

SMECORP-OF-FUTURE: ENABLING AND EMPOWERING THE MICRO, SMALL & MEDIUM ENTERPRISES (MSME) RELEVANT AND SUSTAINABLE IN THE DIGITAL ERA

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ABSTRACT: This paper intends to present a business case for the strategic transformation SMECorp-of-Today (SMEoT) into SMECorp-of-Future (SMEoF). The business objectives of SMEoT are to meet the diverse needs and demands of various customer segments (CS) such as the Micro, Small and Medium Enterprise owners and entrepreneurs (MSMEs); Government; Company; and Zakat centres in seizing opportunities and to remain relevant in the digital economy. This paper adapts the Design Thinking (DT) methodology, encompassing conducting literature review (LR), benchmarking, and interviews to understand and define problems of these CS. For example, MSMEs extreme pain is having difficulty in getting loans or grants and the essential gain is to access to loans and grants according to their needs. Based on the literature review and benchmarking conducted, the initial business model prototype was developed using Business Model Canvas (BMC), Value Proposition Canvas (VPC), and Environmental Map (EM). Then the initial business model was validated with the customer segment and a Strategy Canvas (CS) was also developed to compare and validate SMEoF business model against the current model SMEoT. The key finding of this paper is the conceptual SMEoF business model, to facilitate digital transformation from SMEoT to SMEoF, financial inclusion, specific reskilling–upskilling programs, as well as access to global markets. The main contribution of this paper is to validated BM of SMEoF with current BM, inclusive and future-ready framework that places SME Corp Malaysia at the forefront of SME development. Future works include developing a Digital/IT Strategic Plan (DISP) to guide SMEoT holistic digital transformation by aligning strategies to the national policies like MyDigital, NEP 2030, National 4IR Policy and SME Corps Malaysia Business Strategic Plan 2022-2030 in the future work.

KEY WORDS: *SME Corp Malaysia, Organisation-of-the-Future, Digital Transformation, Micro Small & Medium Entrepreneurs, Business Model Canvas, Value Proposition Canvas*

1. INTRODUCTION

Small and Medium Enterprises Corps (SME Corps) are the backbone of the Malaysian economy and contribute significantly to employment, innovation and economic growth. At the same time, the Fourth Industrial Revolution (4IR) is propelling technological advancement at such an unprecedented speed that

together with the influences of the evolution graph of technology trends with the advent of and challenges of Covid-19, business dynamics is booming, and the legacy landscape is vanishing for SMEs unless they innovate to sustain themselves in the market (World Economic Forum, 2021). In turn, SME Corps of Today (SMEoT) as the national coordinating agency for the development of SME needs too undertake a strategic digital transformation to improve its transformative and support services, remain relevant and be more responsive to the changing needs and demands of its customer segments (CS), namely the MSMEs, government like MEDAC, MARA, MAFS; companies like Telekom Malaysia and Petronas; and Zakat centres.

For SME Corps, the digital age is both opportunities and challenges. On the one hand emerging technologies including Artificial intelligence (AI), big data, and digital platforms can optimize processes and extend markets, allowing for more inclusive development. The challenges for SMEs are daunting, however, with low digital literacy, limited access to affordable digital tools, and in insufficient funding mechanisms. Adding to these challenges are operational inefficiencies and absence of localized support geared towards the needs of SME, more so for rural and other underserved regions. Meanwhile, for SME Corp, these barriers also create challenges for it to be agile and effective in fulfilling its mandate.

Other jobs-to-do for SME Corp Malaysia involve assisting SMEs to optimize operations, financing, accelerate growth through digitalisation, and develop capacity for innovation. But for SMEs, the pains are much more acute such as the navigating regulatory complexities, limited knowledge of digital tools, and difficulties integrating technology into traditional business models. The key gains for SMEs are efficient processes, enhanced competitiveness and sustainable ability to digitise marketplace access. The heart of SME Corp Malaysia customer segments focuses on Micro, Small and Medium Enterprises owners and entrepreneurs (MSMEs), whose key jobs-to-be-done include adopting digital tools to enhance productivity, getting access to affordable financing, expanding market reach, and building workforce capacity that aligns with changing demands due to the Fourth Industrial Revolution (4IR). The problems to solve and the various pains that MSMEs faced, include accessing funding is difficult owing to strict MSME eligibility criteria, hesitance to embrace global market opportunities owing to immense logistical complications, and limited digital literacy or affordable technology solutions. Nonetheless, MSMEs will derive benefits that include access to inclusive financing, productivity increase through technology endowment, market access through export enablement, and grooming through mentorship on business growth.

Aside from this, other government agencies like MARA, MAFS, and MOSTI have played their part to develop the MSME. Jobs-to-do by create and implement policies that favour MSMEs, allocate resources strategically, reach out and collaborate with other agencies for ecosystem coherence, monitor the performance of practices and impact of programs. But they often face pains like fragmented data systems, limited scalability because they run solely on human capital, and inefficient in aligning their programs to national agenda and policies (OECD, 2021). Meeting these challenges can lead to management benefits such as integrated and synergistic initiatives across-agency cooperation through shared or centralized data and resources sharing platforms on MSMEs for example, GIS, real-time evaluation

through analytics, and improved utilization of resources and public trust created through transparency.

Another important customer segment is private companies like Petronas, Khazanah, and Sime Derby. Integrating MSMEs into their supply chains, meeting corporate social responsibility (CSR) goals, collaboration for innovation, and stimulating local economies are all jobs-to-do for them. Their pain points include but are not limited but challenging to find SMEs that can deliver to industry standards, inconsistency in performance, lack of engagement on underserved groups. Benefits like fortified supply chains through experienced SME partners, increased corporate goodwill through CSR programs, and improved operational efficiency and innovation through dynamic SME partners.

Baitumal and Zakat bodies are investing in the *asnaf* (underprivileged) community by channelling resources to them to create entrepreneurship opportunities. They do transparency in distributing Zakat funds, deliver capacity building programs, nurture economic independence for *asnaf*, quantify the impact. These institutions are experiencing pains through a lack of transparency in distribution, less capacity building support, and sustaining the livelihood of Zakat recipients who transition to entrepreneurs. Their benefits consist of secure Zakat dispensation platforms, steady profit streams for *asnaf* business owners, and elevated community confidence through significant and quantifiable results.

While there are many pain relievers and gain creators available within the industry from e-commerce platforms to Fintech solutions to online training programs, many existing products are not tailored for Malaysian SMEs broadly and adequately. While these solutions have some merit, they rarely come contextualized to local markets, may not be affordable by smaller enterprises, and may not fit into existing operational frameworks (OECD, 2021). But this still leaves major gaps in doing the critical jobs-to-do, relieving extreme pain and providing important gains for SMEs.

Based on these gaps, SME Corp Malaysia need to mobilize a Strategic Digital Transformation Plan that utilize innovative digital solutions and introducing humanized education. This approach goes beyond just giving access to advanced technologies to SMEs; it also involves training SMEs on how to take advantage of them. SME Corp must also emphasize reskilling, digital literacy, and inclusive support systems so that SMEs may flourish in a rapidly changing economic environment.

2. OBJECTIVES

The main objective of this paper is to examine and access the present business model of SME Corps Malaysia to create, generate, and validate an alternative agile and innovative business case solution. The alternate business case focuses on harnessing current digital technology to digitally change the SME Corps for relevance and sustainability. The paper identifies meaningful objectives that

delineate an agile and comprehensive framework to fulfil the SME Corp Malaysia aspirations of being the key enabler of sustainable and inclusive growth for SMEs in determining the imperatives in a rapidly changing digital environment.

3. METHODOLOGY

This paper employs the Design Thinking (DT) methodology, a human-centered, iterative approach to problem-solving and innovation. Design Thinking is a human-centered leadership framework that focuses on empathizing with users, problem framing, ideation, prototyping, and validation (Diderich, 2020) This approach is well aligned with the complexity and dynamic nature of small to medium enterprise (SME) needs in Malaysia, as it is driven by empathy, creativity, and continuous feedback and optimization. The first stage is the Empathy Stage, it is to understand the pain points faced by the SME Corp Malaysia. This is accomplished by conducting an extensive literature review of literature on digital transformation, literature SME development, SME agency from another country and the MyDigital strategy of Malaysia. The next stage called Define uses the information from the earlier empathy stage to determine what are the fundamental challenges facing SME Corps in priority order. The Ideation Stage proposes initial solutions in the form of Business Model Canvas. Furthermore, Prototype Stage where the three work streams describe the direction needed for a conceptual business model; the Environmental Map (EM), and Value Proposition Canvas (VPC) are applied. Environmental Map which reviews external factors affecting the growth of SME Corp Value Proposition Canvas confirms if proposed solutions are aligned with the actual needs of SME Corps. The Validation Stage, stakeholders are solicited through further interviews and surveys, to assess whether the model being proposed by the team is practicable and relevant. Information collected through this phase is assessed to polish the business model by filling in the identified gaps or aligning to user expectations. Lastly, the Strategy Canvas (SC) framework compares the initial Business Model of SME Corp Malaysia to the Business Model of SMEoT and other nations BM for digital transformation. It enables visual prioritization for more digital literacy initiatives, building inclusive financing systems and local assistance for underserved SMEs (Kim & Mauborgne, 2019).

4. LITERATURE REVIEW

4.1. *The Malaysian Digital Economy Blueprint (MyDigital)*

The MyDigital Blueprint is Malaysia's overarching digital transformation blueprint that is intended to make the country an economy fully driven by digital economy and a high-income nation by the year 2030 (Economic Planning Unit, 2021). The plan aims at getting inclusive digital adoption across various sectors, and particularly on SMES. This means increasing the number of small-medium enterprises (SMEs) contributing to the digital economy from 37 per cent in 2021 to 50 per cent by 2030, enhancing e-Commerce access and utilising wholesale financing and other fintech solutions to optimise operational processes. The government has launched the Malaysia Digital Economy Corporation (MDEC) programs including the SME Digital Accelerator, which offers tools and guidance for SMEs to digitalize, to achieve these goals. Nonetheless, challenges remain

around the implementation of MyDigital at the base level. However, as MDEC (2022) highlights, most SMEs are still grappling with a number of significant roadblocks such as low digital literacy levels among entrepreneurs, the lack of appropriate infrastructure in rural areas, and a reluctance to change due to long-standing traditional business models. As the national agency for SME development, aligning with MyDigital is a key opportunity for SME Corp Malaysia to fill these gaps through more localized sectoral digital solutions that can be factored into the national digital economy agenda.

4.2. Fourth Industrial Revolution (4IR) & Nurturing of MSM Entrepreneurs

The Fourth Industrial Revolution (4IR) is a global movement today that signifies a change in the way businesses function in today's world, thanks to the transformative technologies inclusive of artificial intelligence (AI), blockchain, robotics, and the Internet of Things (IoT). The 4IR Policy Framework for Malaysia, which was introduced in 2021, highlighted the importance for Small and Medium-sized Enterprises (SMEs) to embark on the adoption and implementation of these technologies to increase productivity, improve market competitiveness and to provide the opportunity to innovate (MOSTI, 2021). While there is potential, adoption rates among SMEs remain low. As per World Economic Forum (2020), the majority of SMEs face finance constraints as well as lack of skills and knowhow of some benefit of 4IR. Malaysia has already rolled out policies like the National Fourth Industrial Revolution Policy aimed at helping businesses, nevertheless, policy targeted at SMEs is critical for their adoption of advanced technologies in their operations. Extended experiences gained from programs such as the "Smart Factory" initiative in Korea (Korea SMBA, 2023) can serve as a reference for targeted aid initiatives to spur 4IR adoption that will help ensure that Malaysian SMEs are up to task in accompanying Malaysia in the impending industrial transformation and can be implemented in a way similar to what SME Corp Malaysia is providing.

4.3. National Entrepreneurship Policy 2030 (NEP 2030) and SME Integrated Plan of Action (SMEIPA)

The National Entrepreneurship Policy 2030 (NEP 2030) lays out lines that have been determined to elevate Malaysia to an entrepreneurial nation through, among others, the strength of SMEs, inclusiveness and holistic development of an entrepreneurial ecosystem (Ministry of Entrepreneur Development and Cooperatives, 2020). The policy is built upon six strategic thrusts, which are creating an entrepreneurial mindset, capitalizing on the digital economy and inclusion of the marginalized groups in the economy. NEP 2030 are the plans to ensure that MyDigital and the 4IR Policy are a closer fit for building resilient and competitive SMEs for the digital economy. For instance, TEKUN Nasional and SME Bank exposes credit incentives for innovation and development. However, gaps remain in implementation, particularly in reaching rural entrepreneurs and marginalized groups. According to a report by Ahmad and Ramli (2022), the NEP aids enterprise development, but only caters to urban small and medium enterprises while rural enterprises are unaware of the initiatives and have no access to such types of programs. It means we need more holistic approaches to ensure that the objectives

of NEP 2030 benefits to all SMEs evenly. Potential solution is to use eKasih database to identify households in poverty. This tool is effective for developing and offering targeted re-skilling and up-skilling programs, ensuring that marginalized populations and rural entrepreneurs get the knowledge and skills required to engage in and benefit from the opportunities presented by NEP 2030.

The SME Integrated Plan of Action (SMEIPA) 2023 serves to complement the National Entrepreneurship Policy 2030 (NEP 2030) by offering a broad regional framework to promote the development of SME under the ASEAN Economic Community (AEC). The key initiatives of SMEIPA that drives competitiveness are innovation, technology adoption, market access, and human capital development. These strategies purpose to place SMEs as core movers of regional and international economies, and to also win the gaps in financing, expertise, and market inclusion. Based on the most recent snapshot in the SMEIPA 2023, the plan consists of over 191 programmes, with an allocation of RM4,097.42 million expected to benefit 502,405 MSMEs from different sectors and segments. Particular attention is given to helping underprivileged groups, including Bumiputera entrepreneurs, those in rural areas, women, and young people. Focus on inclusivity SME development and this targeted approach ensures inclusivity and fairness in fostering SME growth, eventually contributing to the regional objective of equitable development.

4.4. Reskilling & Upskilling, and Employment & Entrepreneurship

Aims to create inclusive and empathic environments in which individuals acquire the skills to reinvent themselves in the era of digital transformation. This strategy is vital for those small and medium enterprises making their move to the digital landscape as it encourages the reskilling and upskilling of the essential skills gap plaguing areas like AI, IoT and digital marketing. Digital literacy and lifelong learning for all digital skills are needed for equitable economic participation in an age of technological change (UNESCO, 2020). In Malaysia, government programs to address skill gaps for SMEs include training subsidies under *Penjana Kerjaya* and HRDF (Human Resources Development Fund, 2021) for reskilling and upskilling activities to support firms effectively close skill gaps. These efforts are part of a wider movement towards nurturing entrepreneurs as a key driver of economic growth and that emphasis on nurturing entrepreneurial skills through education and training programmes backed by financial incentives is what makes a difference, as seen through the example of the National Entrepreneur and SME Development Council (NESDC) Entrepreneurship Master Plan. Majority of SMEs face issues with access to affordable and tailor-made training programs, highlighting a gap in localized and sector-specific responses (Ali et al., 2020). The current business model of SME Corps, using the BMC frame is shown in Fig. 1.

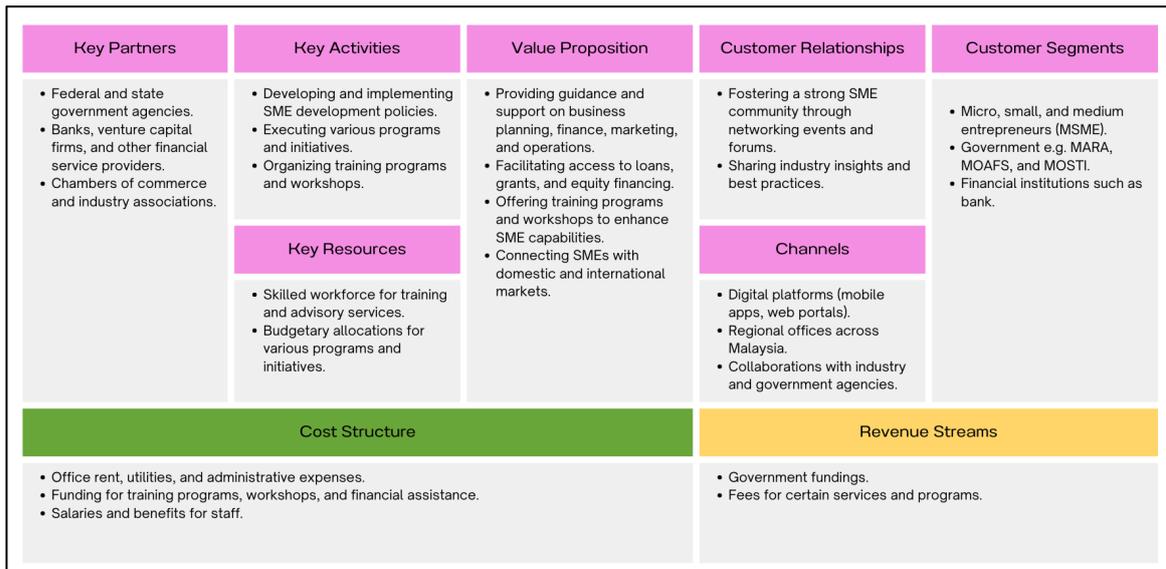


Fig. 1. Current BMC of SME Corps (from SME Corps Malaysia Business Strategic Plan 2022-2030) [authors' view]

4.5. Benchmarking of Other Countries' SME Agencies

4.5.1 Singapore (Enterprise Singapore) (<https://www.enterprisesg.gov.sg>)

Customer Segments (CS): Local SMEs and startups, Export-oriented businesses, High-tech and innovative enterprises.

Value Propositions (VP): Support for innovation and technology adoption, Grants and funding for capability development.

- Facilitation of internationalization through programs like the Global Innovation Alliance (GIA).

Customer Relationships (CR):

- Responsive Account Managers for individual support.
- Technology resources and platforms for grant applications and training.
- Cooperation with foreign trade representations.

Key Activities (KA):

- Financial assistance in the form of grants such as Enterprise Development Grant.
- Arranging trade missions & market access programs.
- Assistance on R&D and innovative projects.

Key Partners (KP):

- Technology vendors and research organizations.
- Global commerce associations.
- Support your local businesses and industry associations.

4.5.2 South Korea's Small and Medium Business Corporation (SMBC) (<http://www.smba.go.kr>)

Customer Segments (CS):

- Manufacturing and Technology SMEs.

- Startups working in the growing industries (renewable energy, Artificial Intelligence, etc.)
- Export-driven businesses.

Value Propositions (VP):

- Far reaching in scope in terms of the financial service they offer, covering everything from loans to venture capital.
- Encouragement of export-oriented activities, such as market research and trade missions.
- Programs on Technology adoption and smart factory implementation.

Customer Relationships (CR):

- SME Consultancy and one-stop centres for assistance
- Application Processing and Consultancy Platforms Online
- Partnership programs of big companies.

Key Activities (KA):

- Providing loans at lower interest rates and venture capital funding.
- Enabling programs for technology adoption (e.g., Smart Factory initiative)
- Export promotion and trade networking events.

Key Partners (KP):

- Financial institutions to support co-funding initiatives.
- SME collaboration programs being run by large corporations.
- Export promotion agency of international trade bodies.

4.5.3 United States (Small Business Administration – SBA)

(<https://www.sba.gov>)

Customer Segments (CS):

- Micro, small, and medium-sized businesses across all sectors.
- Disaster-affected businesses requiring recovery assistance.
- SMEs aiming for government contracts.

Value Propositions (VP):

- Diverse loan programs, including 7(a) Loans for working capital and 504 Loans for fixed assets.
- Export financing and trade assistance programs.
- Support for business continuity through disaster recovery loans.

Customer Relationships (CR):

- Direct advisory services through regional offices and online tools.
- Partnerships with local Small Business Development Centers (SBDCs).
- Collaboration with financial institutions for loan facilitation.

Key Activities (KA):

- Administering financial support through various loan programs.
- Providing training and mentorship through SBDCs and SCORE.
- Facilitating access to federal contracting opportunities.

Key Partners (KP):

- Banks and other lending institutions.
- State and local governments.
- Trade associations and educational institutions.

4.5.4 Germany (Mittelstand)

(<https://www.bmwk.de/Redaktion/EN/Dossier/sme-policy.html>)

Customer Segments (CS):

- SMEs, particularly family-owned businesses.
- Export-oriented businesses dominating niche markets.
- Companies involved in vocational training and apprenticeship programs.

Value Propositions (VP):

- Emphasis on vocational training and workforce development.
- Support for “hidden champions” that dominate global niche markets.
- Long-term financing solutions for innovation and international expansion.

Customer Relationships (CR):

- Close, long-term relationships built on trust and shared goals.
- Access to local chambers of commerce and industry associations for networking.
- Customized support for international market entry.

Key Activities (KA):

- Supporting vocational training and apprenticeship programs.
- Facilitating R&D for product innovation.
- Promoting internationalization through partnerships and trade fairs.

Key Partners (KP):

- Local and regional banks for financing solutions.
- Vocational schools and apprenticeship institutions.
- Chambers of commerce and export councils.

4.6. Government Information Sharing (GIS) for MSME Development

One of the main purposes of GIS is that it is considered as a foundation of getting inter-agency collaboration, better decisions, and value-added integrated public service. A whole-of-government response meeting national development goals through GIS promotes complimentary data and resource sharing across government agencies. GIS can enable smooth collaboration between the factoring entities, boost financial accessibility, and policy execution for entrepreneurs or small enterprises, promoting MSME growth.

Research indicates that successful GIS implementation requires a strong foundation of political leadership and inter-agency trust. Dahlan et al. (2013) emphasize that leadership is critical for establishing a unified vision and ensuring alignment across government agencies. Legislative frameworks and clearly defined data-sharing protocols are essential for creating a structured and transparent

information-sharing environment. Trust among agencies is equally important, as it fosters a culture of collaboration and reduces resistance to sharing sensitive data.

Government Information Sharing (GIS) has emerged as a vital mechanism for enhancing inter-agency collaboration, improving decision-making, and delivering integrated public services. GIS enables government agencies to share data and resources effectively, fostering a whole-of-government approach that aligns with national development objectives. For SME development, GIS can facilitate seamless coordination among agencies, improve access to financing, and support policy implementation, ultimately benefiting entrepreneurs and small businesses.

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Another key factor for GIS success is organizational capacity. Agencies must invest in robust IT infrastructure and enhance digital skills among their workforce to support GIS adoption. Top management support and resource allocation are also critical, as they enable agencies to implement shared systems and processes effectively (Dahlan et al., 2014). Furthermore, Dahlan et al. (2013) highlight that participating agencies must perceive tangible benefits from GIS, such as improved service delivery, operational efficiency, and enhanced policy outcomes.

In addition, GIS provides agencies with integrated data and analytics that allow them to evaluate the impact of programs, detect trends, and avoid challenges through evidence-based decision-making. GIS fosters transparency and accountability by facilitating a common platform for data sharing which constitutes a great way to promote SME development and entrepreneurship.

GIS can provide an integrated approach for SME Corp Malaysia to work closely with the rest of the entrepreneur-related government agencies to alleviate existing problems such as fragmented services and inconsistent policy coordination. GIS can promote a content ecosystem at the entrepreneurial supply chain, so that the SMEs could benefit more holistically and multidisciplinary ways. This integration enhances alignment with global best practices and further drives Malaysia's commitment to utilize technology to support national development.

5. INITIAL BUSINESS MODEL (BM) AND VALUE PROPOSITION CANVAS (VPC)

An initial BMC, as shown in Fig 2, was developed based on the literature review that was completed. The literature review identified the primary variables affecting and encouraging current SME Corps to improve their business models. The globally renowned BMC tool enables businesses to easily model and design how they create, deliver, and capture value by analysing strategic management and visualizing core elements such as customer segments, value proposition, revenue streams, infrastructure, key partners, and so on. As such, the SME Corp Malaysia

Business Model Canvas (BMC) was updated to encompass digitalisation which adds value in the delivery of its services and create a holistic, value-led Ecosystem for SMEs. The statement noted that such integration aims at digital inclusiveness, facilitating financial and advisory services to the small businesses sector, and a vibrant entrepreneurial ecosystem. SME Corp aims to provide the various segments of its client a more enriched experience as entrepreneurs and SMEs requires specific solutions and harnessing these technologies is expected to improve such delivery of business requirements. Moreover, the new BMC emphasizes the need for entrepreneurial skills to be developed in stakeholders such as SME owners and communities in creative mindsets. It also highlights the need to maintain relationships over the long term with mentoring programs, local communities, and support that creates an ecosystem within which the SMEs can flourish as part of the digital economy.

Customer Segments:

1. MSME owners and entrepreneurs e.g. Urban & Rural, Women – adult, youth, Youth in general
2. Government e.g. MARA, MAFS, and MOSTI.
3. Companies e.g. Petronas and Khazanah.
4. Zakat & Baitulmal institutions

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> Technology providers (Digital platforms and fintech). Financial institutions for funding SMEs. International trade organizations for global partnerships. 	<ul style="list-style-type: none"> Delivering targeted training for digital literacy. Providing accessible and inclusive financing solutions. Supporting global market entry through export facilitation programs. 	<ul style="list-style-type: none"> Empower SMEs through digital transformation and financial inclusivity. Provide skill-building programs for reskilling and upskilling. Facilitate global market access and partnerships. Enhance SME productivity using advanced technologies like AI and IoT. Implementing GIS to facilitates real-time data sharing and streamlined workflows across government bodies. 	<ul style="list-style-type: none"> Personalized mentoring programs for SMEs. Real-time support using chatbots and helplines. Community engagement through forums and alumni networks. 	<ul style="list-style-type: none"> Micro, small, and medium enterprises (MSME). Government e.g. MARA, MOAFS, and MOSTI. Companies e.g. Petronas and Khazanah. Zakat & Baitulmal.
			<p>Key Resources</p> <ul style="list-style-type: none"> Skilled workforce for training and advisory services. Digital infrastructure for service delivery. Partnerships with technology and financial organizations. 	
			<p>Channels</p> <ul style="list-style-type: none"> Digital platforms (mobile apps, web portals). Training workshops and webinars. Collaborations with industry and government agencies. 	
<p>Cost Structure</p> <ul style="list-style-type: none"> Investment in digital tools and infrastructure. Costs for training and outreach programs. -Operational expenses for partnerships and program delivery. 			<p>Revenue Streams</p> <ul style="list-style-type: none"> Government funding and grants. Training and certification programs. Public-private partnerships and consulting services. 	

Fig. 2. Initial Business Model of SME Corp Malaysia

The Value Proposition Canvas (VPC) focuses on the alignment of the offerings of SME Corp Malaysia and its value proposition with the customer profile of the key customer segment in terms of needs, pains, and gains. Having identified the customer profile, and the relevant products and services mapping to each segment, SME Corp would be able to better respond to the concerns and aspirations of each segment. The following is a detailed elaboration of the VPC for all customer

segments classified as Micro, Small and Medium Entrepreneurs (MSMEs), government agencies, companies and Zakat & Baitulmal.

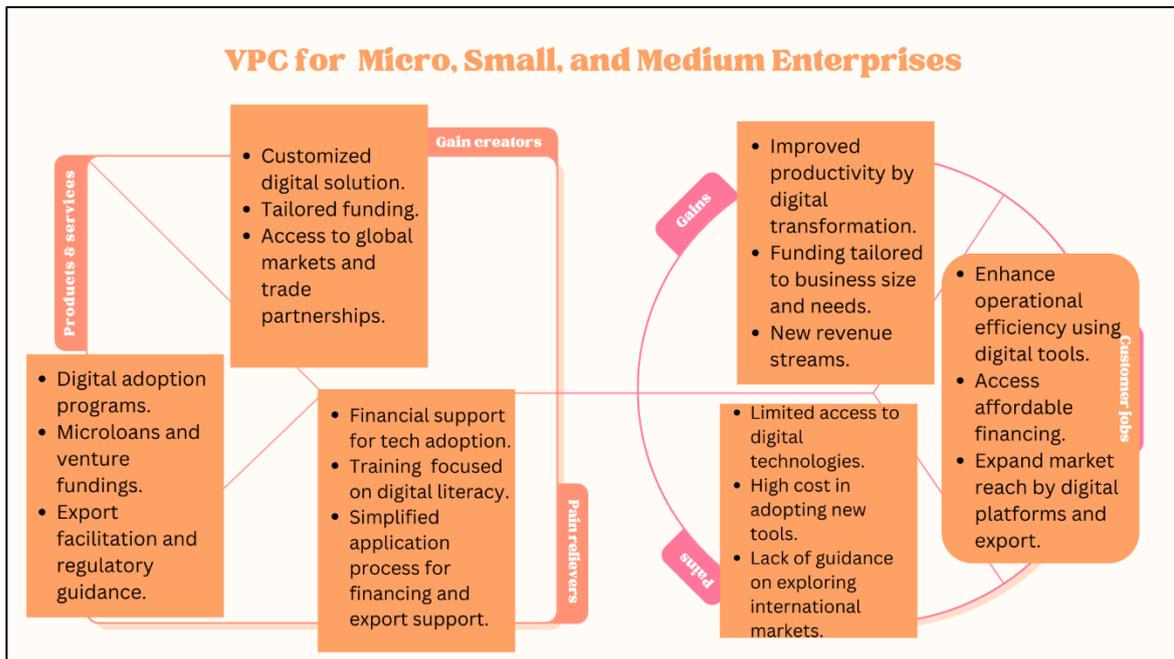


Fig. 3. VPC for Customer Segment: Micro, Small, and Medium Entrepreneurs.

Micro, Small, and Medium Enterprises owners and entrepreneurs (MSMEs), the top-most job-to-be-done relates to their focus on driving operational efficiencies on the one hand, on access to low-cost funds on the other, and finally, towards market expansion. They tend to suffer from antiquated business procedures, lack of access to digital tools and financial resources. Key challenges for MSMEs come from various factors such as low digital literacy, high costs for adopting new technologies, and limited access to finance support. Digital Transformation among the enterprises will offer some large increase for this segment like efficiency, cost minimizing, and competitiveness.

The pains to solve and the gains to create in the case of MSMEs form the value proposition that you are addressing through SME Corp. MSMEs can leverage productivity and operational efficiencies by digital transformation support through low-cost and easy to access digital tools. The also give money in microloans and grants, which helps overcome the funding problems of businesses. On the other hand, training on digital skills and export promotion enable MSMEs to venture into international markets.

In this situation, the pain reliefs are subsidized tools & trainings, which will help in reducing the expenses and barriers related to the digital shift and make it easier to get grants. The gain creators for MSMEs are the customized financial solutions as well as the ability to grow and compete in the digital economy by giving them access to global markets while improving operational efficiency.

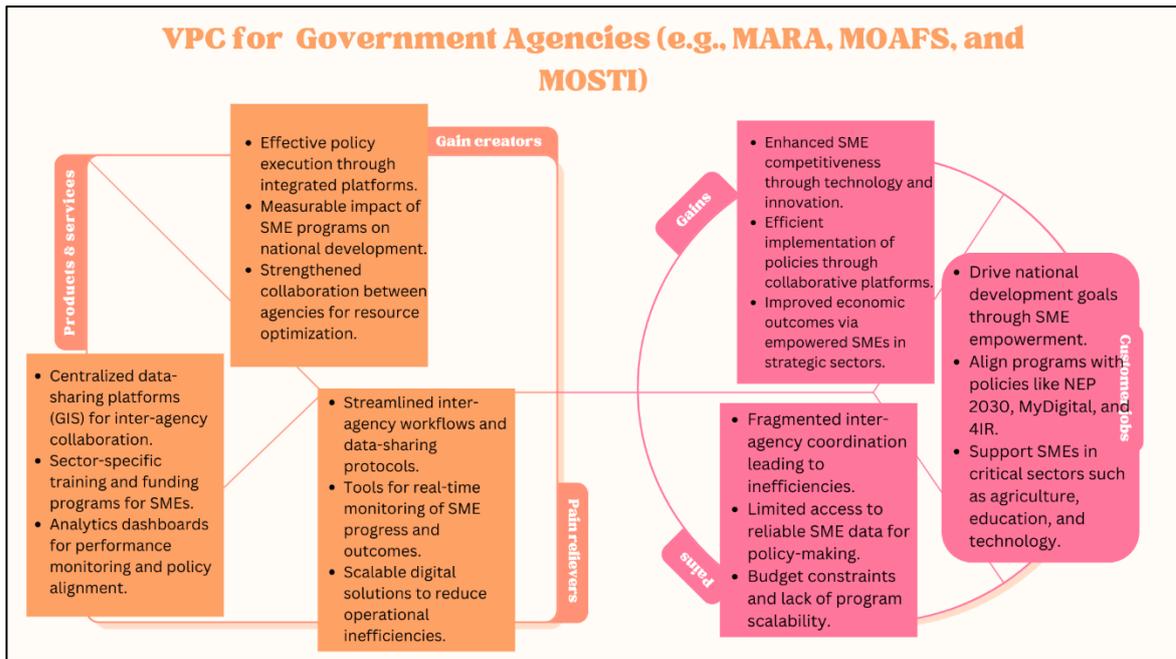


Fig. 4. VPC for Customer Segment: Government Agencies

Government agencies like MARA, MOAFS and MOSTI are major stakeholders for the development of SMEs that fit into the national economic agenda of Malaysia. For these agencies, the jobs-to-be-done are advancing entrepreneurship, championing sector-specific SME, and defining programs in the context of national policies such as MyDigital, NEP 2030 and 4IR. Their pains suffer on fragmented inter-agency coordination, inefficient resource allocation, and access to reliable data for evidence-based policymaking. According to the OECD (2020), fragmented data systems hinder policy implementation and limit the impact of government programs on SMEs.

The various workforce issues faced by SME Corp Malaysia can be solved with products or services like Government Information Sharing (GIS), which consists of national collaboration that centralises all your data sharing and operational workflows. Analytic tools like the above used in real time can also enable monitoring and evaluation of SME Programs, both to justify investment and to ensure they are aligned with national goals. Such solutions are like the pain relievers for some of the ill effects by reducing inefficiencies and equipping agencies with collaborative tools. Likewise, the gain creators encompass tangible improvement of SME competitiveness, leverage from valid implementation of policy and enhanced partnership between agencies (Dahlan et al., 2013).

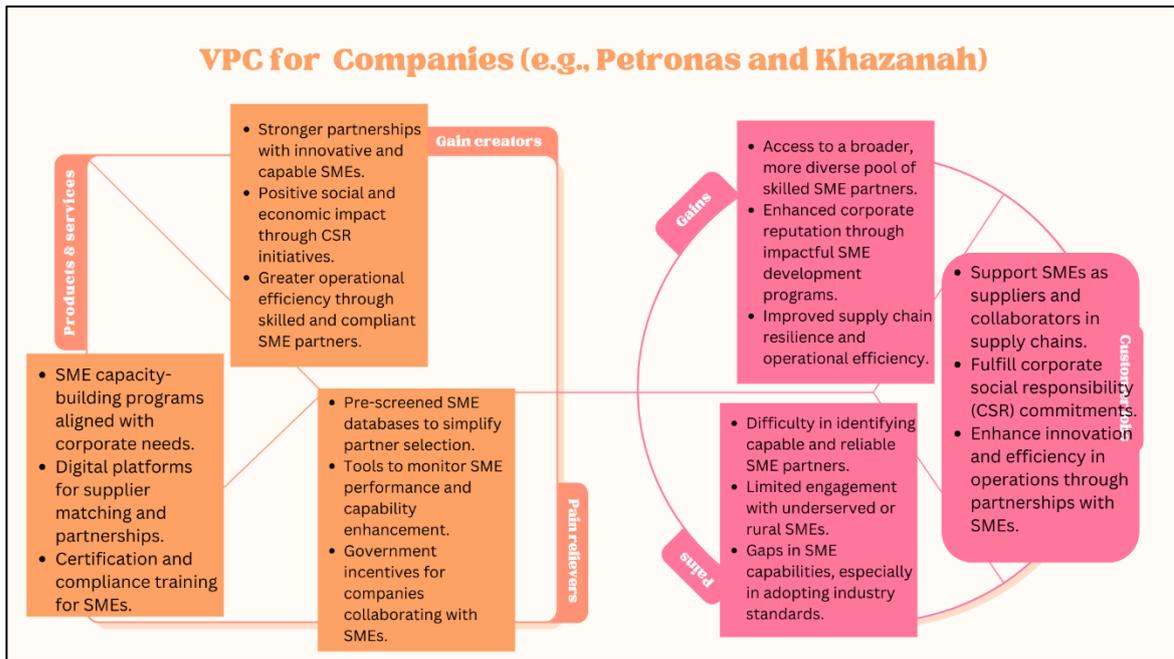


Fig. 5. VPC for Customer Segment: Companies.

Major corporations like Petronas and Khazanah play significant roles in supporting MSMEs through supply chain integration, corporate social responsibility (CSR), and innovation partnerships. Their jobs-to-be-done include identifying capable MSME partners, enhancing operational efficiency, and fulfilling CSR objectives. However, pains such as the difficulty in identifying reliable SMEs, limited engagement with rural entrepreneurs, and gaps in MSME capabilities pose challenges to achieving these goals. The Asian Development Bank (ADB, 2021) highlights that such challenges are common in developing economies, where SMEs often lack resources to meet corporate expectations.

To address these challenges, SME Corp Malaysia can provide products and services such as supplier matching platforms, compliance and certification training, and SME capacity-building programs. These solutions act as pain relievers by simplifying the process of identifying qualified MSMEs and enhancing their readiness to meet corporate standards. Gain creators for companies include strengthened supply chain resilience, improved corporate reputation through impactful CSR initiatives, and operational efficiency gains from partnerships with innovative MSMEs. These efforts align with best practices for fostering mutually beneficial collaborations between large corporations and MSMEs.

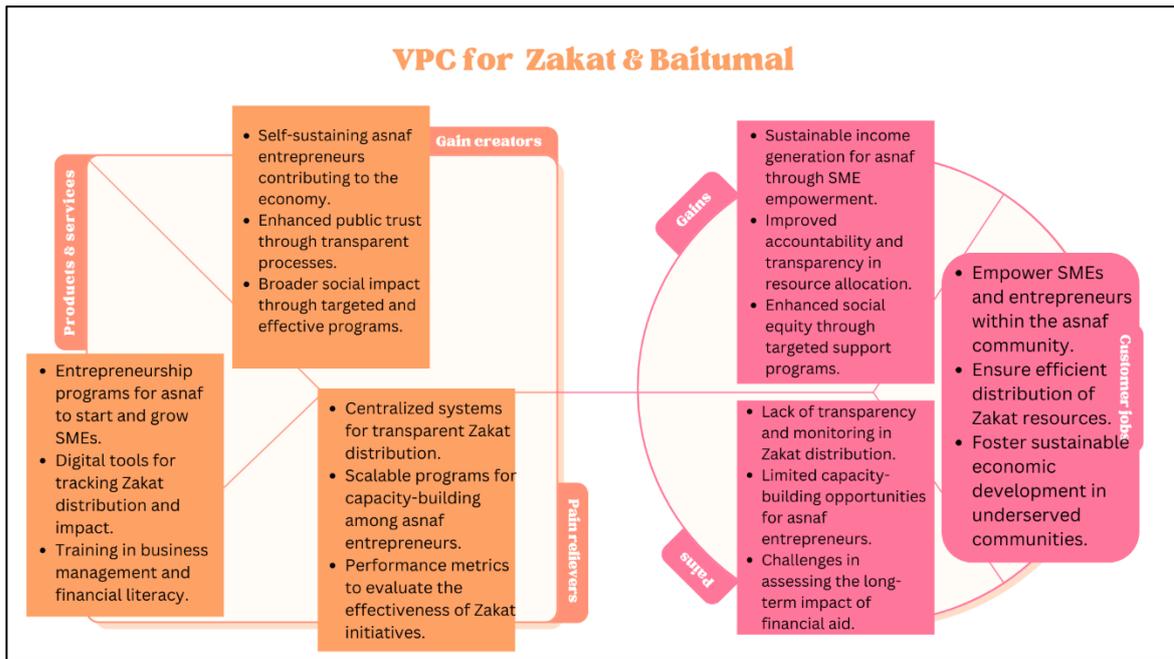


Fig. 6. VPC for Customer Segment: Zakat and Baitumal

Through entrepreneurship and sustainable development programmes, institutions such as Zakat and Baitumal are also working towards rebuilding the asnaf (underprivileged) community. They have jobs-to-be-done that involve more efficient resource allocation, sustainable self-reliance of beneficiaries, and transparency of operations. Nevertheless, long-term economic sustainability remains an issue due to ills such as insufficient capacity-building opportunities provided to asnaf entrepreneurs, the absence of stringent monitoring mechanisms, and a lack of transparent distribution of resources. According to the Islamic Development Bank (IsDB, 2022), transparency and accountability are critical for improving trust and maximizing the socio-economic impact of such programs.

In addressing these challenges, SME Corp Malaysia can provide products and services such as digital tools to monitor Zakat distribution, entrepreneurship programs and financial literacy training for the asnaf. These services, in the form of pain relievers, increase visibility, offer inclusive capacity-building solutions and enhance responsibility in Zakat dispensation. The gain creators are asnaf entrepreneur that drive the economy on their own, the public trust which gets better through more transparent process, and the social equity which can be broader through the rightful supported asnaf.

6. VALIDATION OF INITIAL BM & KEY FINDINGS

Author carried out interviews with various related customer segments (CS) namely, small, and medium enterprises (MSMEs), rural entrepreneurs, women entrepreneurs, and youth led businesses to validate the first Business Model. It was hoped to be able to learn about what they require, what their struggles are with, and what they expect of SME Corp. Here is a summary of the findings summarized into a table:

Table 1: Summary of Validation Findings

Business Model Component	Customer Insights	Key Refinements Proposed
Value Propositions	<ul style="list-style-type: none"> - SMEs highly value digital transformation support and affordable financing options. - Skill development programs aligning with 4IR are highly sought after. - Export facilitation is appreciated but seen as underdeveloped for rural MSMEs. 	<ul style="list-style-type: none"> - Expand the scope of training programs to include more practical, industry-specific 4IR applications. - Introduce tiered financing options tailored to MSME sizes.
Customer Segments	<ul style="list-style-type: none"> - Rural SMEs face difficulties accessing digital tools and training. - Women entrepreneurs request mentorship programs focusing on overcoming social and financial barriers. - Youth-led businesses seek innovative and tech-driven solutions. 	<ul style="list-style-type: none"> - Develop specialized training and financing for underserved groups. - Strengthen outreach programs targeting rural entrepreneurs.
Channels	<ul style="list-style-type: none"> - Digital platforms are seen as convenient but require user-friendly interfaces and localized support. - Workshops and webinars are effective for urban SMEs but challenging for rural access due to infrastructure issues. 	<ul style="list-style-type: none"> - Invest in mobile-compatible platforms with multilingual support. - Provide hybrid options for training (online and physical) to improve accessibility for rural entrepreneurs.
Customer Relationships	<ul style="list-style-type: none"> - Mentorship programs are valued but currently limited in availability and scope. - Real-time support is essential but chatbots must offer personalized guidance to be impactful. 	<ul style="list-style-type: none"> - Expand mentorship programs with sector-specific experts. - Improve AI chatbots to provide localized and context-aware support.
Revenue Streams	<ul style="list-style-type: none"> - MSMEs are willing to pay nominal fees for advanced training and certification if value is evident. - Government funding is crucial, but businesses suggest exploring sponsorships for public-private partnerships. 	<ul style="list-style-type: none"> - Introduce premium-tier training programs with certifications for niche industries. - Partner with corporations to sponsor training programs for rural entrepreneurs.
Key Activities	<ul style="list-style-type: none"> - Digital literacy programs and export facilitation are well-received but require simplification and practical application. 	<ul style="list-style-type: none"> - Design simplified guides and practical tools for digital adoption and international trade readiness.

Key Partners	<ul style="list-style-type: none"> - MSMEs encourage collaboration with local NGOs and cooperatives for rural outreach. - Global trade partnerships are seen as beneficial but underutilized. 	<ul style="list-style-type: none"> - Strengthen local collaborations with NGOs to enhance rural SME participation. - Focus on building stronger networks with international trade organizations.
Cost Structure	<ul style="list-style-type: none"> - Entrepreneurs emphasize cost efficiency and transparency in programs and services. 	<ul style="list-style-type: none"> - Ensure program costs are tiered and clearly communicated, with subsidies for underserved groups.

Through the validation, some aspects of the original business model of SME Corp Malaysia that can be improved to be more aligned to customer segments was discovered. Such improvement also includes plus providing digital promotion with a focus on developing mobile friendly, multi-language platforms to expand access particularly of rural SMEs and unrepresented populations. Moreover, mentorship should be broadened to provide sector-specific consultation targeted at women and youth entrepreneurs who need mentoring to overcome the specific challenges in their sectors. Export ready and digital transformation programs should come with practical tools, like ready-to-use guides and templates that allow easier implementation.

A third key improvement is a tiered training programs and financing options based on size and sector of the SME. It ensures that the solutions are cost-effective and relevant and encourages adoption of it by the SMEs according to their needs and capacities. Finally, collaboration should be strengthened based on the partnership with local NGOs to increase outreach in underserved areas and global trade organizations to provide SMEs with greater access to international markets. Together, this suite of refinements seeks to establish a more effective, inclusive, and effective ecosystem for SME growth and sustainability.

7. VALIDATED BUSINESS MODEL FRAMEWORK

7.1. Validated Business Model (BM)

Value Propositions: SME Corp Malaysia remains steadfast in its role of strengthening the competitiveness of SMEs by tackling key issues faced by them as they harness the opportunities offered by the digital economy. It offers a range of services that support businesses in their digital transformation, with customized training programs that assist SMEs in integrating solutions like artificial intelligence (AI), the Internet of Things (IoT), and big data to improve productivity. Furthermore, SME Corp offers integrated financial products like microcredit and venture capital to cater to financing issues, especially targeting unserved and rural SMEs. Skill-building programs aimed at reskilling and upskilling SME workers to adjust to the needs of the Fourth Industrial Revolution (4IR) thereby promoting workforce adaptability. Through its export facilitation programs and partnerships, SME Corp also provides access to a global market, enabling SMEs to expand their operations abroad.

Customer Segments: SME Corp Malaysia has a diversified customer segments as they the targeted all age group customers and in international markets. Focused

on micro, small and medium enterprises (MSMEs) that are the very backbone of the Malaysian economy. The focus is on rural entrepreneurs to prevent the urban-rural divide, women entrepreneurs and youth entrepreneurs through custom support and incentive to enable their active participation in the enterprising spirit.

Channels: SME Corp also provides these services on a blend between a digital and traditional channel. This also includes digital platforms like web portals and mobile applications that allow users to access training and financial assistance and mentorship services seamlessly. On-ground channels workshops, seminars, webinars burnout channels give a more direct engagement and networking opportunities. SME Corp also partners with private sector players, government agencies and NGOs in increasing its outreach and improving its service delivery.

Customer Relationships: SME Corp Malaysia is focusing more and more on developing personal relationships with SMEs. It offers mentorship programs that provide access to industry experts, helping SMEs address any challenges they face or capitalize on any opportunities for growth. Instant service is provided through chatbots and customer service hotlines to avoid delay. By offering forums, peer-learning groups, and even alumni networks, communities are brought to life and SMEs can share knowledge and collaborate in a living-organism-like ecosystem.

Revenue Streams: SME Corp earns via different forms and continues to do over time. Its financial structure is bolstered by federal funding and grants that aid national economic objectives. It also generates results via fee-based services as advanced training and certification services. Also, work via public and private partnerships and consulting services provides additional screening income and opportunities to work closely with industry stakeholders.

Key Resources: SME Corp uses various critical resources in order to provide its value propositions. We have a well trained and experienced workforce of Trainers, Consultants and Advisors who provide this expertise required for SME development. They also provide funds for technology infrastructure such as digital platforms and data analytics systems to support its programming. Its ability to drive meaningful initiatives is further augmented through strategic partnerships with technology providers, financial institutions, and trade organizations.

Key Activities: The agency performs a variety of functions to facilitate successful provision of services. These initiatives will involve creating and facilitating reskilling and upskilling programmes for SMEs that help provide the skills necessary for digital transformation. SME Corp also facilitates financing assistance, for example, microcredit and capital venture to stimulate business. It vigorously helps small and medium enterprises to enter global markets with regulatory advice, market information, and respective international trade partners.

Key Partners: The business model of SME Corp Malaysia depends on the collaboration with key stakeholders. Digital platforms and tools come from technology providers, whereas financial institutions provide funding mechanisms tailored to SME requirements. It also collaborates with government entities to have the alignment with national-level policies and the international bodies governing trade, where market access can be ensured to SMEs around the globe.

Cost Structure: Investments in infrastructure and digital platforms creating scalable & efficient service delivery. SME Corp also has the cost structure of technology infrastructure. Most of it is spent on training and outreach programs, to

fund the operations including salaries, logistics and marketing. Managing partnerships and collaborative programs also incurs costs but contributes to long-term organizational impact.

7.2. Environmental Map (EM)

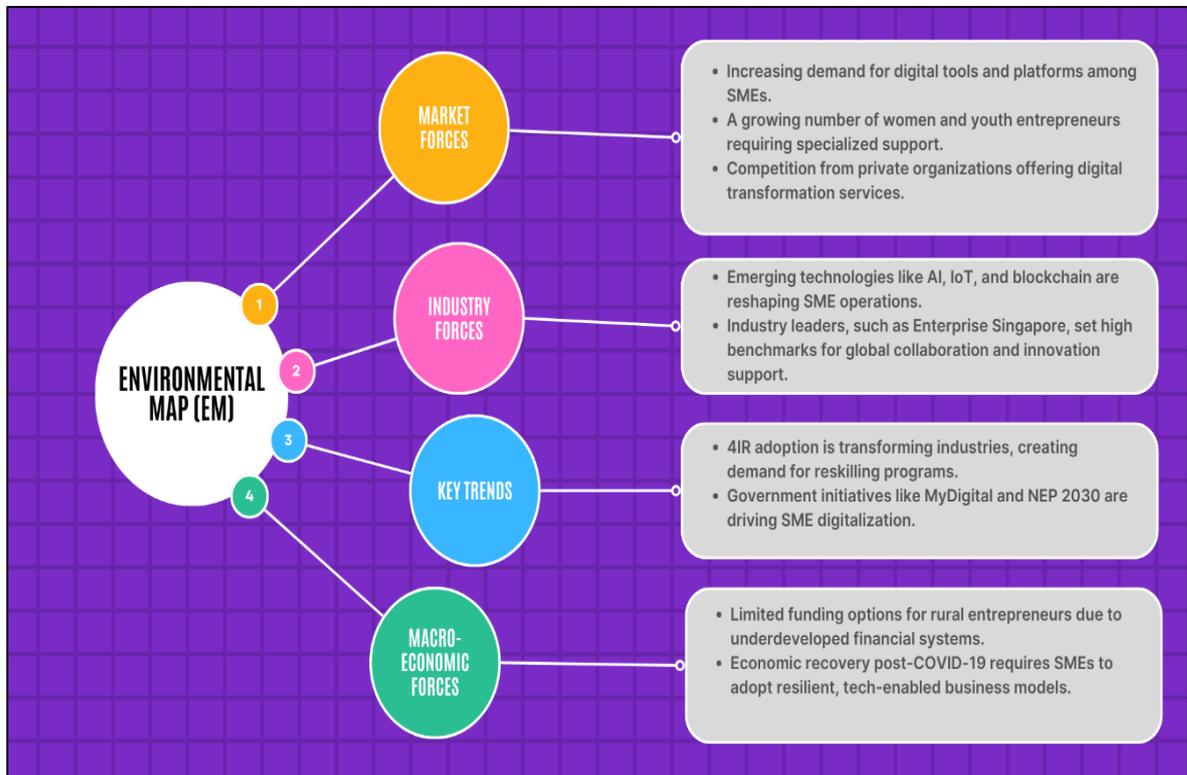


Fig. 7. Environmental Map for SME Corps Malaysia (SME Corps Malaysia Business Strategic Plan 2022-2030)

7.3. Strategy Canvas

The Strategy Canvas highlights the key differentiators of SMECorp-of-the-Future (SMEoF) compared to its current model (SMEoT).

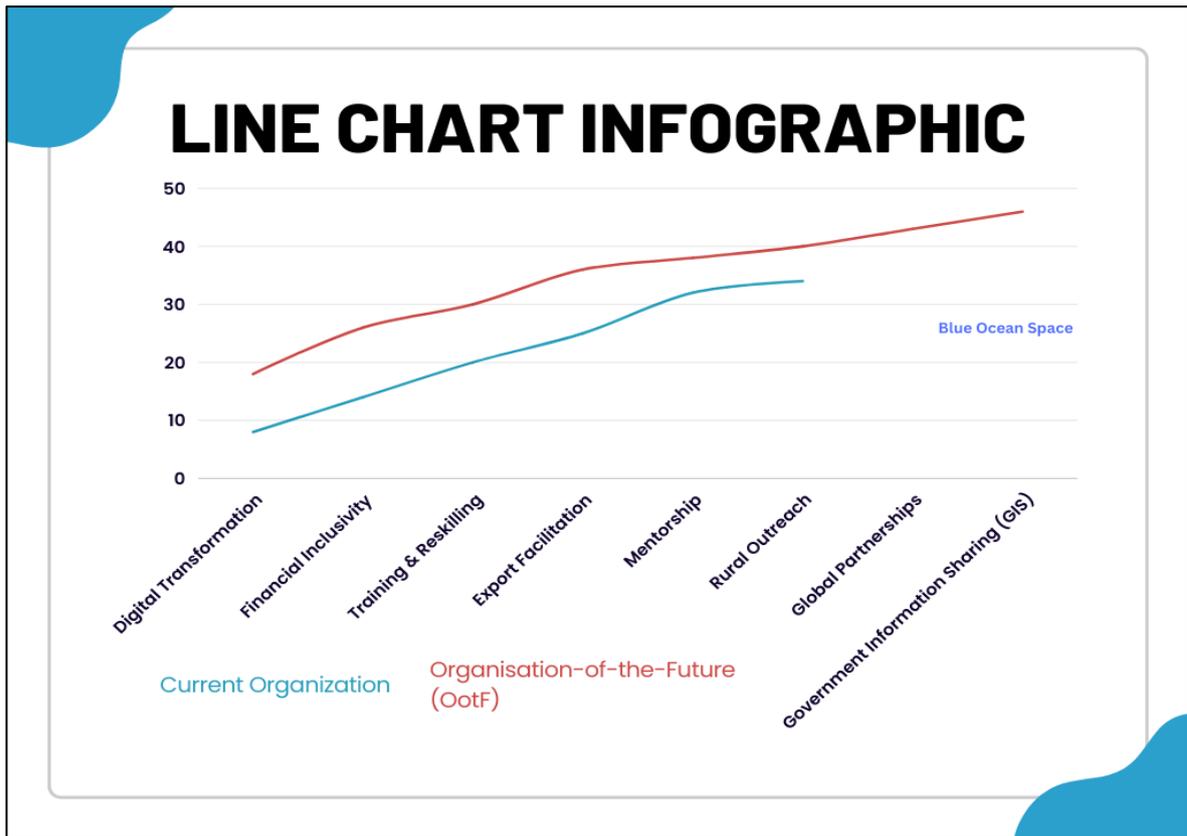


Fig. 8. Strategy Canvas

Table 2: SMECorp-of-Today (SMEoT) vs. SMECorp-of-Future (SMEoF)

Key Factors	SMEoT	SMEoF
Digital Transformation	Limited programs and tools available.	Comprehensive digital platforms, training, and subsidized digital tools.
Financial Inclusivity	Basic microloans with limited reach.	Tailored funding options for diverse SME needs, including rural and youth led.
Training & Reskilling	General training with minimal alignment to 4IR.	Reskilling programs aligned with 4IR technologies and industry specific needs.
Export Facilitation	Limited support for international trade and compliance.	Expanded programs for export readiness and global trade partnerships.
Mentorship	Small-scale mentoring programs.	Sector-specific, large-scale mentorship initiatives.
Rural Outreach	Inefficient and urban-centric programs.	Dedicated programs targeting rural entrepreneurs with localized solutions.
Global Partnerships	-	Connections to international trade organizations and foreign markets. Enhance global connections by

<p>Government Information Sharing (GIS)</p>	-	<p>establishing alumni chapters through international partnerships</p> <p>Transformative initiative that enhances collaboration, coordination, & decision-making across agencies such as MEDAC, MAFS, MOSTI, MITI, Zakat & Baitulmal by creating a centralized platform for data and resource sharing.</p>
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8. CONCLUSION AND FUTURE WORKS

To meet the changing expectations of its multiple Customer Segments (CS) such as micro, small and medium enterprises (MSMEs), rural, asnaf, women, and youth entrepreneurs, SME Corp Malaysia needs to transform itself into an SMECorp-of-Future (SMEoF). Some of the most important issues that these groups confront are lack of digital skills, limited access to capital, and barriers to international trade. They expose key jobs-to-do, like expanding access to digital tools, inclusive funding, and global market scaling. The SMEoF business model also brings in critical differentiators like domain-specific guidance for digital transformation, bespoke advisory services, ready measure with government incentives paving way for export facilitation and ease access to funding. Functioning as pain relievers, these solutions alleviate funding challenges, a lack of talent, and issues pertaining to accessibility, and as gain creators, they improve productivity, widen the marketisation of services and products, and contribute to the resilience of entrepreneurs over the SME ecosystem in Malaysia.

The planned future work will allow SME Corp Malaysia to move into the **SMEoF** using its own **Digital Information Technology Strategic Plan (DISP)**. It will detail the technical, operational, and strategic needs for executing advanced solutions such as architectures for digital platforms, advanced analytics for personalized services, and scalable training programs. To ensure functional operation, it would focus on establishing alliances with technology vendors, financial institutions and global trade groups. DISP will be calibrated with MyDigital, NEP 2030, 4IR and SME Corp Malaysia Business Strategic Plan 2022–2030 in making SME Corp as the game changer for SME landscape. In pursuit of inclusivity, innovation, and sustainable growth whilst maintaining relevance in the digital era, SME Corp Malaysia delivers tailored solutions to its customer segments, using pain relievers and gain to create gain creators.

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