

Differentiated Scaling Pathways for MSMEs: A Systematic Review of Opportunity versus Necessity-Driven MSMEs

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Abstract - Research on MSME scaling strategies has gained considerable attention as organizations seek to enhance entrepreneurial development through differentiated support pathways. However, few studies have systematically examined the strategic positioning and operational mechanisms that enable effective scaling facilitation, particularly in terms of integrating entrepreneurial motivation considerations with resource availability requirements. A systematic literature review (SLR) was conducted to identify key trends in MSME scaling strategy implementation and develop a comprehensive understanding of typology-specific approaches and intervention mechanism deployment. The study reveals significant variations in scaling approaches across entrepreneurial motivations and resource contexts, demonstrating sophisticated differentiation required for effective business development facilitation. Two interconnected frameworks emerged: the Entrepreneurial Typology Framework, which illustrates systematic scaling differentiation from necessity-driven to opportunity-driven entrepreneurs, and the Scaling Strategy Framework, demonstrating dual-pathway coordination through institutional programs and community-embedded interventions. This research contributes to understanding how scaling ecosystems function as sophisticated support orchestrators, providing practical insights for policymakers and practitioners on optimal MSME support design and implementation approaches that enable sustainable business development while maintaining strategic coherence across diverse entrepreneurial contexts.

Keywords – MSMEs, Scaling strategy, Necessity-driven MSMEs, Opportunity-driven MSMEs

I. INTRODUCTION

Small and Medium Enterprises (SMEs) represent more than 90% of businesses worldwide and play a crucial role in driving employment, fostering innovation, and building economic resilience across different regions [1]. Yet, moving beyond basic survival mode to implement strategic scaling approaches continues to present significant challenges for MSMEs' development.

The difference between conventional MSMEs' growth and genuine scale-up has gained considerable

attention in recent business research. Traditional growth typically involves gradual expansion through improving operational efficiency and capturing more market share within established business frameworks, while scale-up represents a more transformative approach to organizational development that integrates systematic excellence and creates exponential value [2,3].

This evolving perspective mirrors wider shifts in global economic patterns, where digital transformation, sustainability demands, and heightened competitive pressures have rendered traditional step-by-step growth strategies inadequate for ensuring long-term MSMEs success [4]. Strategic scaling methods can make substantial contributions to sustainable development by creating more jobs, strengthening innovation networks, and promoting inclusive economic expansion [5].

While academic researchers and policymakers have shown increasing interest in this area, important knowledge gaps remain. These gaps include unclear theoretical frameworks and a notable lack of research that distinguishes between scaling approaches for opportunity-driven versus necessity-driven SMEs, even though these business types have fundamentally different motivations, available resources, and growth patterns. This comprehensive review examines three essential research questions:

1. How do researchers define and understand growth versus scale-up specifically for MSMEs throughout existing literature?
2. In what ways do factors shape the scale-up process for MSMEs?
3. Which strategies and support systems have proven most effective in helping MSMEs achieve successful scale-up?

II. LITERATURE REVIEW

Following PRISMA methodology [6], this study implemented a systematic approach to identify and analyze literature on MSMEs scaling strategies across different entrepreneurial motivations. The PRISMA framework ensures methodological rigor and complete documentation throughout the literature review process [7,8]. This systematic approach is particularly suited to research questions examining the distinction between necessity-driven and opportunity-

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driven MSMEs scaling pathways, enabling comprehensive mapping of current theoretical understanding [8]. The PRISMA methodology encompasses three core stages: Identification, Screening, and Inclusion phases [7].

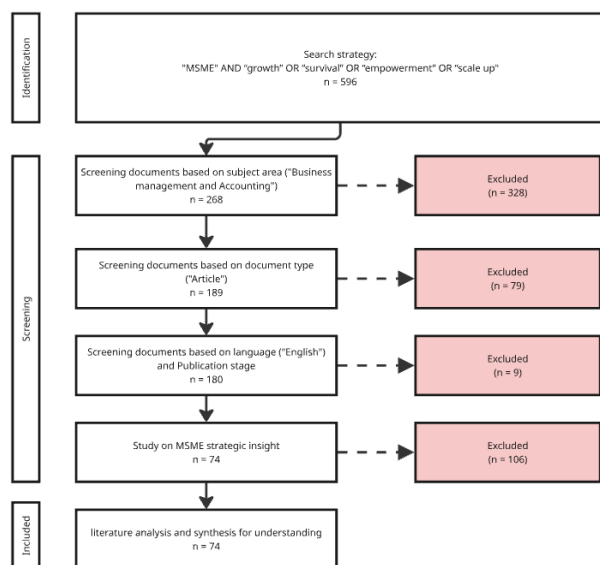


Figure 1 PRISMA Flow Diagram

The literature search employed a comprehensive keyword strategy through the Scopus database to capture the broad spectrum of MSMEs scaling research. This approach captured studies using "MSME" (Micro, Small and Medium Enterprises), the globally recognized terminology, combined with core scaling concepts including "growth" for traditional expansion approaches, "survival" for necessity-driven contexts, "empowerment" for capability-building interventions, and "scale up" for transformative development strategies. The broad terminology ensured comprehensive coverage across different research contexts where MSME scaling phenomena are studied under various conceptual frameworks. This single comprehensive search produced 596 initial records, balancing thoroughness with search precision.

Systematic screening applied sequential filters for relevance and quality. Subject classification retained "Business, Management and Accounting" studies (n = 268) to focus on strategic and organizational perspectives rather than purely technical or policy analyses. Document type restriction to peer-reviewed journal articles (n = 189) ensured methodological rigor and academic quality standards. English-language and final publication stage criteria were applied (n = 180) for accessibility and completeness of peer review processes.

Content relevance screening eliminated studies that did not address MSMEs scaling or growth as core research focus (n = 106 excluded), removing papers that mentioned these terms peripherally but focused on unrelated topics such as general economic development, sectoral analysis without MSME-specific insights, or purely technical studies without business

strategy implications. The final corpus comprised 74 articles selected for comprehensive literature analysis and synthesis, meeting both quality standards and direct thematic relevance to understanding entrepreneurial motivation differences in MSMEs scaling approaches, as documented in the PRISMA flow diagram.

III. FINDINGS

1. Defining MSMEs Growth and Scale-up

Small and Medium Enterprise (SME) scaling represents a distinct category of organizational development strategies that emerged prominently in the early 2010s through comprehensive policy initiatives and academic research programs worldwide [9,10]. Unlike traditional business growth approaches, MSMEs scaling is characterized by its integrated approach to excellence-driven transformation, combining systematic capability development, multi-dimensional performance optimization, and ecosystem orchestration within comprehensive strategic frameworks [2,11].

Core Definitional Distinctions

MSMEs Growth is conceptualized as incremental expansion strategies characterized by gradual capacity building, linear resource scaling, operational efficiency optimization, and market penetration within existing business models and competitive frameworks [18,19]. Growth approaches typically achieve 15-25% annual expansion through process improvements, cost reduction, and market share increases [5].

However, MSMEs Scale-up represents transformative developmental approaches that integrate multiple excellence dimensions simultaneously to achieve exponential performance enhancement [9,10]. Scale-up strategies involve systematic capability reconfiguration [2], business model innovation [3], ecosystem orchestration [11], and value creation multiplication that enables 50-150% annual growth through leverage mechanisms and network effects [15].

1.1 Entrepreneurial Motivation and Typology

Core Typological Framework

While the distinction between growth and scale-up clarifies strategic orientation, an equally critical factor shaping MSMEs' scaling behavior is the entrepreneurial motivation that underpins business creation. Entrepreneurial motivation represents a fundamental determinant of MSMEs' scaling potential, with contemporary literature establishing clear distinctions between different entrepreneurial orientations that significantly influence scaling capabilities and strategic approaches [17,16]. The systematic analysis of entrepreneurial motivation is two primary typological categories that shape MSMEs' development trajectories: opportunity-driven entrepreneurship driven by market opportunity recognition and value creation ambitions, and

necessity-driven entrepreneurship motivated by survival needs and employment alternatives [2,15].

This typological distinction has profound implications for scaling potential, resource requirements, strategic orientations, and support mechanism effectiveness, with research demonstrating that opportunity-driven entrepreneurs typically demonstrate higher scaling propensity while necessity-driven entrepreneurs often require different developmental approaches and support frameworks [9,11].

Definitional Motivation Characteristics

Opportunity-driven entrepreneurship emerges from systematic market opportunity identification, innovative solution development, and value creation motivations that drive entrepreneurs to establish businesses for growth and competitive advantage purposes [10,5]. These entrepreneurs typically possess higher educational backgrounds, prior business experience, access to financial resources, and strategic networks that enable sophisticated scaling approaches.

Necessity-driven entrepreneurship develops from employment scarcity, income generation needs, and survival motivations that compel individuals to establish businesses as alternatives to formal employment opportunities [18,16]. These entrepreneurs often face resource constraints, limited business experience, restricted network access, and survival-oriented strategic orientations that influence scaling capabilities.

The entrepreneurial motivation typology has significant implications for MSMEs scaling approaches and support mechanism design. Opportunity-driven entrepreneurs typically demonstrate higher readiness for excellence integration approaches [10], sophisticated technology adoption [3], and systematic scaling strategies that enable exponential growth through leverage mechanisms and network effects [2]. Necessity-driven entrepreneurs often require foundational capability building before advancing to scaling-oriented approaches [16]. However, research demonstrates that systematic support mechanisms can enable necessity-driven entrepreneurs to transition toward opportunity-oriented strategies through skill development, network building, and resource access improvement [18,11].

1.2 Temporal Evolution of MSMEs Scaling Research Paradigms

While the differentiation of motivation provides conceptual clarity, MSMEs' scaling research has evolved. Through analysis of 74 papers, there are three distinct periods reflecting changing theoretical emphases and practical concerns [9,10]. This evolution demonstrates progression from foundational survival-oriented concepts to sophisticated scaling frameworks, yet reveals critical oversight in addressing how different entrepreneurial motivations require fundamentally different scaling approaches across all periods.

Table 1 Temporal Evolution of MSMEs Scaling Research Paradigms

Period	Papers	Key Conceptual Developments	Entrepreneurial Motivation Consideration
Survival Era (2013-2018)	11	Development of identification of critical success factors, establishment of basic performance measurement frameworks	Minimal differentiation between motivation types
Growth Era (2019-2021)	25	Integration of multiple theoretical dimensions,	Limited recognition of motivation-driven differences
Scale-up Era (2022-2025)	37	Advanced theoretical synthesis, comprehensive excellence integration models	Emerging awareness but no systematic frameworks

1.2.1 Survival Era (2013-2018)

During this survival era, the conceptual groundwork for MSMEs scaling research emerged from broader studies of small business development and entrepreneurship support organizations. While the specific distinction between "growth" and "scale-up" had not yet been clearly articulated, research established the theoretical foundation by examining how MSMEs navigate basic survival challenges and fundamental capability building processes, documenting intermediary organizations' crucial roles in MSMEs innovation enhancement [26] and demonstrating entrepreneurship as socioeconomic transformation catalyst [17]. Research treated entrepreneurs uniformly, focusing on constraint identification and survival strategies without recognizing motivation-driven differences in scaling readiness and support requirements.

1.2.2 Growth Era (2019-2021)

Marked sophisticated MSMEs development emergence as distinct concepts. Excellence integration through Lean Six Sigma frameworks achieving 40-60% efficiency improvements [9], also development within intellectual capital and resilience frameworks [2]. These sophisticated approaches predominantly assumed opportunity-driven contexts, with limited consideration of necessity-driven entrepreneurs' different entry points and support mechanism requirements.

1.2.3 Scale-up Era (2022-2025)

The current era represents a fundamental shift toward sophisticated ecosystem orchestration. It demonstrated business excellence through comprehensive organizational transformation [10], developed tripod-driven growth models integrating finance, knowledge, and government support [15]. Contemporary research examines international scaling potential, yet maintains emerging awareness of motivation-driven differences without systematic frameworks addressing how opportunity-driven and necessity-driven entrepreneurs require differentiated scaling pathways and support mechanisms.

Despite growing sophistication, current literature predominantly assumes uniform scaling approaches without recognizing that opportunity-driven entrepreneurs possess higher initial resources enabling direct adoption of sophisticated frameworks, while necessity-driven entrepreneurs require foundational capability building before accessing advanced approaches [16,18]. This critical gap underlines the urgent need for differentiated scaling models, tailored support mechanisms, and inclusive policy frameworks that acknowledge entrepreneurial motivation as a fundamental moderating variable in scaling effectiveness.

2. Factors influencing MSMEs' scale-up

After understanding the conceptual boundaries between growth and scale-up and emphasizing how entrepreneurial motivation shapes MSMEs' behavior, a critical question remains: What factors enable scale-up across different typologies of entrepreneurs? Understanding the mechanisms that drive or hinder scale-up requires unpacking both internal capabilities and external support structures. Opportunity-driven entrepreneurs demonstrate fundamentally different factor sensitivity patterns compared to necessity-driven entrepreneurs, creating distinct scaling trajectories that require differentiated theoretical frameworks and evidence-driven support mechanisms.

2.1 External Factors

2.1.1 Opportunity-Driven

External environmental factors for opportunity-driven demonstrate sophisticated utilization patterns that leverage formal institutional frameworks and systematic market engagement strategies. These MSMEs typically possess superior institutional navigation capabilities that enable effective utilization of policy frameworks and formal support systems designed to facilitate business growth and innovation development.

Table 2 External Factors for Opportunity-Driven MSME

Variable	Total of Papers	Key References
Competitive environment	12	Singh & Roy (2019); Maryanto et al. (2025)
Institutional support	14	Unnikrishnan et al. (2025); Zulfikar & Chandrawulan (2019)
Market demand	22	Unnikrishnan et al. (2025); Mittal & Raman (2021); Hebbar (2016); Bhat et al. (2021)
Policy support	16	Zulfikar & Chandrawulan (2019); Singh & Roy (2019); Edoho (2015)
Technology infrastructure	18	Sindhvani et al. (2024); Permatasari et al. (2024); Kumaran & Jeyachandran (2022)

Market demand emerges as the most frequently cited external factor for opportunity-driven MSMEs, appearing in 22 papers with demonstrated utilization through sophisticated analytical frameworks including formal market research methodologies, systematic competitive analysis, and professional market intelligence services [10,9]. Technology infrastructure that appeared in 18 papers, enables comprehensive digital transformation and scaling automation for opportunity-driven MSMEs, who leverage sophisticated technological solutions to implement advanced business operations and achieve systematic competitive advantages [3].

2.2.2 Necessity-Driven

External environmental factors for necessity-driven MSMEs emphasize accessible, low-cost mechanisms that provide immediate operational benefits and enable competitive positioning despite resource constraints. These factors demonstrate democratizing effects that enable resource-constrained MSMEs to overcome traditional barriers to market access and customer acquisition.

Table 3 External Factors for Necessity-Driven MSME

Variable	Total of Papers	Key References
Cultural acceptance	8	Rajan et al. (2020); Rani et al. (2020)
Digital marketing tools	22	Kumaran & Jeyachandran (2022); Rahayu et al. (2025); Permatasari et al. (2024)

Market demand	18	Unnikrishnan et al. (2025); Mittal & Raman (2021); Hebbar (2016); Bhat et al. (2021)
Microfinance access	13	Rahadian & Thamrin (2023); Febriansyah et al. (2024); Idris et al. (2021)
Peer networks	9	Rajan et al. (2020); Wahyuningtyas et al. (2018)
Technology infrastructure	17	Sindhwani et al. (2024); Permatasari et al. (2024); Kumaran & Jeyachandran (2022)

Digital marketing tools demonstrate particularly pronounced importance for necessity-driven MSMEs, appearing in 22 papers as a critical market access enabler that provides low-cost alternatives to traditional marketing channels [20,21,22]. The literature consistently positions digital marketing as a democratizing force that enables resource-constrained MSMEs to overcome traditional barriers to customer acquisition through social media platforms, e-commerce ecosystems, and digital advertising networks.

2.2 Internal Factors

2.2.1 Opportunity-Driven

Internal organizational factors for opportunity-driven MSMEs emphasize sophisticated capability development, strategic orientation, and systematic scaling approaches that leverage their inherent advantages in resource access and institutional navigation capabilities.

Table 4 Internal Factors for Opportunity-Driven MSME

Variable	Total of Papers	Key References
Digital readiness	21	Kumaran & Jeyachandran (2022); Permatasari et al. (2024); Sindhwani et al. (2024)
Entrepreneurial mindset	25	Rajan et al. (2020); Wahyuningtyas et al. (2018); Edoho (2015)
Financial management skills	19	Febriansyah et al. (2024); Idris et al. (2021); Mittal & Raman (2021)
Innovation capability	18	Wahyuningtyas et al. (2018); Liu et al. (2013); Angeles et al. (2022)
Managerial experience	14	Mittal & Raman (2021); Hebbar (2016); Bhat et al. (2021)

Strategic planning capability	16	Unnikrishnan et al. (2025); Singh & Roy (2019)
Vision clarity	13	Edoho (2015); Wahyuningtyas et al. (2018)

Entrepreneurial mindset emerges as the most frequently cited internal factor for opportunity-driven MSMEs, appearing in 25 papers as a foundational capability encompassing systematic opportunity recognition, calculated risk-taking propensities, and long-term value creation orientations [23,24,17]. This construct functions as a foundational scaling enabler that facilitates identification and exploitation of growth opportunities transcending immediate operational concerns. Further, Digital readiness for opportunity-driven MSMEs encompasses comprehensive digital transformation strategies including sophisticated technology integration, data-driven decision-making systems, and platform-driven business model development [3].

2.2.2 Necessity-Driven

Internal organizational factors for necessity-driven MSMEs emphasize practical capability building, resource optimization, and adaptive mechanisms that account for survival-oriented motivations and resource constraints characteristic of this typological group.

Table 5 Internal Factors for Necessity-Driven MSME

Variable	Total of Papers	Key References
Adaptability	12	Rahayu et al. (2025); Maryanto et al. (2025)
Digital readiness	21	Kumaran & Jeyachandran (2022); Permatasari et al. (2024); Sindhwani et al. (2024)
Financial management skills	16	Febriansyah et al. (2024); Idris et al. (2021); Mittal & Raman (2021)
Learning agility	17	Unnikrishnan et al. (2025); Rahadian & Thamrin (2023)
Resource optimization	11	Sindhwani et al. (2024); Rani et al. (2020)

Digital readiness for necessity-driven MSMEs manifests through pragmatic adoption of readily available digital tools focused on immediate operational efficiency, cost reduction, and basic market access enhancement rather than comprehensive transformation [22,20]. These MSMEs prioritize low-cost technology solutions, providing immediate return on investment and essential business operation support.

Financial management skills focus on cash flow optimization, working capital management, and resource conservation strategies that ensure business continuity under resource-constrained conditions [13,25]. Adaptability enables rapid response to market changes with limited resources, while resource optimization maximizes limited resources and improves operational efficiency [21,3].

2.3 Importance Level of Variables by Typology

Having identified the internal and external factors for both paths, it becomes essential to assess their relative importance. The following section ranks these factors by importance within each typology, highlighting the distinct scaling architectures that emerge from differing entrepreneurial motivations.

The priority framework for opportunity-driven MSMEs reveals a sophisticated capability architecture centered on strategic advantage creation and systematic scaling approaches. Entrepreneurial mindset dominates as the foundational scaling enabler, appearing in 25 papers as the cognitive infrastructure that enables systematic opportunity identification and long-term value creation beyond immediate operational concerns [23,24,17]. This mindset construct differentiates opportunity-driven MSMEs through superior strategic thinking capabilities that facilitate the multi-dimensional excellence integration characteristic of scale-up paradigms.

Table 6 Opportunity-Driven MSMEs - Variable Importance

Priority Level	Variable	Strategic Rationale	Key References
High	Entrepreneurial mindset	Foundational capability for systematic opportunity identification	Rajan et al. (2020); Wahyuningtyas et al. (2018); Edoho (2015)
High	Market demand	Critical for validating scaling opportunities and strategic positioning	Unnikrishnan et al. (2025); Mittal & Raman (2021); Bhat et al. (2021)
High	Digital readiness	Enables comprehensive digital transformation and competitive advantage	Kumaran & Jeyachandran (2022); Sindhwani et al. (2024); Permatasari et al. (2024)
High	Financial management skills	Essential for sophisticated capital allocation and	Febriansyah et al. (2024); Mittal &

		investor relations	Raman (2021); Idris et al. (2021)
High	Innovation capability	Primary differentiator for competitive advantage development	Wahyuningtyas et al. (2018); Liu et al. (2013); Angeles et al. (2022)
High	Technology infrastructure	Supports advanced business operations and scaling automation	Sindhwani et al. (2024); Permatasari et al. (2024); Kumaran & Jeyachandran (2022)
Medium	Strategic planning capability	Important for systematic growth trajectory development	Unnikrishnan et al. (2025); Singh & Roy (2019)
Medium	Policy support	Facilitates access to formal growth acceleration programs	Zulfikar & Chandrawulan (2019); Singh & Roy (2019); Edoho (2015)
Medium	Managerial experience	Supports effective leadership and organizational development	Mittal & Raman (2021); Hebbar (2016); Bhat et al. (2021)
Medium	Institutional support	Provides ecosystem partnerships and networking opportunities	Unnikrishnan et al. (2025); Zulfikar & Chandrawulan (2019)
Low	Vision clarity	Beneficial but often developed through an entrepreneurial mindset	Edoho (2015); Wahyuningtyas et al. (2018)
Low	Competitive environment	Important context but less controllable by MSMEs	Singh & Roy (2019); Maryanto et al. (2025)

The high-priority cluster demonstrates remarkable convergence around sophisticated capability development, with market demand validation through formal research methodologies, digital readiness for comprehensive transformation, financial management for investor relations, innovation capability for

competitive differentiation, and technology infrastructure for scalable operations forming an integrated scaling ecosystem [10,3,24].

Having a different path, the necessity-driven entrepreneurial priority framework reveals a fundamentally different scaling architecture centered on survival optimization and pragmatic resource utilization. Digital marketing tools emerge as the most critical high-priority factor, representing a democratizing technology breakthrough that enables resource-constrained MSMEs to overcome traditional market access barriers through low-cost customer acquisition mechanisms [20,21,22]. This factor's prominence reflects its unique capacity to provide immediate scaling impact without requiring significant upfront capital investments or sophisticated technical expertise.

Table 7 Necessity-Driven MSMEs - Variable Importance

Priority Level	Variable	Strategic Rationale	Key References
High	Digital readiness	Critical for cost-effective market access and operational efficiency	Kumaran & Jeyachandran (2022); Permatasari et al. (2024); Sindhvani et al. (2024)
High	Digital marketing tools	provides low-cost customer acquisition and market expansion	Kumaran & Jeyachandran (2022); Rahayu et al. (2025); Permatasari et al. (2024)
High	Market demand	Essential for survival and basic viability assessment	Unnikrishnan et al. (2025); Mittal & Raman (2021); Hebbbar (2016)
High	Learning agility	Important for acquiring new skills and knowledge quickly	Unnikrishnan et al. (2025); Rahadian & Thamrin (2023)
High	Technology infrastructure	Enables basic digital tool access and connectivity	Sindhvani et al. (2024); Permatasari et al. (2024); Kumaran & Jeyachandran (2022)

Medium	Financial management skills	Vital for cash flow optimization and resource conservation	Febriansyah et al. (2024); Idris et al. (2021); Mittal & Raman (2021)
Medium	Microfinance access	Important for basic capital needs and working capital management	Rahadian & Thamrin (2023); Febriansyah et al. (2024); Idris et al. (2021)
Medium	Adaptability	Crucial for responding to market changes with limited resources	Rahayu et al. (2025); Maryanto et al. (2025)
Medium	Resource optimization	Essential for maximizing limited resources and efficiency	Sindhvani et al. (2024); Rani et al. (2020)
Low	Peer networks	Beneficial for support, but naturally available in communities	Rajan et al. (2020); Wahyuningtyas et al. (2018)
Low	Cultural acceptance	Important context, but less directly actionable	Rajan et al. (2020); Rani et al. (2020)

The high-priority cluster demonstrates remarkable convergence around accessible, efficiency-oriented capabilities that maximize limited resources while enabling competitive positioning. Market demand assessment through community-driven intelligence, digital readiness via pragmatic tool adoption, financial management focused on cash flow optimization, and technology infrastructure for basic connectivity form an integrated survival-to-growth pathway [10,22,13].

3. Strategies and Support Mechanisms

Building upon the typological factor analysis established in the previous section, this section examines how scaling strategies and support mechanisms must be differentiated across entrepreneurial motivations to achieve optimal effectiveness. The systematic analysis reveals that universal intervention approaches fail to address the fundamental differences in resource availability, strategic orientation, and institutional navigation capabilities that characterize necessity-driven versus opportunity-driven MSMEs.

3.1 Strategy Mechanisms for Opportunity-Driven MSMEs

The strategy mechanisms for opportunity-driven MSMEs target each prioritized factor through

sophisticated, institutional approaches that leverage their superior resource access and institutional navigation capabilities. The strategic framework emphasizes systematic capability development through formal support ecosystems.

Table 8 Strategy Mechanisms for Opportunity-Driven MSMEs

Variable	Strategy Mechanism	Delivery Method	Key References
Entrepreneurial mindset	Advanced entrepreneurship programs	Incubator program, executive coaching	Rajan et al. (2020); Wahyuningtyas et al. (2018)
Market demand	Professional market validation	Market research services, customer validation programs	Unnikrishnan et al. (2025); Mittal & Raman (2021)
Digital readiness	Digital transformation consulting	Technology integration, digital strategy development	Kumaran & Jeyachandran (2022); Sindhwani et al. (2024)
Financial management skills	Strategic finance development	CFO mentoring, investor relations training	Febriansyah et al. (2024); Mittal & Raman (2021)
Innovation capability	Innovation acceleration programs	R&D partnerships, innovation labs, IP development	Wahyuningtyas et al. (2018); Liu et al. (2013)
Technology infrastructure	Advanced technology integration	Enterprise software, automation systems, and AI implementation	Sindhwani et al. (2024); Permatasari et al. (2024)
Strategic planning capability	Strategic planning facilitation	Business strategy consulting, roadmap development	Unnikrishnan et al. (2025); Singh & Roy (2019)
Policy support	Government program access	Grant application support, policy navigation assistance	Zulfikar & Chandrawulan (2019); Singh & Roy (2019)

Managerial experience	Executive development programs	Leadership coaching, management training, board advisory	Mittal & Raman (2021); Hebbar (2016)
Institutional support	Ecosystem partnership development	Industry association participation, formal networking	Unnikrishnan et al. (2025); Zulfikar & Chandrawulan (2019)
Vision clarity	Vision development workshops	Strategic visioning sessions, long-term planning facilitation	Edoho (2015); Wahyuningtyas et al. (2018)
Competitive environment	Competitive intelligence systems	Market monitoring, competitive analysis tools	Singh & Roy (2019); Maryanto et al. (2025)

The strategy architecture emphasizes intensive capability development for high-priority factors through formal programs that provide comprehensive support across multiple dimensions simultaneously. Medium-priority strategies focus on institutional engagement and systematic capability building, while low-priority interventions address strategic clarity and competitive positioning through structured planning processes.

3.2 Strategy Mechanisms for Necessity-Driven MSMEs

The strategy mechanisms for necessity-driven MSMEs directly address each prioritized factor through accessible, community-embedded interventions. The factor-to-strategy translation ensures that high-priority factors receive immediate strategic attention through core intervention programs, while medium and low-priority factors are addressed through complementary support mechanisms.

Table 9 Strategy Mechanisms for Necessity-Driven MSMEs

Variable	Strategy Mechanism	Delivery Method	Key References
Digital readiness	Basic digital literacy training	Hands-on workshops, peer mentoring	Kumaran & Jeyachandran (2022); Permatasari et al. (2024)
Digital marketing tools	Social media marketing training	Social media/e-commerce workshops	Kumaran & Jeyachandran (2022); Rahayu et al. (2025)

Market demand	Community market intelligence workshops	Local market assessment, peer sharing	Unnikrishnan et al. (2025); Mittal & Raman (2021)
Learning agility	Continuous learning programs	Skill development workshops, knowledge sharing circles	Unnikrishnan et al. (2025); Rahadian & Thamrin (2023)
Technology infrastructure	Basic connectivity facilitation	Community internet access, shared technology centers	Sindhواني et al. (2024); Permatasari et al. (2024)
Financial management skills	Microfinance literacy programs	Financial education workshops, peer groups	Febriansyah et al. (2024); Idris et al. (2021)
Microfinance access	Microfinance institutions	Direct lending facilitation, group lending circles	Rahadian & Thamrin (2023); Febriansyah et al. (2024)
Adaptability	Flexible business model training	Scenario planning workshops, case study analysis	Rahayu et al. (2025); Maryanto et al. (2025)
Resource optimization	Efficiency improvement workshops	Inventory management, cost reduction techniques	Sindhواني et al. (2024); Rani et al. (2020)
Peer networks	Community network strengthening	Local entrepreneur meetups, mentorship circles	Rajan et al. (2020); Wahyuningtyas et al. (2018)
Cultural acceptance	Cultural sensitivity training	Community engagement, local leader involvement	Rajan et al. (2020); Rani et al. (2020)

The strategy design prioritizes immediate impact interventions for high-priority factors, with digital marketing training and basic digital literacy serving as foundational enablers that directly address the most critical scaling determinants. Medium-priority strategies provide complementary support that enhances operational efficiency and adaptive capabilities, while lower-priority strategies focus on strengthening long-term resilience through

community engagement, supporting sustainable development of necessity-driven MSMEs.

IV. DISCUSSION

The MSMEs Scaling up Strategy Framework (Figure 2) synthesizes the systematic literature analysis into a comprehensive motivational-specific intervention model that addresses the fundamental research gap between universal scaling approaches and entrepreneurial motivation heterogeneity. This framework illustrates how effective MSME scaling necessitates parallel pathways that recognize the distinct resource bases, strategic orientations, and institutional navigation capabilities that characterize opportunity-driven versus necessity-driven entrepreneurs. The framework reveals striking differences in priority hierarchies between entrepreneurial types, validating the theoretical proposition that entrepreneurial motivation fundamentally shapes scaling requirements and intervention effectiveness.

For opportunity-driven entrepreneurs, high-priority interventions centre on sophisticated capability development through formal institutional mechanisms, emphasizing entrepreneurial mindset development through incubator programs and executive coaching that leverage their readiness to engage with complex strategic thinking frameworks and long-term value creation concepts. Market demand validation occurs through professional market research services that utilize their superior resource access for systematic competitive analysis and customer validation programs, while digital readiness manifests through comprehensive technology integration consulting and digital strategy development. These interventions assume access to formal institutional frameworks and professional service providers, utilizing resource-intensive mechanisms including CFO mentoring programs, R&D partnerships, and enterprise software implementation that leverage existing advantages to create systematic competitive differentiation.

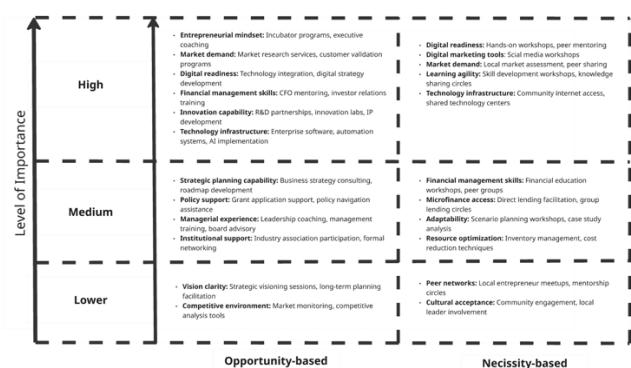


Figure 2 MSMEs Scaling up Strategy Framework

Conversely, necessity-driven entrepreneurs demonstrate fundamentally different priority patterns focused on immediate, practical capabilities that

provide direct operational benefits through accessible, community-driven interventions. Digital readiness emerges as critical but manifests through basic skill-building rather than comprehensive transformation, emphasizing hands-on workshops and peer mentoring within community-embedded learning environments. Digital marketing tools represent particularly profound democratizing potential, enabling low-cost customer acquisition through social media platforms and e-commerce integration that overcomes traditional market access barriers without requiring significant capital investment. Learning agility development occurs through skill workshops and knowledge-sharing circles that enable rapid capability acquisition without formal educational prerequisites, while technology infrastructure support focuses on basic connectivity facilitation through community internet access and shared technology centers rather than enterprise-level systems.

The framework's typological differentiation carries profound implications for MSME support ecosystem design and resource allocation strategies, suggesting that effective MSME support ecosystems require parallel institutional architectures with sophisticated formal programs for opportunity-driven entrepreneurs and accessible community-embedded interventions for necessity-driven entrepreneurs. The strategic importance of this differentiated approach is underscored by the scale of necessity-driven entrepreneurship in emerging economies, where uniform scaling approaches may systematically exclude the majority of entrepreneurs who could benefit from appropriate intervention design, providing theoretical foundations for inclusive scaling policies that acknowledge entrepreneurial heterogeneity while maintaining strategic coherence across different intervention levels and entrepreneurial contexts.

V. RESEARCH AGENDA

Despite the growing recognition of MSMEs' scale-up as a critical driver of economic development and innovation, major research avenues remain to be explored within each thematic area characterizing scale-up processes and support mechanisms. The systematic analysis of 74 papers reveals that while MSMEs research has advanced significantly in understanding general business growth factors, the intersection between entrepreneurial motivation typologies and differentiated scaling strategies represents an emerging but theoretically underdeveloped area requiring urgent scholarly attention.

5.1 Longitudinal Scaling and Empirical Analysis

Comprehensive methodological approaches are needed to capture scaling processes over time across entrepreneurial typologies. Longitudinal designs should examine scaling trajectories from inception through growth stages, focusing on how entrepreneurial motivation influences sustainability patterns and capability evolution cycles.

5.2 Digital Technology and Scaling

Research should explore optimal technology configurations across the entrepreneurial motivation spectrum, from basic digital literacy for necessity-driven MSMEs to comprehensive digital transformation for opportunity-driven MSMEs. Critical questions include how digital tools function as democratizing technologies and mechanisms enabling exponential scaling through technology integration.

5.3 Digital Marketing for Necessity-MSMEs

As the priority, we propose action research implementing community-embedded digital marketing training programs for necessity-driven MSMEs. This addresses the most critical high-priority factor identified in our analysis, digital marketing tools as democratizing technology enabling low-cost customer acquisition (Kumaran & Jeyachandran, 2022; Rahayu et al., 2025). Research should examine mechanisms through which WhatsApp Business adoption, social media training, and e-commerce onboarding translate into measurable scaling outcomes through peer mentoring and community-driven learning approaches.

These proposed future research aims to identify the main open issues in designing and implementing typology-specific MSMEs scale-up strategies and to inspire future work towards a comprehensive understanding of how differentiated approaches can effectively support sustainable scaling across diverse entrepreneurial contexts. The areas identified in our study offer an original contribution by highlighting the critical gap between current MSMEs research (focused on universal growth factors) and the untapped potential for entrepreneurial motivation-driven differentiation.

VI. CONCLUSION

This systematic literature review of 74 papers reveals that MSMEs scaling requires fundamentally different approaches driven on entrepreneurial motivation, yet current theoretical frameworks fail to differentiate between opportunity-driven and necessity-driven MSMEs despite their distinct resource bases, strategic orientations, and scaling capabilities. The analysis demonstrates clear distinctions between traditional MSMEs growth and transformative scale-up, but these conceptual advances have not translated into typology-specific support mechanisms that address entrepreneurial heterogeneity.

The factor analysis reveals distinct priority patterns between entrepreneurial types, with opportunity-driven MSMEs leveraging sophisticated capabilities like entrepreneurial mindset, innovation capability, and strategic planning through formal institutional programs, while necessity-driven MSMEs prioritize accessible, efficiency-oriented factors such as digital marketing tools, basic digital readiness, and learning agility through community-embedded interventions. Current support mechanisms demonstrate problematic one-size-fits-all approaches that inadvertently favor

opportunity-driven MSMEs while failing to address necessity-driven MSMEs' foundational needs for immediate practical benefits and resource optimization strategies.

Organizations designing MSME support programs must recognize that effective scaling ecosystems require parallel pathways: sophisticated institutional frameworks for opportunity-driven MSMEs and accessible, community-driven interventions for necessity-driven MSMEs, with explicit transition mechanisms enabling progression between typologies as capabilities develop. The research agenda identifies critical areas requiring immediate scholarly attention, particularly implementation research, technology-related area, and longitudinal analysis of scaling trajectories across entrepreneurial typologies. This integrated approach validates how differentiated scaling strategies create measurable competitive advantages through the sophisticated coordination of multiple support mechanisms, enabling the sustainable development of MSMEs while maintaining theoretical coherence across diverse entrepreneurial contexts.

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