

# **Development of a Model for Measuring Industry 4.0 Readiness in MSMEs in DI Yogyakarta**

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## **ABSTRACT**

Many experts around the world state that Industry 4.0 will have a substantial positive impact, especially in developing countries like Indonesia. The introduction of digitalization and moving towards Industry 4.0 is not only emerging but important for every industry, including MSMEs. The economy in Indonesia itself is dominated by around 90-95% by MSMEs, this can be seen when the economic crisis occurs, Indonesia still has a strong market share. Therefore, the impact of MSMEs on the Industrial Revolution 4.0 is very significant. However, only a few studies specifically focus on measuring the readiness of MSMEs in the Industry 4.0 era. Assessing a business's level of readiness for adopting new innovations is one of the significant and important prerequisites for being able to develop and keep up with the flow of market developments. So in this case, communication and information technology are factors that play an important role in the world of industry and business. Therefore, measuring readiness to enter Industry 4.0 in MSMEs is very important to study at this time. Currently, industry 4.0 readiness measurement models often focus on large companies and only a few focus on MSMEs. Even though in DI. Yogyakarta itself, the dominant driver of the economy is MSMEs. However, currently, there are still few who focus on MSMEs in general. Thus, this research aims to develop a measurement model for Industry 4.0 readiness by accommodating all MSMEs with the hope that the government will be able to determine a follow-up strategy to accelerate MSMEs in DI. Yogyakarta towards Industry 4.0. This research method is to use Focus Group Discussion, interviews and field surveys with data analysis techniques using the Delphi method.

Kata Kunci: *SMEs, Readiness Measurement, Industry 4.0*