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The Influence of Financial Literacy and Digital Literacy on the Increase in the Class of MSMEs Registered in the BRI Growpreneur Program

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in Indonesia's economy, contributing 61% to the national GDP and employing 97% of the workforce. However, despite extensive government and institutional support, many MSMEs remain stagnant in lower business classes, posing challenges to both business sustainability and national development goals. Understanding the factors that drive the upgrading of MSMEs is therefore essential. This study examines The Influence of Financial Literacy and Digital Literacy on the Increase in the Class of MSMEs Registered in the BRI Growpreneur Program. Using a quantitative approach, data were collected from 97 respondents, with the sample size determined through Slovin's formula. Multiple linear regression was employed to analyze the relationship between variables. The findings show that digital literacy has a positive and significant influence on MSME class upgrading. Business owners with higher digital competence gain greater opportunities to enhance efficiency, competitiveness, and market reach. In contrast, financial literacy does not significantly affect MSME class advancement, indicating that financial understanding alone does not guarantee business transformation. These results support human capital theory, emphasizing the importance of mastering practical, technology-driven skills to strengthen business capacity. The study offers insights for policymakers, financial institutions, and program organizers in formulating effective strategies to accelerate MSME upgrading in the digital era.

KEYWORDS *Financial literacy, digital literacy, MSMEs moving up a class.*

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) can be considered the backbone of the national economy (Ikhsan Lubis, 2021). This is evident from several factors that directly describe the importance of MSMEs for economic continuity and development (Arifin, Ningsih, & Putri, 2021). First, 97% of the Indonesian workforce is absorbed by MSMEs (Jannah, Rachmadhan, Meidaliyantisyah, & Hendra, 2021). Second, MSMEs make a significant contribution to the national Gross Domestic Product (GDP), reaching 61% (Kumar, 2017). Third, MSMEs have sustained the Indonesian economy by becoming the only consistent sector able to function during periods of crisis (Tambunan, 2020).

Given this important position, one of the main objectives of the national economic development strategy is to continuously enhance MSME performance (Handoko, Pramono, Siregar, Nasution, & Barus, 2023). The government, through the Coordinating Ministry for Economic Affairs, states that MSMEs are a critical engine for the national economy and must therefore be supported to continue growing and improving their performance (Kusumawardhani, Rahayu, & Maksum, 2015). These "critical engines" can be interpreted as the main driving force determining the progress and development of Indonesia's economy (Silalahi, Tamim, Oliveirra, Malik, & Faiz, 2025). Accordingly, higher MSME performance correlates with greater national economic progress, whereas stagnant or declining MSME performance negatively impacts the economy (Saputra & Darmawan, 2023).

Efforts to improve MSME performance require the involvement of MSME actors themselves, the government as policy maker, and other organizations that synergize to design and implement programs supporting stronger MSME performance (Ramadhona, Syafri, Maryani, & Achmad, 2023). One such program is the *Growpreneur* program, implemented by Bank Rakyat Indonesia (BRI) in collaboration with SMESCO Indonesia, which functions as the *Lembaga Layanan Pemasaran Koperasi dan Usaha Kecil dan Menengah* (LLP-KUKM) under the Ministry of Cooperatives and SMEs of the Republic of Indonesia.

The main objective of the *BRI Growpreneur* program is to help MSMEs improve their performance so that they can move up a class (Kirani, Aritonang, & Fitrianti, 2024). There are three criteria for MSME class advancement: product quality improvement, adoption of digital technology in marketing, and expansion of market reach to the international level (Mahajan, 2023). To achieve these goals, the *BRI Growpreneur* program consists of three core activities: *Sunset Talks*, *Tahu Tech*, and *Growpreneur Talks*. In addition to participating in these activities, MSMEs in the program receive additional facilities, including BRI co-working space services, creative and visual support, and legal assistance (Muhammad Fachry Lubis, Nurwati, & Gunawan, 2024). The BRI co-working space facilitates MSME collaboration and business meetings (Fuzi, 2015). Visual and creative support services assist MSMEs in improving marketing quality through branding, digital media management, and product launches (Sunarso & Mustafa, 2023). Legal support services help MSMEs fulfill various business legality requirements, such as establishing business entities (Dennis & Ramos, 2016), creating virtual workspaces, and obtaining business permits (*SIUP*), among others (Khangarot & Singhal, 2023).

The *BRI Growpreneur* program represents one of BRI's strategic initiatives to enhance the capacity and competitiveness of MSMEs under its guidance (Ferdyan & Hartawan, 2024). The program is designed to assist business owners through training, mentoring, and intensive business support (Pereyra, Aboal, & Rovira, 2021). However, BRI's internal data reveal that out of 3,196 MSMEs participating in the program, only 42 have successfully moved up a class—a success rate of only 1.3% (Li & Zottele, 2021). This relatively low rate indicates a fundamental issue in the MSME empowerment process, particularly in addressing business growth stagnation (Kumari, 2025).

This fact raises concern, as it reflects that most MSMEs remain stagnant despite having access to development programs from major financial institutions like BRI (Lin, Yang, Li, & Zhang, 2022). This condition underscores the urgency of studying the contributing factors behind MSME class advancement. If stagnation persists, the productivity gap among MSME groups will widen. Furthermore, MSME contributions to national economic growth risk stagnation, potentially hindering Indonesia's efforts to achieve a stronger, more competitive economic structure. Given the large number of MSMEs in Indonesia, collective failure to move up a class could have systemic impacts on macroeconomic targets such as job creation, income improvement, and social gap reduction. Therefore, the issue of MSME class advancement is not only important for individual business owners but also a matter of national strategic interest.

Digital literacy provides MSMEs the opportunity to access broader markets, both domestically and internationally. By effectively utilizing digital platforms, MSMEs can reach customers previously inaccessible through conventional methods. Adequate digital literacy enables MSMEs to apply the right digital marketing strategies, manage online stores, and understand consumer behavior in the digital environment, ultimately enhancing their competitiveness. However, the level of digital literacy among MSMEs remains relatively low. Surveys indicate that only 20% of MSMEs possess adequate digital literacy to utilize the advantages of digital technology. Therefore, improving digital literacy is a fundamental necessity for MSMEs that aim to move up a class and remain competitive in the digitalized business era.

Empirical studies on digital literacy in the MSME context have been widely conducted. However, most prior studies have focused on the relationship between digital literacy and MSME marketing capabilities, performance, sustainability, and digital marketing competency. To date, no study has specifically analyzed the relationship between digital literacy and MSME class advancement. Based on this gap, the present study will examine the influence of digital literacy on MSME class advancement.

Apart from digital literacy, MSMEs seeking to move up a class must also possess adequate financial literacy. Financial literacy can be understood as the level of understanding of key financial concepts and the ability to apply them prudently in managing finances. The ability of business owners to understand and manage financial aspects—such as transaction recording, cash flow management, budget planning, and separation of personal and business finances—forms a crucial foundation for business growth and sustainability. Financial literacy not only involves theoretical understanding but also encompasses the knowledge, skills, and behaviors necessary to make sound, responsible financial decisions.

Studies by Puspita et al. (2024) and Putra et al. (2023) demonstrate that higher levels of financial literacy among MSME owners lead to better business management, thereby improving performance and sustainability. These findings confirm that financial literacy helps businesses achieve not only short-term financial stability but also long-term growth and class advancement.

Given the relationship between financial literacy and MSME class advancement, MSMEs must continuously improve financial literacy in a sustainable manner. This aligns with Human Capital Theory, which posits that business productivity and growth depend heavily on improving the knowledge and skills of the human resources behind it. According to Becker (1975), high-quality human resources are the foundation of competitive advantage and play a vital role in enhancing operational efficiency and business innovation. In line with the main assumptions of Human Capital Theory, higher levels of financial literacy increase opportunities for operational efficiency, strategic expansion, and optimal capital utilization. Therefore, improving financial literacy not only enhances individual business capacity but also supports MSME advancement.

Theoretically, financial literacy plays an important role in supporting business growth and development, including for MSMEs aspiring to move up a class. With good financial literacy, MSME owners can allocate resources efficiently, avoid capital mismanagement, and design sustainable business strategies. However, many current development programs focus primarily on access to financing and technical training, giving insufficient attention to basic literacy aspects—particularly financial management. According to a 2022 Financial Services Authority (OJK) survey, Indonesia's financial literacy index stands at 49.68%, indicating that more than half of the population, including MSME actors, still lacks basic financial understanding. Low financial literacy can hinder business owners from managing cash flow, separating personal and business finances, and making appropriate financing decisions. Consequently, even with access to capital or markets, MSMEs may fail to grow optimally.

The relationship between financial literacy and MSME growth has been widely examined, yet no existing research has specifically analyzed its effect on MSME class advancement. Thus, this study examines the influence of financial literacy on MSME class advancement, adopting dimensions from the study by Irsyada & Dwanto (2024a).

This research aims to comprehensively investigate *The Influence of Financial Literacy and Digital Literacy on the Increase in the Class of MSMEs Registered in the BRI Growpreneur Program*. The specific objectives are: (1) to analyze the extent to which financial literacy affects MSME class improvement, particularly how financial management competencies translate into business transformation; (2) to assess the impact of digital literacy on MSME class advancement, focusing on modernization, market expansion, and competitiveness; (3) to determine the relative importance of financial versus digital literacy in driving MSME class advancement, providing empirical evidence on which dimension warrants greater emphasis; and (4) to map the class distribution of MSMEs in the *BRI Growpreneur* program, identifying proportions across traditional, developing, and modern categories to assess program effectiveness.

This study makes significant contributions to both academic knowledge and policy development. Academically, it fills a research gap by being the first to systematically analyze how financial and digital literacy jointly affect MSME class advancement—a multidimensional transformation involving scale, modernization, and market reach. It extends Human Capital Theory by offering empirical evidence on which competencies (financial or digital) most effectively drive business scalability in the digital economy. Methodologically, it contributes by operationalizing MSME class advancement using a 12-indicator framework covering business scale, mindset, innovation culture, leadership, human resource management, legality, financial management, social responsibility, operations, marketing, industry understanding, and supply chain management—providing a comprehensive assessment tool for future research.

Practically, this research offers evidence-based insights for multiple stakeholders. For policymakers and government agencies, the findings inform the design of targeted MSME development programs by identifying which literacy dimensions yield the greatest transformative impact. For financial institutions such as BRI and other program organizers, the results guide resource allocation—whether to prioritize financial training, digital development, or integrated approaches. For MSME practitioners, the study clarifies competency priorities for class advancement, promoting strategic investment in skill development. For consultants and development organizations, it provides actionable recommendations for designing comprehensive mentoring programs focused on the most critical MSME scaling factors.

Moreover, this study has broader implications for Indonesia's economic development strategy. Given that MSMEs contribute 61% to national GDP and absorb 97% of the workforce, understanding and facilitating MSME class advancement is critical to achieving national economic objectives, including job creation, income growth, poverty reduction, and increased global competitiveness. By identifying the key success factors for business transformation, this research contributes to building a more resilient, competitive, and inclusive Indonesian economy in the digital era.

METHOD

The study employed a quantitative approach that focused on collecting and analyzing numerical data to test hypotheses and answer research questions. This approach relied on structured statistical techniques for measurement, data collection, and analysis (Silalahi, 2009). The unit of analysis was *Micro, Small, and Medium Enterprises (MSMEs)*, selected for their dominant role in Indonesia's economy through job creation, economic growth, and equitable welfare distribution. By concentrating on *MSMEs*, the study directly investigated how internal and external factors influenced the scaling-up process of businesses.

The population consisted of 3,196 *MSMEs* participating in the *BRI Growpreneur* program. The research sample, determined using Slovin's formula with a 10% margin of error, comprised 97 *MSMEs* to ensure representativeness. The study analyzed several variables, including *MSME* class advancement, financial literacy, digital literacy, entrepreneurial characteristics, business networking, cash management ability, and government support. Each variable was measured using a five-point Likert scale to capture varying levels of respondent agreement.

Quantitative data were collected through an online survey distributed via Google Forms to *MSMEs* enrolled in the program. This method allowed broad access to respondents across regions but carried a risk of selection bias, as only participants with internet access could respond. The questionnaire was pilot-tested to ensure validity and reliability. Data analysis included validity and reliability testing using Pearson correlation and Cronbach's alpha, followed by classical assumption tests—normality, multicollinearity, and heteroscedasticity—to ensure the robustness of results.

RESULTS AND DISCUSSION

Mapping MSME Class

Mapping MSME class participating in the BRI *Growpreneur program* done with referring to the results survey based on 12 indicators in UMK Class Up Index. Indicator the consists of from scale, pattern thoughts and ways view, culture innovation, leadership, management source Power human, legality and compliance, management finance, management not quite enough answer social, management operational, marketing, understanding industry and market, as well as management chain supply (Rinaldi & Fatmarani, 2023).

Measurement results against 12 indicators in the MSME Index will move up a class, then MSME class can categorized become three, namely class traditional, developing, and modern (Rinaldi & Fatmarani, 2023):

Table 1. Category MSME Class

Class	Lower Limit*	Upper Limit*
Traditional	0	1,605
Develop	1,605	3.17

Modern	3.17	5

Source : adaptation from Umkmindonesia.id and linkumkm.id

Upper and lower limits modified based on score 1-5

Based on calculation to results survey questionnaire, obtained average value of each indicator increase MSME class as following:

Table 2. Mapping MSME Class

No.	Indicator	Average Score
1	Scale	3.77
2	Mindset and ways view	4.07
3	Culture innovation	4.07
4	Leadership	4.10
5	Human Resource Management	4.09
6	Legality and compliance	4.12
7	Management finance	4.04
8	Management not quite enough answer social	4.08
9	Management operational	4.10
10	Marketing	4.01
11	Understanding industry and market	4.03
12	Management chain supply	4.08
	Average	**4.05**

Source : results primary data processing, 2025

The results of the mapping above can depicted as following :

Figure 1 Mapping MSME Class
Source : processed primary data, 2025

Table 3 Mapping MSME Class

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Develop	4	4.1	4.1	4.1
	Modern	93	95.9	95.9	100.0
	Total	97	100.0	100.0	

Source : results primary data processing, 2025

Table 3 shows results mapping MSME class based on data from respondents who participated in the BRI Growpreneur program. Based on a total of 97 MSMEs that became sample research, it is known:

1. A total of 93 MSMEs (95.9%) are in the category "Modern" class. This is show that part large number of MSMEs that are members in the Growpreneur program has show characteristics as modern business.
2. As many as 4 MSMEs (4.1%) are still is in the "Developing" category.

This data reflect that majority Growpreneur program participants has is in the category Modern class. However, still There is part small ones that need mentoring more carry on For reach modern stage in terms of comprehensive.

Statistical Test Results

Table 1Validity Test Results

Variables	Amount Statement	Information
Financial literacy	9	All items are valid
Digital literacy	16	All items are valid
Characteristics entrepreneurship	8	All items are valid
Network business	4	All items are valid
Ability cash management	4	All items are valid
Support government	4	All items are valid
Ascension MSME class	14	All items are valid

Source : processed primary data, 2025

Validity test results after show that all questionnaire items from variables study This own value 0.000 < 0.05. Appropriate with explanation Ghozali (2013), that Kika mark significance test results are less of 0.05, then the questionnaire items declared valid. With Thus, all questionnaire items from variables study This considered valid. Therefore that, testing can to be continued with use all existing questionnaire items.

Table 2Reliability Test Results

Variables	*Cronbach's Alpha*	N of Items	Results
Financial literacy (X1)	0.912	9	Reliable
Digital literacy (X2)	0.962	16	Reliable
Characteristics entrepreneurship	0.889	8	Reliable
Network business	0.917	4	Reliable
Ability cash management	0.899	4	Reliable
Support government	0.904	4	Reliable
Ascension MSME class (Y)	0.948	14	Reliable

Source : processed primary data, 2025

reliability test are presented in the table above show that all over variables in study This is in the category reliable. Reliability measured use Cronbach's Alpha value, which indicates internal consistency of instrument research. In general In general, a Cronbach's Alpha value above 0.60 is considered adequate, while values above 0.80 indicate level excellent reliability (Ghozali, 2013).

Variables *financial literacy* (X1) obtained value of 0.912 for nine statement items, which indicate that instrument measurement *financial literacy* own very strong internal consistency. Similar things seen in the variables *digital literacy* (X2) with mark of 0.962 in six twelve items, which show level very high and consistent reliability. Variables characteristics entrepreneurship is also stated reliable with value of 0.889 for eight items.

Variables network effort, ability cash management, and support each government obtains values of 0.917, 0.899, and 0.904, which indicate level excellent reliability although consists of from only four statement items. Lastly, the variable dependent that is increase class MSME (Y) recorded Cronbach's Alpha value of 0.948 for four twelve items, which show show level reliability high. With Thus, all instruments used has fulfil criteria strong reliability and can used For analysis more carry on.

1. Normality Test Results

Following This results of the normality test of the data used in study This :

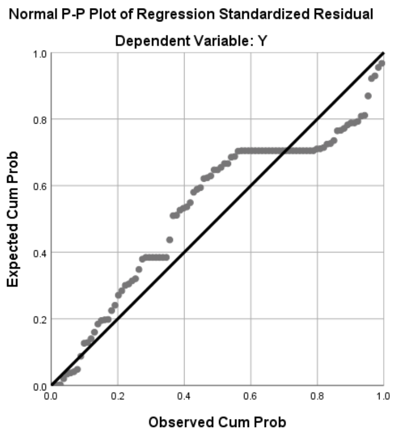

Figure 2 Normality Test Results Plot Graph

Source : processed primary data, 2025

According to Ghozali (2013), interpretation normality test results use plot graph refers to the distribution point data points around the plot line. If the data is spread out around the diagonal line and following diagonal line direction or chart histogram show normal distribution, then the regression model fulfil assumptions normality. If the data is spread out Far from the diagonal and/ or No follow diagonal line direction or histogram graph no show normal distribution, then the regression model No fulfil assumptions normality. Appropriate with picture the plot graph above, can known that data points on a graph following the diagonal line, so that can stated that the research data This normally distributed.

2. Heteroscedasticity Test Results

Following This heteroscedasticity test results for the data used in study This :

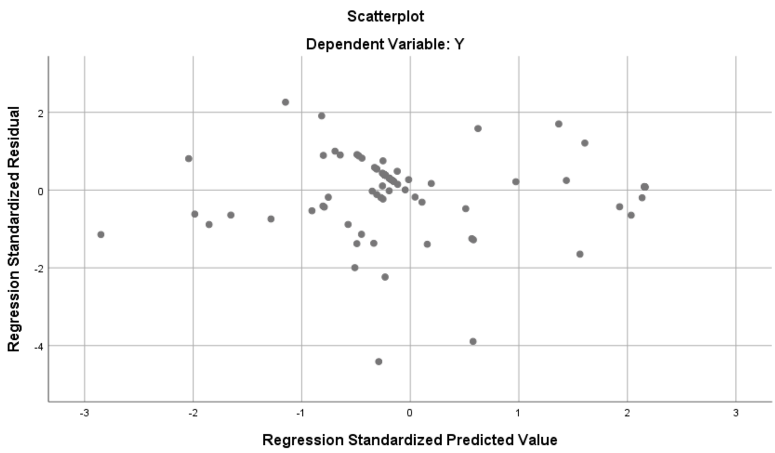

Figure 3Scatter Plot of Heteroscedasticity Test Results

Source : processed primary data, 2025

Interpretation heteroscedasticity test results use *scatter plot* refers to the pattern distribution data points on the graph. If the points the show pattern certain, such as arranged dots in a way regular (eg. wavy or spread Then narrows), then can concluded that happen heteroscedasticity. On the other hand, if the points on the scatter plot are spread out in a way random without clear pattern, then can indicated that No happen heteroscedasticity (Ghozali, 2013). In accordance with the test results in the image above, it is known that points on *the scatter plot* spread in a way random without clear pattern. According to with matter this, then can stated No happen heteroscedasticity in the model study This.

Table 3Multicollinearity Test Results

Variables	Tolerance	VIF
***Financial literacy* (X1)**	0.271	3,685
***Digital literacy* (X2)**	0.257	3,892
Characteristics entrepreneurship (X3)	0.263	3,799
Network effort (X4)	0.259	3,864
Ability cash management (X5)	0.237	4,217
Support government (X6)	0.487	2,052

Source : processed primary data, 2025

multicollinearity test in the table above show that No there is problem multicollinearity between variables independent used in study this. Testing done with see mark *Tolerance* and *Variance Inflation Factor* (VIF). A regression model it is said free from multicollinearity if mark *Tolerance* > 0.10 and VIF value < 10 (Ghozali, 2013).

Tolerance Value For all over variables is at in range from 0.237 to 0.487, which means is at far above the minimum limit of 0.10. The highest VIF value recorded in the variable *ability cash management* (X5) amounted to 4.217, while lowest VIF value contained in the variable *support government* (X6) of 2,052. All VIF value is still below threshold of 10, so that can concluded that No There is symptom significant multicollinearity between variable.

Mapping Registered MSME Classes in the BRI Growpreneur Program

Results of the mapping of MSMEs registered in the *BRI Growpreneur* program show that the average score for indicators of MSMEs moving up a class is 4.05. Based on this score, it can be stated that MSMEs registered in the *BRI Growpreneur* program are, on average, in the Main Modern class. The description of the MSME class mapping according to each indicator is as follows:

1. Business Scale: Descriptive test results for the business scale indicator show the distribution of MSME evaluations based on production aspects, number of employees, and total income. Of the 97 respondents, the majority gave high ratings for MSME business scale. A total of 50 respondents (51.5%) gave a score of 4.00, indicating that more than half of the MSMEs surveyed have relatively large business scales. In addition, 12 respondents (12.4%) gave a score of 5.00, which indicates that some MSMEs are at the highest business scale level in this study. If combined, 62 respondents (63.9%) gave ratings of 4.00 and above, confirming that most MSMEs in this study fall under a relatively large business scale category. Meanwhile, lower scores ranging from 1.00 to 2.67 were only given by 13.4% of

respondents, indicating that only a small portion of MSMEs have small-scale operations in terms of production, workforce, and income. Overall, these results indicate that most MSMEs studied operate at a medium-to-large business scale, with increasing production, employees, and revenue. This shows that the MSMEs in this study have good potential to develop further in their respective business sectors.

2. Mindset and Perspective: Descriptive test results for the mindset and perspective indicators show that most respondents possess a positive and adaptive mindset in facing challenges and opportunities. Of the 97 respondents, most gave high marks for this aspect, with 57.7% scoring 4.00, indicating that respondents agree that an optimistic and flexible mindset contributes to MSME readiness in dealing with change. In addition, 16.5% of respondents gave the highest score of 5.00, indicating strong agreement on the importance of adaptive and innovative thinking to support creative and effective decision-making. Only a small portion rated low, with 1% giving a score of 2.00 and some others below 3.50, suggesting that a small group of MSME actors still lack awareness of the importance of appropriate thinking patterns in business management. Overall, these findings indicate that most MSME owners and managers have optimistic, flexible, and open mindsets toward learning—an important factor in enhancing adaptability and business innovation. MSMEs with positive thinking patterns tend to be more prepared to grow amid changing business environments.
3. Culture of Innovation: Descriptive test results for the innovation culture indicator show that most MSMEs demonstrate a high level of innovation. Of the 97 respondents, 58 MSMEs (59.8%) gave a score of 4.00, indicating that the majority perceive themselves as sufficiently innovative in trying new things and developing products or services that meet market needs. Additionally, 16 MSMEs (16.5%) gave the highest score of 5.00, indicating a very strong culture of innovation among respondents. Only a small number of MSMEs provided low scores, such as three MSMEs (3.1%) with a score of 2.33 and one MSME (1.0%) with a score of 2.67. This suggests that although a small group of MSMEs still exhibits low innovation levels, most show courage in creating new breakthroughs and pursuing innovation. Overall, these results indicate that most MSMEs have developed a strong innovation culture, consistently seeking new opportunities for business growth. This supports the idea that innovation not only enhances competitiveness but also strengthens employee collaboration and engagement, fostering sustainable business growth. Thus, training and mentoring programs that encourage innovation can further strengthen MSME potential in facing market competition dynamics.
4. Leadership: Descriptive test results for the leadership indicator show that most respondents gave relatively high ratings for business leadership aspects. Of the 97 respondents, 57 (58.8%) gave a score of 4.00, indicating that the majority evaluate leadership in their business as good. In addition, 18 respondents (18.6%) gave a score of 5.00, reflecting that leadership is considered very good. Conversely, only a few respondents gave low scores—below 3.67—totaling 10 respondents (10.3%). This indicates that a lack of effective leadership is only experienced by a few small businesses. Overall, this data reflects that leadership in most

businesses is rated quite positively, with a strong inclination toward high scores. These findings indicate that most business leaders studied have shown adequate skills in directing teams, inspiring others, and guiding the business toward its goals. However, a small group of respondents gave lower evaluations, suggesting room for improvement in leadership aspects.

5. Human Resource Management: Descriptive test results for human resource (HR) management indicators in MSMEs show that most respondents gave high ratings. Of the 97 respondents, 57.7% gave a score of 4.00, while 18.6% rated HR management at the highest score of 5.00. This indicates that most MSMEs have good HR management systems, including recruitment, training, and employee competency development. However, a small portion (2.1%) gave low scores (2.00), indicating that some MSMEs may not yet be fully effective in applying HR management practices. Nonetheless, since 81.4% of respondents gave scores of ≥4.00, it can be concluded that overall, HR management among MSMEs is relatively good and supports productivity and employee satisfaction improvements. These findings emphasize the importance of strengthening HR strategies, especially for MSMEs in the lower evaluation categories, so they can increase workforce management effectiveness. HR mentoring and training programs can serve as strategic steps to help all MSMEs optimize their workforce potential for more sustainable business growth.
6. Legality and Compliance: Descriptive test results for legality and compliance indicators show that most MSMEs have a good level of compliance with existing regulations. Of 97 respondents, 60 MSMEs (61.9%) gave a score of 4.00, indicating sufficient compliance with legal requirements. In addition, 17 MSMEs (17.5%) gave the highest score of 5.00, demonstrating excellent compliance. Only a few MSMEs gave low evaluations, such as one MSME (1.0%) providing scores of 2.00 and 2.67, showing that only a small fraction still face challenges in legality and compliance. With 74.2% of respondents scoring 4.00 or higher, it can be concluded that the majority of MSMEs have relatively high compliance with applicable laws and regulations. Good compliance not only helps MSMEs avoid legal risks but also enhances their professional and trustworthy image among customers and business partners. However, the small group of MSMEs with lower compliance indicates a need for further assistance to ensure all MSMEs reach higher compliance standards.
7. Financial Management: Descriptive test results for financial management indicators show that most MSMEs demonstrate good financial management levels. Out of 97 respondents, 55 (56.7%) gave a score of 4.00, indicating that more than half apply good financial management. Additionally, 18 respondents (18.6%) gave the highest score of 5.00, reflecting excellent financial management. Conversely, a small number of MSMEs reported low financial management levels, with scores of 2.00 (3.1%), 2.33 (1.0%), and 2.67 (1.0%). Although a minority, this indicates that some MSMEs still face challenges in financial aspects, such as transaction recording and cash flow management. Overall, these results show that most MSMEs possess good financial management abilities. However, efforts are still needed to improve the capacity of

MSMEs scoring lower so they can better optimize financial practices and strengthen their business competitiveness.

8. Social Responsibility Management: Descriptive test results for corporate social responsibility (CSR) indicators show varying levels of MSME involvement in CSR activities, with most respondents demonstrating relatively high implementation levels. From frequency distributions, 61.9% of MSMEs rated their CSR implementation at 4.00, indicating active participation. Additionally, 17.5% rated 5.00, reflecting very high involvement in social and environmental activities. Meanwhile, only 1%–7.2% of respondents rated below 4.00, indicating a relatively small group with lower participation.
   Overall, these results indicate that most MSMEs apply social responsibility effectively in both social and environmental aspects. Strong CSR implementation can help increase MSME reputation, strengthen community relations, and create a positive impact for society and the environment. However, a small proportion still shows low involvement, calling for policy support and mentoring to raise awareness and encourage more sustainable business practices.
9. Operational Management: Descriptive test results for operational management indicators show that most respondents gave relatively high ratings for operational effectiveness and efficiency. Of the 97 respondents, 61 (62.9%) gave a score of 4.00, indicating that they consider operational management in their businesses to be good. Additionally, 18 (18.6%) rated 5.00, reflecting very high satisfaction with operational practices. Although most evaluations were high, there were minor variations in lower scores: 1 to 4 respondents rated between 2.00 and 3.67, showing that a small number of businesses still face issues such as production, inventory, or quality control management. Overall, the data shows that respondents generally view their operational management as optimal, with most scores between 4.00 and 5.00. This indicates that the majority have implemented good operational practices, although there remains room for improvement among those scoring lower.
10. Marketing: Descriptive test results for marketing indicators show that most MSMEs have highly effective marketing strategies. Of the 97 respondents, 68 MSMEs (70.1%) gave a score of 4.00, indicating that most find their marketing strategies effective in reaching new customers and retaining existing ones. Additionally, 13 MSMEs (13.4%) gave the highest score of 5.00, reflecting strong satisfaction with their marketing strategy effectiveness. Conversely, only a few MSMEs gave scores below 4.00. The lowest score of 2.00 was given by 3 respondents (3.1%), while scores between 2.33 and 3.67 were given by small portions (1.0%–3.1%). This indicates that a minority feel their marketing strategies are still suboptimal. Overall, the data shows that most MSMEs apply effective marketing strategies, although continued mentoring is recommended for those still facing challenges in optimizing marketing performance and competitiveness.
11. Industry and Market Understanding: Descriptive test results for the industry and market understanding indicator show that most MSMEs have a relatively high understanding of industry dynamics and market behavior patterns. Of the 97 respondents, 60 (61.9%) rated 4.00, indicating that most feel they have a good grasp of industry trends and

consumer needs. Additionally, 13 (13.4%) gave the maximum score of 5.00, showing deep understanding. Only 5.1% rated below 3.00, suggesting that few MSMEs have low understanding. The distribution shows that most MSMEs are aware of the importance of market understanding in adjusting business strategies. However, a small portion remains limited in perspective. Overall, these findings reflect that most MSMEs possess good knowledge of industry and market dynamics, enabling them to design adaptive and demand-oriented business strategies. For those with lower understanding, capacity improvement through training or mentorship is necessary to enhance responsiveness to market changes.

12. Supply Chain Management: Descriptive test results for the supply chain management indicator show that most respondents have a good understanding of their industry and market operations. Of the 97 respondents, 63 (64.9%) scored 4.00, and 14 (14.4%) rated 5.00, indicating strong understanding. A small number, such as three respondents (3.1%), scored 3.00, with even fewer rating lower. This shows that most MSMEs understand their industry environment well, though some still require improvement. Overall, these results indicate that MSMEs in this study have a solid understanding of their industries and markets, supporting more effective supply chain management. Good market understanding enables MSMEs to collaborate more effectively with suppliers, manage inventory efficiently, and adapt marketing strategies to customer needs. However, a small portion still shows lower understanding, highlighting the importance of continued education and mentoring to improve supply chain optimization.

Of the 97 MSMEs studied, 93 (95.9%) have reached the “Modern” category, while 4 (4.1%) remain in the “Developing” category. These results reflect the effectiveness of the BRI Growpreneur program, as well as challenges still faced by some smaller MSMEs in their modernization process.

The high percentage of MSMEs that have reached the “Modern” category demonstrates that the BRI Growpreneur program has had a positive impact on most participants. MSMEs in this category generally adopt advanced business practices such as digital technology implementation in daily operations, structured management systems, and effective marketing strategies. This aligns with the main objective of the BRI Growpreneur program—to encourage MSMEs to move up in class through improved capacity and business capability.

The 4 MSMEs (4.1%) still in the “Developing” category indicate that not all participants have achieved the expected modernization level. These MSMEs may still face obstacles such as limited access to technology, insufficient understanding of effective management, or difficulty accessing broader markets. This situation shows that, although the BRI Growpreneur program has provided significant support, additional efforts are still needed to ensure all participants achieve optimal business transformation.

CONCLUSION

The analysis concludes that the BRI Growpreneur program has successfully modernized a large portion of participating MSMEs by enhancing their capacity and promoting technology adoption. However, a small group of MSMEs still requires more focused mentoring to fully benefit from the program. Key factors such as digital literacy, networking efforts, cash management ability, and government support were found to significantly drive MSME progress by strengthening competitiveness, broadening market reach, and accelerating business growth. In contrast, financial literacy and entrepreneurial characteristics showed no significant influence, as most business actors already possess adequate financial understanding, while personal attributes alone were insufficient to drive substantial advancement. Future research should explore how integrated support models combining digital skill development, financial innovation, and collaborative ecosystems can better assist MSMEs that remain stagnant in advancing their business class.

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