the market and consumer needs (Kilay et al., 2022). MSMEs also have an essential role in economic equity because many businesses operate in remote and underdeveloped areas (Khanzode et al., 2021).

For MSMEs, Digitalization has significantly changed many things, especially in business operations (Nuryanah et al., 2023). MSMEs have limited resources and access to traditional markets and are increasingly aware of the critical role of digital incubation in increasing competitiveness and sustainability (Maksum et al., 2020). In addition, digitalization has allowed MSMEs to take advantage of new business models and sources of income. MSMEs can use access to e-commerce platforms and digital markets for subscription-based services and online advertising (Hermawati et al., 2020). MSMEs have many options to monetize their offerings and diversify their sources of income. This diversification increases the resilience of MSMEs to market fluctuations and places them in long-term growth (Suminah et al., 2022).

However, despite the potential for digitalization transformation, MSMEs still face several challenges in their implementation. The problems encountered are the low level of digital literacy, access to technology, and lack of training for MSMEs (Khanzode et al., 2021). In addition, rapid technological changes require continuous learning and adaptation, thus putting further pressure on MSMEs with limited resources and expertise (Acintya et al., 2022). One of the main factors that causes low access to training is limited resources in terms of finance and time. Many MSME actors must allocate most of their time and resources to daily operations, making it difficult to set aside time or money to participate in training (Gui et al., 2020).

Based on a study conducted by the International Finance Corporation (IFC), it was found that only 23% of MSMEs in Indonesia have adopted digital technology. This low adoption rate can be attributed to several factors, including the high costs of acquiring and maintaining digital infrastructure and devices (Tejamaya et al., 2021). In addition, a survey conducted by the Asian Development Bank (ADB) revealed that in many developing countries, such as Bangladesh and Viet Nam, more than 70% of MSMEs cited affordability as a significant obstacle in investing in digital technology (Kilay et al., 2022). In addition, the lack of digital skills among MSME workers is also a significant obstacle to effectively using digital tools. The International Labor Organization (ILO) report highlights that only 33% of Southeast Asian workers have basic digital skills (Palencia et al., 2024). The available data indicate the urgent need for targeted interventions to increase digital literacy among MSME workers and reduce financial barriers to digital adoption, particularly in developing countries (Maksum et al., 2020).

The author initiated a solution to develop MSME business incubation innovations through a profit-sharing model to reduce the cost of assisting MSMEs. This solution entails the establishment of a partnership between MSMEs and incubators where the incubator provides mentoring, resources, and support in exchange for a percentage of MSME revenue or profits. By implementing this profit-sharing model, the financial burden of MSMEs for incubation services can be reduced, thereby encouraging greater affordability and accessibility. This research aims to develop a business model platform, investigate the feasibility, and determine the impact of implementing a profit-sharing business model and equity funding mechanism in digital incubation for MSMEs. The results of this study seek to provide actionable insights for policymakers, practitioners, and entrepreneurs who want to utilize digital incubation for MSME development. The urgency of this research proposal lies in efforts to overcome obstacles that hinder MSMEs from fully accepting digitalization.

Method

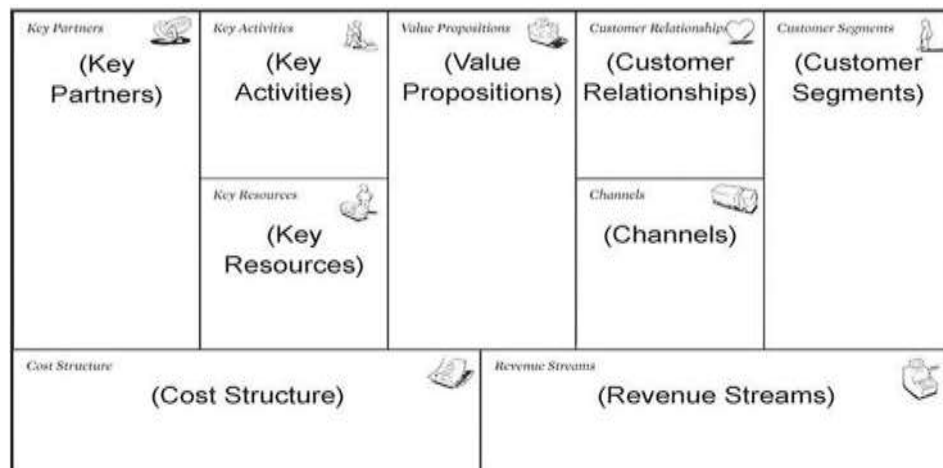


Figure 1. Business Model Canvas Methodology

Using the Business Model Canvas (BMC) method with a quantitative and qualitative approach becomes a holistic and structured strategy. BMC is a tool that helps identify and analyze critical elements of a business model, including value propositions, customer segments, distribution channels, revenue sources, and critical cost and resource structures. BMC is used to map and develop business models that suit the needs and characteristics of the MSMEs being incubated (Somnuke et al., 2023).

A quantitative approach is used to collect empirical data from MSME actors, stakeholders, and potential customers through disseminating questionnaires. This data includes MSMEs' perception of the profit-sharing and equity funding business models, as well as the factors that affect the successful implementation of this model (Kurata et al., 2023). The dissemination of the questionnaire also allows researchers to measure the level of readiness of MSMEs to adopt new business models and understand the obstacles faced. Once the data is collected, validation is carried out by a team of experts to ensure that the results of the quantitative analysis are accurate and relevant to the context of the research (Mosgaard & Kristensen, 2023).

Meanwhile, the qualitative approach involves literature studies and field observations to gain deeper insights into the dynamics and challenges faced by MSMEs in digitalization and commercialization. Literature studies provide a solid theoretical foundation, while field observations allow researchers to understand real-life situations (Knox, 2022). The results of this qualitative approach are then integrated with quantitative findings to produce comprehensive and applicable recommendations for developing profit-sharing and equity funding business models. The process is outlined in eight main stages, each with specific activities and schedules (Mosgaard & Kristensen, 2023).

At this stage, customer segments are identified through market research and surveys. Data analysis can improve segmentation based on demographics, industries, and needs. Furthermore, feedback sessions create value by brainstorming potential offers that align with identified and validated customer needs. Channels to reach and involve MSMEs and target incubators are followed by developing and forming marketing materials and communication channels (Das et al., 2023).

Establishing a customer relationship begins with initiating engagement activities, followed by monitoring, evaluation, and feedback collection. Meanwhile, potential sources of income are identified during the research process, and various funding opportunities are identified to sustain research activities. Customer relationship activities serve as a platform to build good relationships, trust, and collaboration between research teams, MSMEs, and incubators. Additionally, the platform facilitates an open communication channel where feedback can be exchanged, allowing for continuous improvement and refinement of the strategy. Further activities focused on monitoring and evaluating the effectiveness of these engagement efforts. This includes assessing the relationship's quality, measuring satisfaction levels, and gathering participant feedback (Tinkov et al., 2023).

Result And Discussion

This research was carried out in three stages, which are described as follows:

1. Preliminary Study

Needs analysis as a preliminary study for MSME actors is a crucial step in preparing the research process regarding the commercialization of MSME incubation digitalization with the development of business models of profit sharing and equity funding. This analysis aims to identify the business knowledge owned by MSME actors, the business models used, and the type of business training that has been followed. Research can be designed to understand the initial needs of MSMEs in a more targeted and relevant way. Needs analysis focuses on assessing the business knowledge of MSME actors. MSMEs' understanding of fundamental business concepts, financial management, marketing strategies, and the adoption of digital technology in business operations. This knowledge is essential to assess the readiness of MSMEs to adopt more complex business models, such as profit sharing and equity funding, and participate in the incubation program that will be developed.

Analysis of the needs of MSMEs to evaluate the business model that MSMEs have used. Understanding existing business models will help adjust a more appropriate approach to integrate the concept of profit sharing and equity funding into MSME operations and identify areas that need to be updated or improved. In addition, this needs analysis also includes an evaluation of business training that MSME actors have attended. It is essential to know how much MSME actors have received support in business capacity development. This information will be used to design a more comprehensive training program that will address the needs of MSMEs facing the challenges of digitalization and commercialization. The needs analysis results will be the basis for designing more targeted and practical research, ensuring that the incubation programs and business models developed can be adequately implemented and provide maximum benefits for MSMEs.

Table 1. Analysis of the Needs of MSME Actors

No	Question	Answer Options	Percentage
1	How familiar are you with the concept of digital incubation?	Very familiar	25%
		Quite familiar	35%
		Less familiar	30%
		I am not familiar with it at all	10%
2	How familiar are you with the concept of MSMEs?	Very familiar	20%
		Quite familiar	40%
		Less familiar	25%
		I am not familiar with it at all	15%
3	How familiar are you with the business concept of the profit-sharing model?	Very familiar	30%
		Quite familiar	25%
		Less familiar	20%
		I am not familiar with it at all	25%
4	How familiar are you with the concept of equity funding?	Very familiar	15%
		Quite familiar	30%
		Less familiar	35%
		Not familiar with it at all	20%
5	How much interest do you have in learning about this topic?	Very interested	45%
		Interested	35%
		Less interested	15%

		Not interested at all	5%
6	How often do you use digital media for business?	Always	20%
		Often	35%
		Sometimes	25%
		Infrequently	15%
		Never at all	5%
7	Have you participated in a business incubation program before?	Yes	30%
		No	70%
8	Have you ever invested?	Yes	40%
		No	60%
9	How familiar are you with the concept of digitizing MSMEs?	Very familiar	25%
		Quite familiar	35%
		Less familiar	30%
		I am not familiar with it at all	10%
10	How important is it for you to understand the new business model?	Very important	45%
		Important	35%
		Less important	15%
		Not important at all	5%
11	How often do you use the Internet for business research?	Always	30%
		Often	25%
		Sometimes	20%
		Infrequently	15%
		Never at all	10%
12	How confident are you in the profit-sharing business model?	Highly trusting	40%
		Trust enough	30%
		Lack of trust	20%
		Not believing at all	10%
13	Are you more interested in a business model focusing on profit sharing or equity funding?	Sharing profit	45%
		Equity funding	35%
		Equally interesting	15%
		Not interested at all	5%
14	Do you have experience in developing a business model?	Yes	55%
		No	45%
15	How much do you believe in the potential of digitalization to improve the performance of MSMEs?	Highly trusting	40%
		Trust enough	30%
		Lack of trust	20%
		Not believing at all	10%
16	How confident are you that the profit-sharing business model can be profitable?	Very confident	30%
		Pretty sure	25%
		Lack of confidence	20%
		Not sure at all	25%
17	How confident are you that equity funding can boost business growth?	Very confident	35%
		Pretty sure	30%
		Lack of confidence	20%
		Not sure at all	15%
18		Strongly agree	45%
		Agree	30%

	Do you feel that lack of access to capital is a significant obstacle for MSMEs?	Disagree	15%
		Disagree at all	10%
19	How familiar are you with blockchain technology in a business context?	Very familiar	40%
		Quite familiar	30%
		Less familiar	20%
		I am not familiar with it at all	10%
20	Do you have any previous experience using e-learning platforms?	Yes	55%
		No	45%

Most respondents showed a relatively good understanding of the key concepts relevant to the study. For example, as many as 35% of respondents are familiar with digital incubation, and 40% have the same understanding of MSMEs. However, knowledge of profit sharing and equity funding business model is relatively diverse. As many as 30% of respondents are familiar with profit sharing, but only 15% are familiar with equity funding. This shows the need to increase understanding of equity funding among MSME actors. Some studies show that despite the high interest in innovation and digitalization, many MSME actors struggle to understand and implement these concepts effectively. One of the studies (Dewi & Mahendrawathi, 2019) highlights that although many MSMEs in developing countries know the importance of digitalization and business model innovation, they lack in-depth knowledge. Meanwhile, research (Mishra & Kushwaha, 2023) reveals that one of the main obstacles is increasing MSME actors' understanding of business concepts.

Respondents' interest in learning about this topic is relatively high, with 45% very interested and 35% interested. Most respondents also acknowledged the importance of understanding new business models, with 45% stating this is very important. Trust in the profit-sharing business model is quite strong, with 40% firmly trusting. In contrast, trust in equity funding is slightly lower, with 35% strongly confident in its potential to increase business growth. The study revealed that many MSME players know the importance of understanding innovative new business models to stay relevant. Research by (Octasyilva et al., 2022) found that the profit-sharing business model can encourage closer collaboration between business people, allowing for equitable profit-sharing while minimizing individual risks. Research by (Guerra-Tamez et al., 2021) shows that equity funding offers significant potential to raise capital and expand the investor base.

Respondents frequently use digital media in business, where 35% often use digital media, and 20% always use digital media for business. A study by (Cunningham et al., 2023) found that digital media, such as social media, e-commerce platforms, and digital marketing tools, has become integral to MSME business strategies to reach customers. However, only 30% of respondents had participated in a business incubation program before, indicating significant potential to introduce and expand digitalization incubation programs among MSMEs. According to research conducted by (Castillo et al., 2019), business incubation programs play an essential role in helping MSMEs develop the capacity to innovate and compete in the global market. Furthermore, a study by (Gunawan & Cahaya ni, 2022) highlights that incubation programs focusing on digitalization have great potential to help MSMEs overcome the challenges of adopting new technologies.

The main obstacle felt by respondents was access to capital, with 45% strongly agreeing that lack of access to capital was a significant obstacle for MSMEs. A study by (Hariri et al., 2021) revealed that limited access to financing is a significant barrier to the growth of MSMEs. In addition, despite optimism about the potential of digitalization, only 40% strongly believe that digitalization can improve the performance of MSMEs. A study by (Jahanshahi et al., 2011) confirms that digitalization offers many opportunities for MSMEs to improve operational efficiency and expand the market. Furthermore, a study by (Esubalew & Raghurama, 2020) revealed that limited access to capital also impacts MSMEs' ability to invest in technology and digitalization.

2. The Concept of MSME Digitalization Incubation

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The concept of incubation of MSME digitalization involves using digital technology to increase the competitiveness and performance of MSMEs and create a sustainable business model. In this context, the business model approach of profit sharing and equity funding plays an important role. The profit-sharing business model refers to sharing profits between parties involved in the digital MSME ecosystem. Cooperation between MSMEs can increase productivity, and market access can be shared fairly.

Equity funding is a solution to overcome the financial constraints that MSMEs often face in developing digital businesses. This scheme allows investors to obtain share ownership in MSMEs in exchange for the capital provided. This provides MSMEs access to more significant financial resources and encourages long-term growth and innovation.

The incubation of MSME digitalization with profit-sharing and equity funding business models requires close cooperation between various parties, including the government, the private sector, and financial institutions. The government can provide incentives and regulations that support the development of the digital MSME ecosystem, while the private sector can provide the necessary investment and technology. On the other hand, MSMEs need to be actively involved in adopting technology and improving business capabilities. The concept of incubation of MSME digitalization in Indonesia can be more competitive globally and take advantage of the opportunities open in the digital economy.



Figure 1. MSME Digitalization Incubation Concept

3. Preparation of Learning Materials and Videos

Preparing learning materials and videos is a strategic effort to educate MSME actors about using digital technology to develop businesses and innovative funding alternatives. This material must be compiled in detail and systematically to comprehensively understand the participants. The material is prepared by identifying key concepts such as digital incubation, digitization of MSMEs, profit sharing, and equity funding. These concepts will then be outlined in detail, including relevant benefits, challenges, and implementation strategies. Case studies and real examples can complement the presentation of information to clarify the concepts presented.

Furthermore, making learning videos requires careful planning. Videos should be designed to be engaging and easy to understand, taking advantage of animations, graphics, and flowing narratives. Simple yet informative language ensures that audiences from different backgrounds can follow. In addition, videos can also include interviews with experts or business people who have been successful in implementing these concepts.

In addition to presenting information, the material must also provide space for reflection and discussion. Short quizzes, reflective questions, or discussion assignments can be included to encourage active participation from the participants. The material helps to strengthen understanding and encourage the application of concepts in authentic contexts. Openness must also be considered when preparing this learning material and video. Materials should be available online and accessible through various

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platforms so that as many people as possible can reach them without being limited by geographical or time restrictions.

4. Design of Learning Materials and Media Related to the Basic Concepts of Integrated Industry Village 4.0.

The basic concept 4.0 aims to revolutionize how we view and manage industries. This is closely related to the industry's evolution towards the digital era, where technology is at the core of every aspect of industrial activities. MSMEs provide great opportunities to increase competitiveness and growth. Through digitalization, MSMEs can improve operational efficiency, optimize supply chains, and reduce production costs. One of the critical aspects is integration and collaboration between various entities in the industry ecosystem, including MSMEs, large corporations, governments, funding institutions, and educational institutions. These collaborations enable the sharing of resources, knowledge, and technology, creating synergies that accelerate innovation and economic growth.

This material and video will explain how the basic concepts of 4.0 can be applied in the context of MSMEs and the benefits that can be obtained from technology adoption and industry collaboration. MSMEs will be provided with a deep understanding of the potential and opportunities contained in this concept and practical strategies for implementing it in business.



Figure 2. Design of Learning Materials and Media Related to the Basic Concepts of Integrated Industry Village 4.0.

5. Design of Learning Materials and Media Related to Industrial Evolution Towards the Digital Era.

MSMEs have the opportunity to improve operational efficiency and innovate in products. In the digital era, MSMEs can compete more fairly with large companies and expand their footprint globally. Developing business models such as profit sharing and equity funding is essential for MSMEs to obtain the needed funding and improve business sustainability. The profit-sharing model allows MSMEs to share profits with other parties, such as investors or business partners, without providing share ownership. Meanwhile, equity funding provides MSMEs access to funding by selling shares to investors, which can support business growth and expansion.

This material and video will explain in depth how MSMEs can take practical steps to digitize their business, utilizing profit-sharing business models and equity funding to achieve business goals. The development of these materials and videos is about providing information and empowering MSMEs to succeed in the growing digital economy.



Figure 3. Design of Learning Materials and Media Related to Industrial Evolution Towards the Digital Era.

6. Design of Learning Materials and Media Related to Benefits for Industry, Society, and the Environment.

Adopting digital technology and developing new business models, such as profit sharing and equity funding, can increase efficiency and productivity. MSMEs that run digital operations can reduce production costs, improve product and service quality, and accelerate time to market. This will make the industry more competitive globally and help MSMEs compete with large companies.

The digitization of MSMEs can expand access to goods and services and create more opportunities for consumers to choose products that suit their needs. In addition, the development of profit-sharing and equity funding models can open up opportunities for the community to invest in local businesses and benefit from the economic growth that occurs in the community. This can improve well-being and financial inclusion at the local level.

Adopting digital technology in business operations can help reduce carbon footprints and other negative environmental impacts. The development of materials and videos that address these topics will not only provide insight into the potential for business growth. However, it will also highlight the positive impact that industry, society, and the environment can feel. Learning materials are an essential step in promoting inclusive and sustainable economic development.



Figure 4. Design of Learning Materials and Media Related to Benefits for Industry, Society, and the Environment.

7. Development of a Commercialization Platform for Incubation of MSME Digitalization with Business Development of Profit Sharing and Equity Funding Models

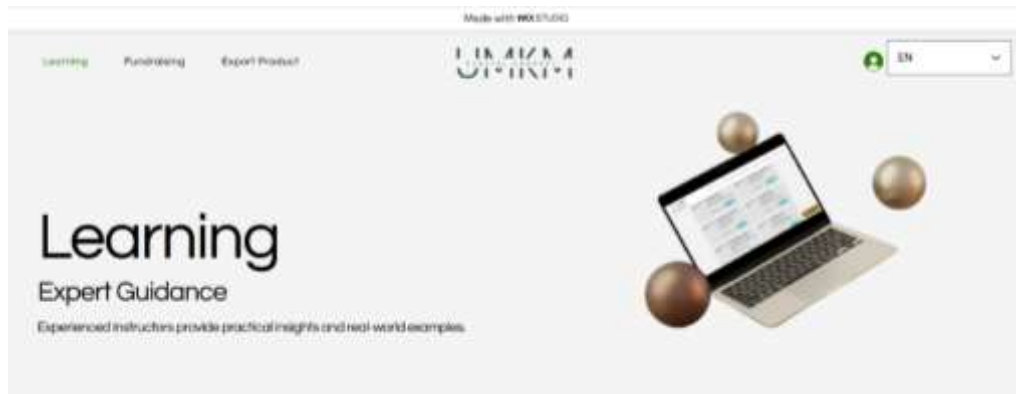


Figure 5. View of the MSME Digitalization Incubation Platform

The Learning feature on the MSME digitalization incubation commercialization platform provides education and training to help MSMEs develop and adopt business models of profit sharing and equity funding. Through online courses, webinars, workshops, and access to e-libraries, MSMEs can learn digital marketing, financial management, and business strategy. Mentorship and periodic consultation programs provide practical guidance from experts. The platform also offers certifications that increase the credibility of MSMEs in the eyes of investors. MSMEs can learn anytime and anywhere with a user-friendly interface and mobile access. This feature encourages increased capabilities, networking, and continuous innovation, helping MSMEs stay competitive and thrive in the digital era.



Figure 6. View of the Fundraising Feature of the MSME Digitalization Incubation Platform

The Fundraising feature on the MSME digitalization incubation commercialization platform is designed to facilitate access to funding through profit-sharing and equity funding models. The platform connects MSMEs with investors interested in investing in small businesses with growth potential. MSMEs can submit funding proposals, display business plans, and show financial performance. Investors can evaluate these opportunities and choose to invest in exchange for a share of the profits or stock ownership. This feature also provides tools to transparently monitor the use of funds and investment performance. With an intuitive interface and an easily accessible process, the fundraising feature helps MSMEs get the capital they need for expansion, innovation, and increased competitiveness while providing investors with the opportunity to benefit from MSME business growth.



Figure 7. View of Export Product Features of MSME Digitalization Incubation Platform

The Export Product feature on the MSME digitalization incubation commercialization platform aims to expand the market reach of MSME products to the international level. The platform provides comprehensive services that help MSMEs understand and meet export requirements, such as the destination country's quality standards, certifications, and regulations. Additionally, it offers tools to conduct global market research, identify export opportunities, and build international distribution networks. MSMEs can efficiently market and ship products to different countries through integration with global marketplaces and international logistics. This feature also includes guidance on international marketing strategies and cross-border transaction management. With a user-friendly interface and full support, the export product feature allows MSMEs to access the global market, increase revenue, and grow their business at the international level.

9. Material Validation Questionnaire

This material expert test is carried out by validators who are experts in their fields to provide advice and assessment on the development of learning materials, commercialization, incubation, digitization of MSMEs with the development of business models, profit sharing, and equity funding so that it can be known that the learning materials developed have met the valid or blank category. The assessment data of the material test for commercialization of MSME incubation digitalization with the development of business models of profit sharing and equity funding can be seen in Table 2.

Table 2. Data on the Evaluation of Learning Materials

Criteria Assessed	Validator Value 1	Validator Value 2	Validator Value 3	Total Nilai	Percentage	Criterion
Availability of materials	4	5	4	13	86.67%	Excellent
Material relevance	5	4	5	14	93,33%	Excellent
Wealth of information	4	4	3	11	73.33%	Good
Ease of understanding	5	4	5	14	93,33%	Excellent
Format compatibility	4	3	4	11	73.33%	Good

Clarity of presentation	5	4	5	14	93,33%	Excellent
Completeness of materials	4	5	4	13	86.67%	Excellent
Material creativity	4	3	5	12	80.00%	Good
Timeliness	5	4	5	14	93,33%	Sangat Baik
Peculiarities of the approach	3	4	3	10	70,00%	Baik
Compatibility with MSMEs	5	5	4	14	93,33%	Sangat Baik
Contribution to MSME business	5	4	5	14	93,33%	Sangat Baik
Possible implementations	4	4	3	11	73.33%	Baik
Potential for success	4	5	4	13	86.67%	Sangat Baik
Solution completeness	4	4	4	12	80.00%	Baik
Conformity with industry trends	5	4	5	14	93,33%	Sangat Baik
Consistency of concept	4	5	4	13	86.67%	Sangat Baik
Information reliability	5	4	5	14	93,33%	Sangat Baik
Ease of access	3	4	3	10	70,00%	Baik
Compliance with rules and regulations	4	3	4	11	73.33%	Baik
Average Score					84.33%	Excellent

The availability and completeness of the material received high scores, with 86.67% each, which shows that the material is well organized and includes information needed by MSMEs. The relevance of the material also received a high score of 93.33%, indicating that the material was considered very relevant and following the needs of MSMEs. This is supported by research conducted by (Fauzan et al., 2020), which emphasizes the importance of relevance in developing learning materials to ensure that

the content follows the needs and challenges the target audience faces. Another study by (Taylor et al., 2024) in the context of adult education (andragogy) also emphasizes that adults, including MSME actors, are more likely to learn effectively when the training material is relevant to the job and can be applied immediately.

The ease of understanding and clarity of the presentation of the material also received an outstanding assessment with the same score, which was 93.33%. This shows that the material presented is designed to be easy for MSME actors to understand. This clarity and convenience are critical to ensure that MSMEs can implement the information and strategies presented in the material. Research by (Guo & Xu, 2024) shows that presenting clear and easy-to-understand material increases learning effectiveness, especially in business training. Research by (Khalili et al., 2023) found that MSME actors tend to be more responsive to training materials delivered directly, practically, and relevant to business needs.

However, several aspects received lower scores, such as material creativity, uniqueness of approach, and ease of access, each scoring around 70-80%. This shows that while the material is vital in terms of substance, there is room for improvement in presentation innovation and accessibility. In this context, research by (C.-H. Huang & Kuo, 2015) showed that creativity in delivering material can be essential in improving participant engagement and understanding, especially in training programs that encourage innovation and adaptation. Research by (Guo & Xu, 2024), who developed an experiential learning model. A unique approach that combines hands-on experience, reflection, and active experimentation allows participants to integrate theory with practice,

In addition, the material's conformity with rules and regulations and the reliability of information were also assessed well, with scores of 73.33% and 93.33%. This reflects that the material is prepared with due regard to applicable rules and is based on reliable information. Research by (Goodyear & Armour, 2021) emphasizes the importance of compliance with regulations in preparing training materials because compliance with applicable rules is critical in maintaining the credibility and sustainability of training programs. Furthermore, research by (Al-Tit et al., 2022) on content validity emphasizes that suitable training materials should reflect real needs in the field and be supported by empirical evidence.

10. Media Validation Questionnaire

This media expert test was carried out by validators who are experts in their fields to provide advice and assessment on the development of learning materials, commercialization, incubation, digitization, MSMEs with the development of business models, profit sharing, and equity funding so that it can be known that the learning materials developed have met the valid or blank category. The assessment data for the commercialization of MSME incubation and digitalization with the development of business models of profit sharing and equity funding can be seen in Table 3.

Table 3. Learning Media Test Assessment Data

Criteria Assessed	Validator Value 1	Validator Value 2	Validator Value 3	Total Score	Percentage	Criterion
Material Suitability	5	4	5	14	93,33%	Excellent
Readability	5	5	4	14	93,33%	Excellent
Clarification of Purpose	5	4	5	14	93,33%	Excellent
Clarity of Concept	4	5	4	13	86,67%	Excellent
Rich Content	3	3	4	10	70,00%	Good
Novelty	5	4	5	14	93,33%	Excellent
Design Creativity	4	4	5	13	86,67%	Excellent

Interoperability	5	5	4	14	93,33%	Excellent
Ease of Use	4	4	3	11	73.33%	Good
Involvement	5	5	4	14	93,33%	Excellent
Material Relevance	4	4	5	13	86,67%	Excellent
Accuracy of Information	5	4	4	13	86,67%	Excellent
Openness	3	4	3	10	70.00%	Good
Affordability	4	5	4	13	86,67%	Excellent
Visual Quality	5	5	4	14	93,33%	Excellent
Consistency	4	4	5	13	86,67%	Excellent
Ease of Access	3	3	4	10	70.00%	Good
Responsive	5	4	5	14	93,33%	Excellent
Reliability	4	4	5	13	86,67%	Excellent
Continuity	5	5	4	14	93,33%	Excellent
Average Score					86.50%	Excellent

The evaluation results from the table show that the material assessed is of excellent quality, with an average score of 86.50%. The criteria that received the highest assessment were material suitability, readability, clarification of purpose, novelty, interactivity, engagement, and visual quality, all of which obtained a score of 93.33%. This score shows that the material is relevant and easy to understand and has new elements that are engaging and interactive, which is crucial in facilitating user engagement.

The suitability of the material that received excellent grades indicates that the material is well-designed to meet the needs and expectations of users. Research by (Guo & Xu, 2024) reveals that materials that suit users' needs tend to increase the effectiveness of learning and practical applications in the field. In addition, a good clarification of the purpose indicates that the purpose of the material is conveyed, making it easier for users to understand what is expected. This aligns with research (Donmez-Turan, 2020), stating that clear and well-structured goals are essential to guide an effective learning process.

Content richness and ease of use scored lower than other criteria, with 70% and 73.33%, respectively. This shows that while the material is generally excellent, there is room for improvement in adding depth to the content and ease of use. Research by (Lee et al., 2021) found that rich content and ease of use significantly impact user satisfaction and the successful implementation of materials in education and training. A study by (Zainuddin et al., 2020) revealed that ease of use is one of the main predictors of user satisfaction in e-learning and digital training.

Ease of access and openness were also rated lower, suggesting that while the material is excellent in many ways, its accessibility may still need to be improved. Research by (Sierra & Jos, 2023) shows that accessibility and information disclosure are essential factors in ensuring that materials are widely accessible to the target audience, especially in the context of MSMEs that often face challenges in accessing technology. Research by (H. Huang et al., 2022) found that the material is more open and accessible. Open learning resources allow users from different backgrounds to access the necessary information without restrictions.

11. Platform Validation Test Questionnaire

The expert test of platform validation is carried out by validators who are experts in their fields to provide advice and assessment on the development of the platform so that it can be known that the quality of the developed platform has met the category suitable for use. The assessment data of the commercialization of MSME incubation digitalization with the development of profit-sharing and equity funding business models can be seen in Table 4.

Table 4. Platform Test Evaluation Data

No.	Criteria assessed	Validator Value 1	Validator Value 2	Validator Value 3	Total Score	Percentage	Criterion
1	Material Readiness	5	5	5	15	100%	Excellent
2	Readability of Materials	5	5	5	15	100%	Excellent
3	Material Suitability	5	5	5	15	100%	Excellent
4	Participant Engagement	4	4	5	13	86,67%	Excellent
5	Quality of Discussion	4	5	4	13	86,67%	Excellent
6	Ease of Navigation	5	4	5	14	93,33%	Excellent
7	Interactivity	4	5	4	13	86,67%	Excellent
8	Availability of Additional Materials	3	4	3	10	70,00%	Good
9	Instructor Quality	5	5	4	14	93,33%	Excellent
10	Availability of Technical Support	4	4	3	11	73.33%	Good
11	Responsive to Questions	5	4	4	13	86,67%	Excellent
12	Availability of Feedback	4	4	3	11	73.33%	Good
13	Ease of Access	5	5	4	14	93,33%	Excellent
14	Certificate Availability	4	4	3	11	73.33%	Good
15	Platform Reputation	4	5	4	13	86,67%	Excellent
16	Price Suitability	4	3	4	11	73.33%	Good

17	Ease of Payment	4	4	3	11	73.33%	Good
18	Payment Flexibility	5	4	4	13	86,67%	Excellent
19	Ease of Payment Processing	5	5	5	15	100%	Excellent
20	Customer Service Availability	5	5	4	14	93,33%	Excellent
Average Score						87%	Excellent

The evaluation results in the table above show that the rated platform or program has excellent overall quality. With an average score of 87%, most of the criteria showed very satisfactory results, especially in material readiness, material readability, material suitability, and ease of payment processing, all received a perfect score of 100%. This shows that the material presented has been well prepared, easy for participants to understand, and relevant to the program objectives. In addition, the ease of the payment process reflects that this platform provides convenience for users in transactions. The study (Elhadj, 2010) highlighted the importance of carefully preparing material to ensure participant engagement and understanding. Materials prepared well and clearly and following learning objectives have proven to improve participants' learning outcomes significantly. In addition, research by (Gong et al., 2021) emphasizes that the readability of materials plays an essential role in learning effectiveness, especially in the context of digital platforms.

Other criteria that also received high scores were ease of navigation, instructor quality, and customer service availability, with scores of 93.33% each. This shows that users feel comfortable navigating the platform, get quality instructions from instructors, and are well served by customer service. Participant engagement, discussion quality, and interactivity were also rated very good, with a score of around 86.67%, indicating that the platform has successfully created an environment that supports active engagement and beneficial interactions. In addition, research (Díaz-Ramírez, 2020) confirms that the quality of instructors is an essential factor in improving participant learning outcomes. Competent instructors can explain the material clearly. Research by (Knissarina et al., 2024) shows that the availability of good customer support not only helps resolve technical issues that users may encounter but also increases trust and loyalty.

However, several areas still need improvement, especially in the availability of additional materials, technical support, feedback, and ease of access, which each obtained a score of around 70% to 73.33%. This indicates that while the platform is robust in many aspects, there is room for improvement, especially in providing additional resources that support the learning process and improving the responsiveness of technical support and feedback provided to participants. The study (Kataoka et al., 2019) highlighted the importance of the availability of additional materials, such as modules, videos, or other reference sources, in deepening participants' understanding of the core material. Responsive technical support was also identified as an essential factor in the study (Garg et al., 2019). The study's results found that the availability of fast and efficient technical assistance can prevent interruptions in the learning process so that participants can stay focused on the material without being distracted by technical problems.

11. Business Model Canvas (BMC) from MSME Digital Incubation



Figure 8. Business Model Canvas (BMC) from MSME Digital Incubation

Customer relations is focused on personalized relationships, which include mentorship, technical support, ongoing training for MSMEs, and practical relationship management with investors. This approach aims to build trust and increase engagement. A study by (Zhu et al., 2019) identified that MSMEs, especially in developing countries, often lack the resources to adopt new technologies to improve efficiency and competitiveness. In addition, research by (Ragoobur et al., 2023) highlights that access to capital is a significant issue for MSMEs, which often require support from investors to expand their businesses.

Value Propositions offer a crucial advantage in the form of access to digital incubation programs explicitly designed for MSMEs. This program aims to help MSMEs in business digitalization and enable scaling through profit sharing and equity funding, which can provide added value for both parties. A study by (Sigcha et al., 2024) found that digital incubation can improve MSMEs' technical and managerial skills. In addition, research by (Alsaad et al., 2023) emphasizes that an incubation model that combines elements of profit sharing and equity funding can offer dual benefits.

Channels to convey value proposition include various digital platforms such as applications or websites, social media, and partnerships with business incubation institutions. In addition, networking events or business exhibitions are also used to reach and interact with the target audience. A study by (Novani et al., 2023) highlights that success in communicating a value proposition depends on the ability to reach the target audience. Additionally, research by (Cuevas-Vargas et al., 2023) shows that partnerships with business incubation agencies do not just expand the program's reach.

Customer relations is focused on personalized relationships, which include mentorship, technical support, ongoing training for MSMEs, and practical relationship management with investors. This approach aims to build trust and increase engagement. The study (Sanga & Aziakpono, 2023) emphasizes that mentorship tailored to the specific needs of MSMEs can increase the capacity to grow and adapt quickly to market changes. A study by (Zaman et al., 2022) shows that continuous access to technical support allows MSMEs to overcome technological and operational barriers faced during digitalization.

Revenue Streams come from various sources, including fees paid by MSMEs to participate in incubation programs, commissions from profit-sharing transactions, and administrative fees related to equity funding. A study by (Osunmuyiwa & Ahlberg, 2022) shows that the fees paid by MSMEs to participate in incubation programs are a common and essential source of income for the program's sustainability. According to research by (Hendratmi et al., 2022), the equity crowdfunding model often involves administrative fees charged to MSMEs to access platforms and investors.

Key Resources include digital platform technology, a team of experts in incubation and investment, an MSME database, and a network of business partners and investors. These resources are

essential for business operations and model development. In a study published by (Mulchandani et al., 2023), technological resources, especially digital platforms, are identified as crucial elements. A study by (Putri et al., 2018) shows that the success of the incubation program depends highly on the quality of the mentors and experts involved.

Key activities include developing and maintaining digital platforms, implementing incubation programs, and training and mentoring for MSMEs. This activity also includes managing relationships with investors. A study by (Imjai et al., 2023) said that developing and maintaining digital platforms is identified as one of the key activities supporting the modern business ecosystem. According to a study conducted by (Mulchandani et al., 2023), the success of incubation depends on the quality and effectiveness of the program run.

Key Partners include business incubation institutions, digital technology providers, financial institutions, the MSME community, and government or regulatory agencies that support program operations. In a study conducted by (Graham & Bonner, 2022) related to partnerships with business incubation institutions, it is proven very important to provide MSMEs with access to the resources, knowledge, and networks necessary for growth. As discussed in a study, financial institutions are also crucial partners in this model (Rauch & Brown, 2020). Partnerships with financial institutions allow MSMEs to access the capital needed to expand operations and invest in new technologies.

The cost structure consists of platform development and maintenance costs, expert salaries, marketing costs, incubation operational costs, and legality and regulatory compliance costs. This fee structure reflects the investment required to run and manage the program effectively. A study by (Soesetio et al., 2022) emphasizes the importance of cost management in business incubation, especially related to developing and maintaining digital platforms. Expert salaries are also an essential element in this cost structure. As explained, the existence of a competent team of experts, both in terms of technology, investment, and business management, is significant for the success of the incubation program.

Conclusion

This research answers the main problem of how MSMEs can overcome digitalization obstacles through a business model based on profit sharing and equity funding. The study's main findings show that digitalization incubation programs that integrate the two business models positively impact MSMEs, especially in terms of improving business scale and performance. Despite significant progress, understanding the concept of equity funding is still limited, with most MSMEs having a better understanding of the profit-sharing model. This research reveals that digitalization has excellent potential to increase the competitiveness of MSMEs but requires more substantial support regarding financial literacy and accessibility to resources. The implications of these findings on theory and practice in the field of MSME management and business digitalization are significant. From a theoretical point of view, this study expands the understanding of the application of new business models in the context of MSME digitalization. It provides empirical evidence on the effectiveness of integrating profit-sharing and equity funding models. In practical terms, these findings guide incubation program managers and policymakers in designing more effective programs to support the digitalization of MSMEs. Incubation programs must include more in-depth financial education elements to increase MSMEs' understanding of equity funding.

Confession

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