BUSINESS STRATEGY AND USE OF INFORMATION TECHNOLOGY TOWARD ASEAN MSMES PERFORMANCE IN THE POST-PANDEMIC CRISIS

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ABSTRACT

The primary objective of this study is to investigate the impact of business strategy and the use of Information Technology (IT) on the MSMEs performance in the ASEAN. By understanding the relationship between business strategy, use of IT, and MSMEs performance, the results of this study can explain aspects and indicators that can influence MSMEs performance improvement. The research methodology employed in this study is descriptive. Furthermore, the research design employed by the authors is a descriptive-analytical design incorporating primary and secondary data sources. The data collection techniques were surveys, questionnaires, and literature studies on ASEAN MSMEs. The analysis results indicate that business strategy and the utilization of Information Technology (IT) positively and significantly impact the performance of MSMEs in the ASEAN region. MSMEs that effectively implement strategic business practices and leverage IT demonstrate stronger performance indicators within each country. Therefore, developing the right business strategy and optimally utilizing information technology is essential, as well as improving the performance of MSMEs in facing international market competition.

Keywords: business strategy; use of Information Technology; MSMEs performance; ASEAN; post-pandemic

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INTRODUCTION

The demands of global integration and the transition from an industrial-driven economy to an information-driven economy present opportunities for businesses to enhance their operational effectiveness, efficiency, and

governance at local and global levels. To accomplish this, it becomes essential to emphasize competitive advantage by enhancing human resource quality, product and service excellence, and the optimal utilization of information technology resources. The era of globalization encourages the rapid development of information technology, which various business entities use to expand their operations by implementing information systems in their daily business activities, reaching almost every segment of society worldwide. Sales of goods and services play an essential role as the backbone of the company's business activities. Currently, most companies have adopted information technology to manage sales activities in their companies. Companies are switching from conventional systems to digital onboard online sales systems. In this age, the necessity to survive and thrive in the global market mandates the acquisition of skills in adapting and innovating through the effective utilization of digital technology. Digital technology disrupts the traditional comprehension of entrepreneurial and managerial decision-making, leading to a constantly evolving business landscape (Matalamäki & Joensuu-Salo, 2022).

The rapid expansion of the economy in Southeast Asia presents immense possibilities for the growth and development of Micro Small and Medium Enterprises (MSMEs), which serve as the foundation of the economy in ASEAN nations. However, the challenges MSMEs face in increasingly fierce global competition must be addressed. In the last decade, the term 'disruption' has become more and more common and frequently discussed in business. This refers to the phenomenon where distraction makes certain things irrelevant. Digital disruption specifically refers to any factor destabilizing traditional businesses in the digital age. An effective business strategy helps MSMEs face global competition by increasing their competitiveness. On the other hand, IT provides tools that can optimize business operations, increase efficiency, and expand market reach. Business actors who can adapt and even find new opportunities for business growth can survive in the digital era (Kominfo, 2022).

However, after two difficult years amid the Covid-19 pandemic, MSMEs are facing new challenges in dealing with the uncertainties of the 2023 Global Recession. Micro Small and Medium Enterprises (MSMEs) significantly influence fostering inclusive economic progress in ASEAN. Their role is crucial as they contribute significantly to the overall business sector, accounting for a substantial share ranging from over 79.9% to 99.9%. Additionally, they serve as major providers of employment opportunities, accounting for the majority ranging from 51.7% to 97.2%. These enterprises act as catalysts, driving the development of a more equitable economic landscape (ASEAN, 2019). The described phenomena and circumstances provided the foundation for conducting this study. The primary aim of this research was to examine how business strategy and the adoption of Information Technology impact the performance of micro, small, and medium enterprises (MSMEs) within the ASEAN region. By analyzing the relationship between business strategy and the use of Information Technology on the performance of MSMEs, it is hoped that the results of this study can be used as literature for stakeholders, business organizations, and MSMEs themselves. Financial performance can be seen from the development of financial reports (Suharman et al., 2022). Indonesia, Singapore, Vietnam, Philippines, Thailand, and Malaysia was chosen because it is included as a country with the highest Domestic Product Growth (GDP) in ASEAN and is the six largest countries in Southeast Asia, as shown in Figure 1 (Tech for Good Institute & Bain & Company, 2021) (Economic Research Institute for ASEAN and East Asia Mitsubishi, 2019). This research can provide a basis for making appropriate policies to increase the competitiveness and growth of MSMEs in ASEAN after the Covid-19 Pandemic.

Based on various explanations above, the title taken in this study is **Business Strategy and Use Of Information Technology toward ASEAN MSMEs Performance in The Post-Pandemic Crisis**. The selection of business strategy variables is based on their very important role in determining the success and growth of MSMEs. By examining the influence of business strategy variables on MSMEs performance, valuable insights can be obtained to improve the suitability of the selected business strategy. The research results aim to optimize resource management, increase competitiveness, and encourage growth in MSMEs.

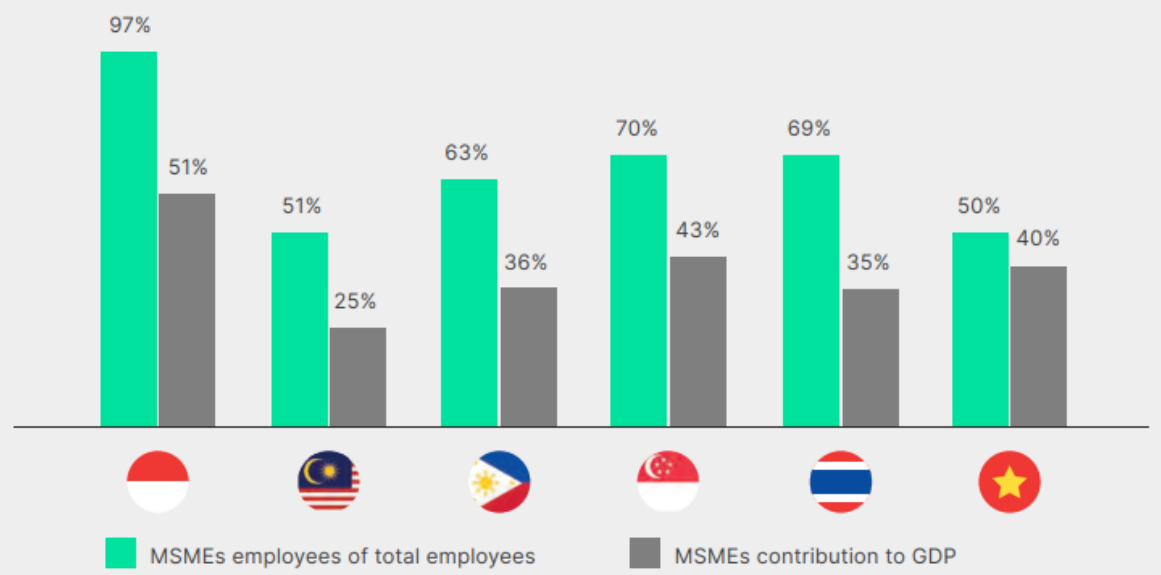

Figure 1. SEA-6 SMEs in GDP Contribution and labor absorption
Source: (Tech for Good Institute & Bain & Company, 2021)

LITERATURE REVIEW

Business strategy

A business strategy, in general, is a way or plan that a company or business organization will use to compete successfully in a particular market. The business strategy is based on three fundamental issues: entrepreneurship, technology, and administration. Entrepreneurial issues are related to which products to develop and which markets to penetrate (Ghozali, 2020). Technological issues related to the selection of the right technology. Administrative issues focus on how companies deal with the uncertainty of organizational systems (Ghozali, 2020). The subsequent six metrics are designed to encompass various aspects of a company's business approach and are consequently employed in forming a strategy (Habib et al., 2023):

1) The proportion of research and development expenditures in relation to sales.
2) The relationship between the number of employees and sales.
3) A historical measure of growth.
4) The relationship between marketing and sales.
5) Variations in the workforce.
6) The level of capital investment.

We evaluated the digital business strategy from five distinct angles: comprehension of technology, objectives, resource allocation, governance, and roles and responsibilities (Holopainen et al., 2023). A digital-oriented business strategy constitutes a strategic framework encompassing the amalgamation of all organizational engagements and operations involving the utilization of essential resources to cultivate competencies to effectively address competition within specific markets. This approach involves the integration of information technology into business undertakings. The process of creating the business strategy model involves deriving four essential components from the business plan, specifically: goals, operational procedures, circumstances, and metrics. These elements are integrated within the Business Information Modeling (BIM) metamodel.

Use of Information Technology

Information technology (IT) includes hardware, software, and related system elements used by an organization in building computer-based information systems. It is used to evaluate the progress of response efforts (such as tracking the number of individuals affected by

the Covid-19 virus), facilitate collaboration between aid organizations, government entities, businesses, and volunteers, and carry out various other coordination activities (Fernandes et al., 2021). Technology related to information technology facilities includes physical systems that include the protection and management of all computer and network facilities. On the other hand, transaction processing system technology consists of hardware and software components that work together to carry out transactions in an enterprise environment (Supriadi et al., 2019a) (Supriadi et al., 2019b).

Technology related to information technology facilities is a physical system that houses or protects all computer and network facilities. Meanwhile, transaction processing system technology consists of hardware and software which together can carry out company transactions (Supriadi et al., 2019a) (Supriadi et al., 2019b).

Based on the explanation above, indicators for measuring the use of information technology used in this study are:

a. Hardware components, computer components used.
b. Software components, application components, operating systems and all software used to support business processes.
c. Brainware (employees), includes user experience and competence in operating the system used.
d. Procedures or systems within the company, including the input, process, and output sections as well as information system audits.
e. Internet network or network used.

MSMEs performance

Micro Small and Medium Enterprises (MSMEs) performance is related to results or evaluation of company performance that individuals or groups have achieved through fulfilling their responsibilities and roles within a certain period by the standards set by companies. The performance of MSMEs is encouraged and pressured to move forward and continue to develop for the better. Therefore, the performance of micro, small, and medium enterprises (MSMEs) is impacted by a range of factors, encompassing financial services and governmental assistance. These aspects might be affected by additional intermediary variables, leading to positive or negative outcomes (Esubalew & Raghurama, 2020). Business or MSMEs performance results from various components related to market performance and economic performance that are created from business processes within the company (Kusa et al., 2021).

Framework of Thinking

A. Business Strategy on MSMEs Performance

To thrive within an ever-evolving market and dynamic environment, enterprises must adopt a strategic methodology that places a premium on the preservation of resources (Dalwai & Salehi, 2021). The findings of the research carried out by Holopainen and collaborators indicate that when a company possesses well-defined objectives and adeptly manages its digital business strategy, it utilizes Performance Measurement and Management with greater efficacy and success (Holopainen et al., 2023). As noted by Latifah and colleagues, it is emphasized that achieving alignment between the enacted strategy and innovation is crucial for enhancing the performance of micro, small, and medium enterprises (MSMEs) (Latifah et al., 2021). The study conducted by Ferreras-Méndez and coworkers suggests that in scenarios where organizational management does not introduce innovation to its business model, the constructive impact of entrepreneurial orientation on the performance of new product development may diminish to some extent (Ferreras-Méndez et al., 2021). The research conducted by Shafique et al. in 2023 reveals that implementing business strategies, such as cost leadership and differentiation approaches, has a substantial positive impact on the performance of SMEs (Shafique et al., 2023). Diverse strategic models can lead to distinct consequences, and businesses that embrace analyzer and prospector strategies tend to enjoy superior financial well-being (Dalwai & Salehi, 2021).

Based on the previous research presented above, the researchers concluded that business strategy positively affects the performance of MSMEs (Latifah et al., 2021), (Ferreras-Méndez et al., 2021). Based on these conditions:

Hypothesis 1 (H1): Business strategy in the digitalization approach significantly influences the performance of MSMEs.

B. Use of Information Technology on MSMEs Performance

The research carried out by Ikhwana, and Dianti highlights that a direct link is established between the extent of information technology utilization or the incorporation of supply chain management into micro, small, and medium enterprises (MSMEs), increasing competitive advantage (Ikhwana & Dianti, 2022). According to Zuliyati and Delima, it has been affirmed that the factors associated with the efficient utilization of accounting information, incentives, technology application, and technological significance significantly impact employee performance (Zuliyati & Delima, 2021). According to a study conducted by Amelia et al. in 2023, it is asserted that the existing performance of MSMEs necessitates the adoption of a digitalization approach, transitioning away from conventional methods, as a strategic expansion measure (Amelia et al., 2023).

From the earlier research discussed, it can be inferred that the utilization of information technology yields a favorable impact on the performance of micro, small, and medium enterprises (MSMEs) (Ikhwana & Dianti, 2022), (Zuliyati & Delima, 2021). So the hypothesis taken is:

Hypothesis 2 (H2): Use of information technology significantly influences the performance of MSMEs.

Based on the previous study, the gap analysis in this study is a more in-depth observation of situational and conditional phenomena from variables of business strategy and the use of information technology on the performance of MSMEs in ASEAN.

METHODOLOGY

In this research, the descriptive method is used as a research approach. The use of the descriptive method aims to provide an overall picture of the variables studied and to describe the relationship between these variables. The research design used in this study is a descriptive-analytic research design that combines primary data and secondary data. The selected ASEAN countries are the six largest countries in Southeast Asia based on the level of contribution of MSMEs to GDP and employment by MSMEs. These countries are Indonesia, Singapore, Vietnam, the Philippines, Thailand, and Malaysia. The data collection method used was a questionnaire, observations made on MSMEs in Indonesia, and literature studies on MSMEs in Singapore, Vietnam, the Philippines, Thailand, and Malaysia, focusing on the variables studied. This study uses two independent variables: Business Strategy, Use of Information Technology, and the dependent variable, MSMEs Performance.

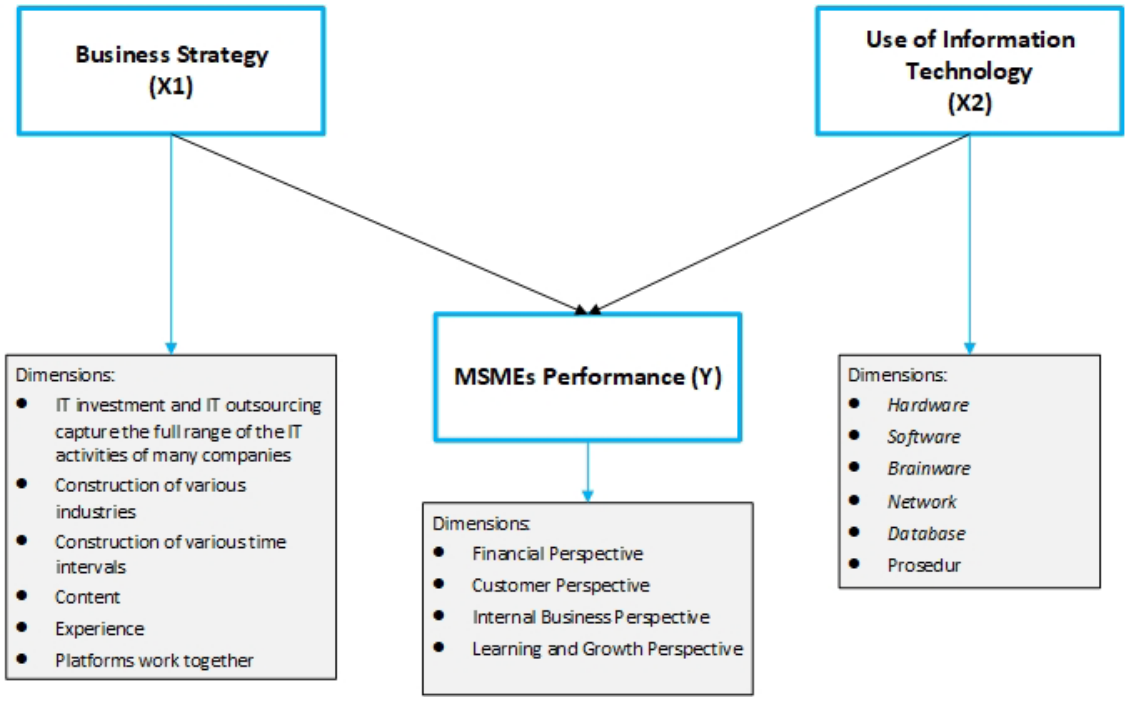

Figure 2. Variable Operationalization

Data analysis and testing were conducted based on the results of a questionnaire filled out by respondents using a Likert scale (1-5) regarding questions about business strategy, IT utilization, and MSMEs performance. The survey was conducted on 130 MSMEs that had implemented digitization in West Java, with positions in MSMEs as owners and accountants. In addition, comparisons were also made based on the results of literature studies on SMEs. The test methods used are the validity test, reliability test, t-test, and f-test. A validity test is used to find out if the question items used in the questionnaire are valid and can be used. Validity testing is carried out using the product moment correlation method. The overall score can be seen from the magnitude of the correlation coefficient between each statement item and the overall score (Sekaran & Bougie, 2016). A reliability test is used to test whether the questionnaire is reliable or consistent. A Partial t-test is used to determine the relationship between each variable, X and Y. The F-test is used to simultaneously test the relationship of variables X1 and X2 to variable Y.

RESULTS

Descriptive Analysis

The results of the descriptive analysis explain the characteristics of the respondents and the variables in this study in Indonesia, Singapore, Vietnam, Philippines, Thailand, and Malaysia which represent countries in ASEAN. The analysis results show variations in the dominant industrial sector in each country, which shows the diversity of MSMEs in ASEAN. In addition, there are variations in the number of employees owned by MSMEs in each country. Based on the descriptive analysis, it can be seen that there are three basic characteristics of the performance of ASEAN MSMEs, which are reflected in the spirit of the business owner, the reliability of the use of information technology, and the organizational system can be seen from the uniqueness of the organizational culture of each country.

Validity test

The validity assessment was conducted by utilizing Pearson's product-moment correlation to analyze the connection or linkage between the scores of individual items and the overall score obtained from the respondents' responses. The outcomes of the validity test for the Business Strategy Variable (X1) are presented in Table 1.

Table 1. Validity Test of Business Strategy Variables (X1)

Correlations									
Item		1	2	3	4	5	6	7	Total_Score
1	Pr	1	.660	.165	.057	.059	.000	.151	.634
	Sig. (2-tailed)		.000	.060	.515	.511	1,000	.090	.000
	N	130	130	130	130	130	130	130	130
2	Pr	.660	1	.222	.142	.156	-.071	.139	.662
	Sig. (2-tailed)	.000		.011	.107	.076	.420	.115	.000
	N	130	130	130	130	130	130	130	130
3	Pr	.165	.222	1	.357	.390	.168	.111	.635
	Sig. (2-tailed)	.060	.011		.000	.000	.055	.209	.000
	N	130	130	130	130	130	130	130	130
4	Pr	.058	.142	.357	1	.172	-.075	.106	.479
	Sig. (2-tailed)	.515	.107	.000		.051	.399	.231	.000
	N	130	130	130	130	130	130	130	130
5	Pr	.058	.156	.390	.172	1	.144	.114	.507
	Sig. (2-tailed)	.511	.076	.000	.051		.102	.196	.000
	N	130	130	130	130	130	130	130	130
6	Pr	.000	-.071	.168	-.075	.144	1	.179	.302
	Sig. (2-tailed)	1.000	.420	.055	.399	.102		.041	.000

Table 1. Continued

	N	130	130	130	130	130	130	130	130
	Pr	.151	.139	.111	.106	.114	.179	1	.461
7	Sig. (2-tailed)	.086	.115	.209	.231	.196	.041		.000
	N	130	130	130	130	130	130	130	130
	Pr	.634	.662	.635	.479	.507	.302	.461	1
Total_Score	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	130	130	130	130	130	130	130	130

Source: Processed by the author

Remarks: Pr=Pearson Correlation

After analyzing the results of the validity test presented in Table 1, it can be inferred that all the calculated R-values for the items (Pearson correlation) > 0.176 (obtained from the r-table for N=130) at a significance level of 5% and sig. (2-tailed) < 0.05. Consequently, considering the outcomes of the validity test, it can be affirmed that all questionnaire items about the variables of business strategy are deemed valid for decision-making purposes. Table 2 displays the results of the product moment validity test on the Information Technology Use Variable (X2).

Table 2. Validity Test of Use of Information Technology Variables (X2)

Correlations									
Item		1	2	3	4	5	6	7	Total_Score
	Pr	1	.647	.707	.179	.049	.005	.172	.697
1	Sig. (2-tailed)		.000	.000	.035	.590	.959	.050	.000
	N	130	130	130	130	130	130	130	130
	Pr	.647	1	.560	.290	.159	-.040	.242	.704
2	Sig. (2-tailed)	.000		.000	.001	.070	.652	.006	.000
	N	130	130	130	130	130	130	130	130
	Pr	.707	.560	1	.179	.020	.137	.132	.663
3	Sig. (2-tailed)	.000	.000		.042	.817	.119	.135	.000
	N	130	130	130	130	130	130	130	130
	Pr	.185	.279	.179	1	.462	.171	.952	.727
4	Sig. (2-tailed)	.035	.001	.042		.000	.051	.000	.000
	N	130	130	130	130	130	130	130	130
	Pr	.048	.159	.020	.462	1	.096	.411	.475
5	Sig. (2-tailed)	.586	.070	.817	.000		.279	.000	.000
	N	130	130	130	130	130	130	130	130
	Pr	.005	-.040	.137	.171	.096	1	.177	.314
6	Sig. (2-tailed)	.959	.652	.119	.051	.279		.044	.000
	N	130	130	130	130	130	130	130	130
	Pr	.172	.242	.132	.952	.411	.177	1	.695
7	Sig. (2-tailed)	.050	.006	.135	.000	.000	.044		.000
	N	130	130	130	130	130	130	130	130
	Pr	.697	.704	.663	.728	.475	.314	.695	1
Total_Score	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	130	130	130	130	130	130	130	130

Source: Processed by the author

Remarks: Pr=Pearson Correlation

Based on the findings from the validity test presented in Table 2, it can be deduced that all calculated R-values for the items (Pearson correlation) > 0.176 (obtained from the r-table for N=130) at a significance level of 5% and sig. (2-tailed) < 0.05. Therefore, based on the validity test, all questionnaire items related to the

variable of information technology utilization are considered valid and reliable for decision-making purposes. Table 3 displays the results of the product moment validity test on the MSMEs Performance Variable (Y).

Table 3. Validity Test of MSMEs Performance Variables (Y)

Correlations									
Item		1	2	3	4	5	6	7	Total_Score
1	Pr	1	.571	.671	.193	.190	.017	.017	.644
	Sig. (2-tailed)		.000	.000	.029	.032	.851	.837	.000
	N	130	130	130	130	130	130	130	130
2	Pr	.571	1	.463	.220	.242	.113	.217	.663
	Sig. (2-tailed)	.000		.000	.012	.006	.202	.013	.000
	N	130	130	130	130	130	130	130	130
3	Pr	.671	.463	1	.069	.091	.019	.057	.557
	Sig. (2-tailed)	.000	.000		.432	.304	.829	.518	.000
	N	130	130	130	130	130	130	130	130
4	Pr	.193	.220	.069	1	.918	.379	.301	.709
	Sig. (2-tailed)	.028	.012	.432		.000	.000	.000	.000
	N	130	130	130	130	130	130	130	130
5	Pr	.188	.242	.091	.917	1	.379	.290	.714
	Sig. (2-tailed)	.032	.006	.304	.000		.000	.001	.000
	N	130	130	130	130	130	130	130	130
6	Pr	.017	.113	.019	.379	.379	1	.377	.524
	Sig. (2-tailed)	.851	.202	.829	.000	.000		.000	.000
	N	130	130	130	130	130	130	130	130
7	Pr	.018	.217	.057	.301	.290	.377	1	.497
	Sig. (2-tailed)	.837	.013	.517	.000	.001	.000		.000
	N	130	130	130	130	130	130	130	130
Total_Score	Pr	.644	.663	.557	.709	.714	.524	.497	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	130	130	130	130	130	130	130	130

Source: Processed by the author

Remarks: Pr=Pearson Correlation

Upon examining the outcomes of the validity test presented in Table 3, it can be deduced that all the computed R-values for the items (Pearson correlation) exceed the threshold of 0.176 (derived from the r-table value for N=130) at a significance level of 5% and sig. (2-tailed) < 0.05. Consequently, as the foundation for decision-making in the validity test, it can be affirmed that all questionnaire items related to the variables of MSMEs performance are considered valid.

Reliability Test

The reliability test shows that the Business Strategy variable (X1) shows a Cronbach's Alpha value of 0.610 > 0.60 for seven questionnaire items. Information Technology Use Variable, which consists of 7 questions, obtained Cronbach's Alpha value of 0.730 > 0.60. Performance Variable (UMKM), and Cronbach's Alpha value is 0.727 > 0.60. Therefore, all question items related to variables X and Y show reliability and consistency.

Partial T-Test and Simultaneous F-Test

According to the Partial T-Test and Simultaneous F-Test findings, the significance value for the Variable of Business Strategy (X1) is .000 < 0.05, and the Use of Information Technology variable is .000 < 0.05. From this, both the business strategy variables and the use of information technology variables have a significant partial impact on MSMEs performance. Additionally, the ANOVA test for the Simultaneous F-Test indicates that the value

of the F-test is 319,206, and the variables of business strategy (X1) and use of information technology (X2) influence the MSMEs performance (Y). After examining the test outcomes, it was discovered that business strategy and information technology utilization positively influenced the performance of MSMEs in ASEAN. These findings align with the research conducted by Supriyati in 2022 (Supriyati et al., 2022).

DISCUSSION

The discussion on the performance of MSMEs in ASEAN, particularly in Indonesia, Singapore, Vietnam, the Philippines, Thailand, and Malaysia, explains that many factors can influence it. Factors such as business strategy and use of information technology show their influence on MSMEs performance after testing. This result is supported by several articles explaining the strategic conditions of each country for MSMEs. In Indonesia, implementing a marketing strategy for MSMEs involves improving service quality, fostering a favorable business environment and relationships, and advancing product distribution through collaboration with the government and the private sector (Luckyardi et al., 2022). Furthermore, a separate publication explains that the adoption of digital technology in Indonesian MSMEs is mainly concentrated on finding suppliers and acquiring customers. This observation is supported by a survey in which more than 60% of surveyed MSMEs reported using digital platforms for this specific purpose (Anggadini et al., 2023). In Singapore, in developing MSMEs to compete in international markets, the Government of Singapore is targeting MSMEs by registering their MSMEs as intellectual property. The main objective of this effort is to streamline the development of companies located in Singapore that own intellectual property, empowering them to push to the next stage of expansion and engage in global competition (Marditia & Candini, 2023). Then, various research studies conducted in Vietnam show that adopting information technology as a digitization strategy among MSMEs provides beneficial results in improving the quality of accounting information systems in registered non-financial companies (Nguyen & Nguyen, 2020). According to a study by Cueto and colleagues in the Philippines, the country is recognized as the global hub for social media usage. This status positions young entrepreneurs as prospective contributors to the accomplishment of the Philippine government's socioeconomic objectives concerning MSMEs (Cueto et al., 2022). Multiple research endeavors focusing on Thai MSMEs, particularly older ones, predominantly pertain to local entities within the offline economic realm. These businesses face challenges in embracing technological innovations. A study conducted by Charoennan and colleagues discovered that despite the apparent reluctance to technology adoption, MSMEs in Thailand have demonstrated resilience and have been able to endure the effects of the COVID-19 pandemic (Charoennan et al., 2022). Azhar and Shakil's study unveils that despite Malaysia's MSMEs serving as the foundational aspect of the business landscape, they are trailing behind in terms of digitization (Azhar & Shakil, 2021). A digital divide is evident among businesses of varying scales in Malaysia. The adoption of digitalization is increasingly pivotal to amplifying the effectiveness and competitiveness of small and medium enterprises. Prior to the onset of the pandemic, substantial discourse revolved around the state of digitization within MSMEs and the broader business sector in Malaysia. Although the prevailing consensus is that the Covid-19 crisis initiated the transition towards digitalization, numerous hurdles persist for MSMEs to navigate, particularly in terms of formulating optimal digitalization strategies and the adept utilization of information technology.

Based on the results of tests conducted on MSMEs in ASEAN and supported by a literature review of the research described above, the following observations were obtained:

1. It can be concluded that business strategy influences the performance of MSMEs in ASEAN. The MSMEs business strategy in ASEAN has a positive and significant impact on MSMEs performance, with various digitally tested models demonstrating good MSMEs performance improvement in ASEAN. For a strategy to measure business in making decisions that must be understood, one must understand (1) the production of goods and services, (2) the industrial market where the company competes, (3) the company's competitors, suppliers and customers, and (4) the company’s long-term goals (Laudon &

Laudon, 2020). This can be seen from the results of observations that the business strategy looks at the performance of MSMEs. Although sometimes, there are still MSMEs that have limitations in terms of the resources owned by the company. Measurement of Business Strategy with a digital approach, which is seen from: Investment in the application of Information Technology in various Information Technology activities in companies, Construction of various industries with a digital approach, Construction of various time intervals in business processes, Digital content created, Collaborative experiences, and Platforms with other business ventures with the application of information technology.

2. Based on test results, observations, and supported by existing literature, the use of information technology affects the performance of MSMEs. In addition, the application of information technology also impacts the performance of MSMEs in ASEAN. This conclusion was obtained from observations made by testing information technology under various conditions of hardware, software, Brainware (employees), and networks. In measuring the use of information technology, this study used hardware components as computer components used, software components as application components and operating systems, and all software used to support business processes, Brainware, including user experience and competence in operating the system, used, procedures or systems within the company including the input, process, and output sections produced as well as auditing of information systems and the internet network or network used.

Factors such as business strategy and the use of information technology ultimately have a positive impact on MSMEs product sales, increase revenue, and improve MSMEs performance. This is illustrated by the relationship between the use and management of IT in organizations with interrelatedness, complexity, and dependability. In this context, various systems are available to support various activities in the organization. The findings of the research also demonstrate the impact of the examined variables on the performance of MSMEs within the ASEAN region. These variables encompass financial dimensions, customer viewpoints, internal business dynamics, and considerations related to learning and growth. MSMEs' performance in ASEAN relies on digitalization due to technological developments that continue to progress and new things, especially due to the acceleration that has occurred due to the Covid-19 Pandemic. Where performance MSMEs can be emitted in:

1. MSMEs, as economic actors, can make a major contribution to absorbing labor in ASEAN countries.
2. MSMEs can contribute to the Gross Domestic Product, which can be developed for export in the regional, ASEAN, and international regions.
3. MSMEs whose business actors can become entrepreneurs who are independent and not dependent on neighboring countries.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of this study, the performance of MSMEs in each ASEAN country, such as Indonesia, Singapore, Vietnam, the Philippines, Thailand, and Malaysia, is significantly and positively influenced by business strategy and information technology. MSMEs implementing effective business strategies and using IT well tend to perform better in every country. Therefore, MSMEs in each ASEAN country need to develop the right business strategy and use information technology to improve their performance in facing increasingly fierce global competition.

This research still has a lot of room for development; increasing the number of samples from countries other than Indonesia, Singapore, Vietnam, the Philippines, Thailand, and Malaysia can be used to develop further research to provide better results.

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