business

Ready for Next

Digital Evaluation
Business Advice

MSME GROWTH INSIGHTS STUDY

VOLUME 4.0 2026

India's largest* digital advisory for MSMEs covering 2.5 lakh+ businesses across 16 sectors.

message from our Chief Enterprise Business Officer

India's MSME sector, comprising over 7.4 crore enterprises and employing more than 32.8 crore people, contributes 31.1% of the country's GDP. As one of the nation's most powerful growth engines navigating a rapidly evolving digital landscape, its ability to adapt, embrace technology, and build resilience will define the next phase of India's growth.

At Vi Business, we have had the privilege of partnering with over 2.5 lakh MSMEs across 20+ states and Union Territories, helping them unlock new opportunities through connectivity, security, and digital-first solutions. Now in its fifth year, the Vi Business #ReadyForNext continues to be India's largest* digital advisory for MSMEs covering 16 sectors giving us a front-row view of how technology is transforming businesses across sizes, sectors and geographies.

The "Vi Business #ReadyForNext MSME Growth Insights Study (Volume 4.0) 2026" builds on these learnings to uncover the trends shaping India's MSME landscape. It highlights the diverse pathways MSMEs are taking towards digital transformation, revealing unique insights across regions and demographics.

We invite you to explore the findings, perspectives and opportunities that are redefining the future of India's MSME ecosystem.

As we continue to grow, innovate, and transform, let's stay #ReadyForNext.

M P Sunil Kumar
Chief Enterprise Business Officer,
Vodafone Idea Limited

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Executive summary

India's digital momentum accelerates
India's Digital Maturity Index (DMI) has surged from **58.0 to 60.8,** signalling strong momentum in MSME digitalisation. **Telangana (68.3) continues to lead,** followed closely by **Karnataka (65.7) and Maharashtra (65.2)** setting the benchmark for digital maturity among states.

Digitally mature sectors are setting the pace
Financial Services (67.3) emerge as the top-performing sector overtaking **IT & ITeS (66.2). Transportation (63.6) and Energy & Utilities (62.9)** report strong growth.

Women leading the digital wave: Female-led MSMEs lead the way
The DMI has risen from **57.4 to 61.6 for female-led MSMEs,** while gender differences remain narrow. Performance is broadly comparable to male-led firms (60.4), with some relative strength in financial services, logistics, and media.

AI: The productivity and competitiveness accelerator
AI adoption is gaining momentum among MSMEs, with **nearly 25% already experimenting with AI and 59% viewing it as an opportunity.** Firms are increasingly leveraging AI to drive efficiency gains, optimise operations, and unlock new avenues for growth.

Digital workplace adoption picks momentum
A large majority of MSMEs are already using or implementing platforms such as **Google Workspace (59.4%), and HRMS solutions (52.0%).** Adoption momentum is strong, but full deployment remains limited.

Near universal connectivity
With adoption of key connectivity solutions, **Internet leased lines (42.4%), enterprise Wi-Fi (38.5%), and broadband (34.3%),** collectively reaching ~92%, digital infrastructure uptake among enterprises is widespread.

Workplace Collaboration: The operating backbone of MSMEs
MSME communication is shifting to a blended digital model, with **email (50.8%), and WhatsApp Business (46.8%).** A move toward more flexible and responsive collaboration.

Cybersecurity: The trust layer of digital growth
While MSMEs are **initiating cybersecurity measures, only 46.3% have adopted** any form of tools so far, highlighting that operational readiness and depth of implementation remain areas for further development.

Digital maturity is driven by leadership at the highest level
CEO/Founder-led businesses surge with a DMI of 65, far outpacing others (46–63), making leadership the single biggest catalyst for digital success.

Digital Customers: How effectively MSMEs engage and serve customers through digital channels.
Digital Workplace: The extent of digital adoption in internal operations and employee collaboration & productivity.
Digital Operations: The integration of digital tools in core business processes.

MSMEs

Fuelling Indian economy's growth

MSMEs - Fuelling Indian economy's growth

Driven by affordable smartphones, expanding broadband access, and the growth of digital public infrastructure, **technology is reshaping how MSMEs manage their operations, connect with customers, and expand to new markets.** What was once seen as an optional upgrade (digitisation) has now become essential to improve competitiveness, resilience, and day-to-day business efficiency.

As per Economic Survey 2025–26, MSMEs account for approximately **31.1% of India's GDP,** while supporting employment for more than 32.82 crore persons through over **7.47 crore enterprises.** Complementing this, as reported by NITI Aayog, MSMEs remain the **second-largest source of employment after agriculture,** while also highlighting that only a small fraction of enterprises are direct exporters.

The strategic relevance of MSMEs has become even more pronounced as policy support for the sector has expanded in both scale and complexity. The MSME sector has witnessed a sharp increase in public budgetary support, with MSME budget outlay rising from about Rs 6,717 crore in 2019-20 to Rs. 24,566 crore for FY 2026-27. At the same time, **MSME credit remained the primary driver of industrial credit growth** during H1 FY26, while innovation-linked support has also expanded through instruments such as the Self-Reliant India Fund.

MSME's contribution

~32.8 Cr livelihoods supported / employment provided

~31.1% contribution to India's GDP

~48.5% share in India's exports

~35.4% of India's manufacturing output

Source: PIB Release, May 2026

MSMEs PRESENCE ACROSS MAJOR STATES

Rank	State	Number of MSMEs (in lakhs)
1	Maharashtra	108.4
2	Uttar Pradesh	95.0
3	Tamil Nadu	66.2
4	West Bengal	57.2
5	Karnataka	53.5
6	Madhya Pradesh	51.8
7	Rajasthan	48.6
8	Bihar	46.7
9	Gujarat	46.6
10	Andhra Pradesh	42.1

Source: Ministry of Micro Small and Medium Enterprises, Data as on May 26, 2026

India's global standing in the digital economy

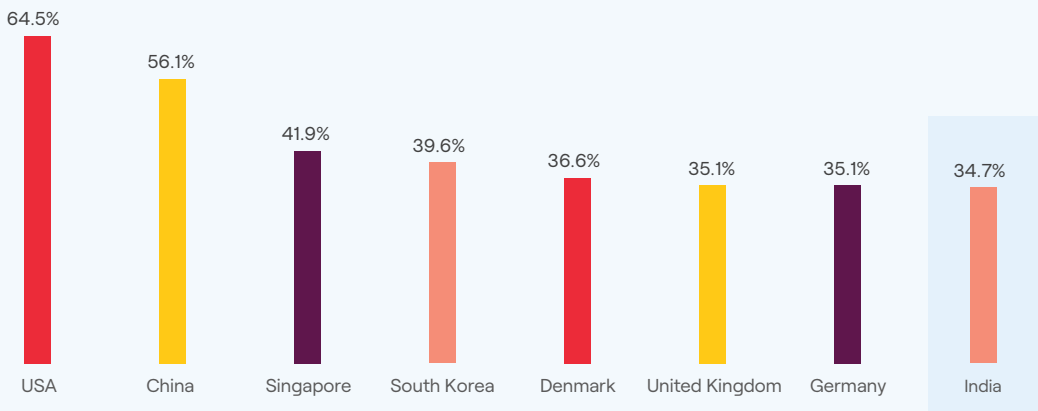
India's digital transformation has moved from expansion to scale. The digital economy accounted for 11.7% of the GDP in 2022–23 and is projected to contribute one-fifth of the GDP by 2030, growing almost twice as fast as the overall economy. At the same time, the country's **digital backbone has deepened significantly,** with 1.2 billion telecom subscribers, 969.1 million internet users and one of the world's most affordable data ecosystems. India has also emerged as a global leader in digital transactions, recording **185.9 billion real-time digital payments** in 2024–25. UPI now powers **over four-fifths of domestic digital payments and accounts for nearly half of global real-time payment volumes.** The trends position India not only as a large digital market, but increasingly as a population-scale engine for digital innovation.

India's digitalisation journey has been firmly progressive, supported by expanding connectivity, affordable data, large-scale platform adoption and **globally significant digital transaction volumes.** The economy today stands out on several headline indicators, including 1.22 billion mobile subscriptions, 969.1 million internet subscribers, USD 205 billion in ICT services exports in 2024-25.

Presently, **India ranks 8th in digitalisation among the G32 economies, based on the CHIPS index,** which evaluates the overall scale and depth of digital transformation across countries. CHIPS measures digital maturity across five pillars - Connect, Harness, Innovate, Protect, and Sustain - capturing both infrastructure scale and depth of digital adoption across economies. This aligns closely with the **ReadyForNext** DMI framework, which similarly assesses digital adoption across core business dimensions and capabilities.

Compared with global benchmarks on business digitalisation, important gaps remain in two critical areas amongst Indian MSMEs: access to digital finance and customer-facing digital journeys, with only a limited share of enterprises accessing credit through **digital lending platforms (18%) and actively using digital marketing or e-commerce channels (13%),** highlighting gaps in deeper, business-led digital integration.

CHIPS INDEX: G32 DIGITALISATION COMPARISON

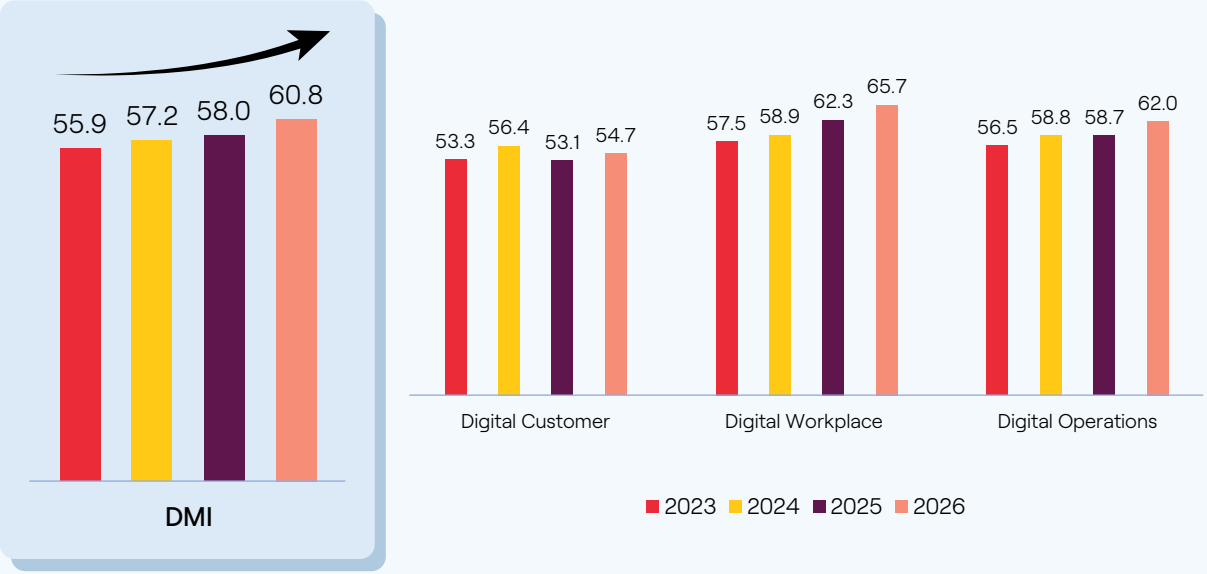


Source: State of India's Digital Economy Report 2025, IPCIDE, ICRIER Indian Council for Research on International Economic Relations (ICRIER)

Insights from **MSMEs** ReadyForNext digital advisory

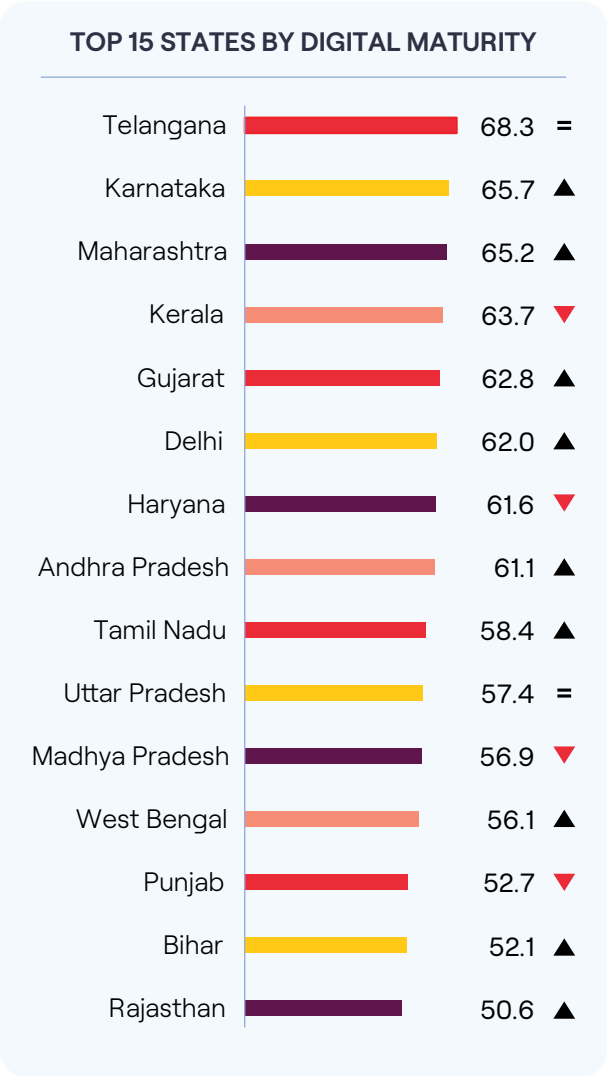
Insights from MSME ReadyForNext digital advisory

DIGITAL MATURITY INDEX -TRENDS



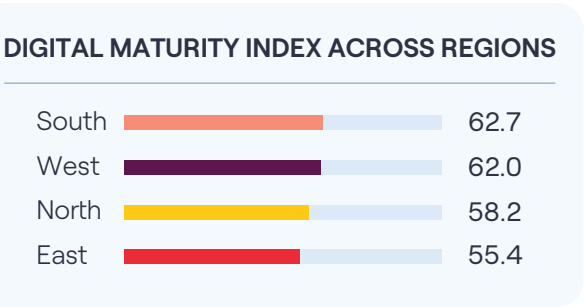
- The MSME ReadyForNext digital advisory (2025-26) among Indian MSMEs reflects continued progress in digital maturity, with the **overall index reaching its highest level** since the inception of the study four years ago.
- Digital Maturity Index (DMI) increased from 58.0 in 2025 to 60.8 in 2026, **reflecting stronger momentum** in the digital adoption journey.
- **Digital Workplace continued to be the strongest pillar** in 2026 at 65.7 and recorded the highest improvement over the four-year period, rising from 57.5 in 2023, reflecting **sustained focus on productivity, collaboration and digital capabilities in workplace.**
- While Digital Operations improved from 58.7 in 2025 to 62.0 in 2026, indicating stronger emphasis on core business processes, Digital Customer rose more modestly from 53.1 to 54.7 and remained the lowest-scoring pillar, highlighting the **need to accelerate customer-focused digital investments** towards engagement and experience transformation.
- Findings indicate that digital maturity is advancing more rapidly across internal business functions than customer-facing areas, with **an 11-point gap between Digital Workplace and Digital Customer reflecting an uneven pace of transformation** across pillars.
- Internal efficiency gains driven by digitisation can, in turn, enable greater investment in digitised customer offerings and enhanced engagement.

Digital Maturity Index by regions



*change in rank compared to last year

- Digital maturity in India exhibits a **distinctly regional pattern,** with South leading with a DMI of 62.7, followed closely by West (62.0). In contrast, North at 58.2 and East at 55.4 continue to trail, underscoring a **visible disparity in the digital adoption** journey across regions.
- The variation in regional DMI indicates that digital transformation is progressing at an uneven pace across the country, **shaped largely by differences in infrastructure, market readiness,** and the strength of local digital infrastructure. With increasing investments towards digital infrastructure across the country, the visible gap may come down.
- **Telangana maintains the highest DMI nationwide,** reinforcing its lead as a digitally advanced MSME ecosystem. Telangana's performance is bolstered by a robust startup ecosystem and proactive digital governance (e.g. Cyberabad tech hub, T-Fiber connectivity), which has significantly accelerated MSME digital adoption in the state.
- **Karnataka (65.7), Maharashtra (65.2), Kerala (63.7), and Gujarat (62.8)** all rank among the top states. These states benefit from dynamic IT/industrial hubs and supportive business infrastructure.
- Notably, no Eastern state features in the top ten, **underscoring persistent regional digital adoption gaps.** This pattern suggests that beyond the top tier, state-level digital maturity is uneven, largely reflecting disparities in infrastructure, market readiness, and local policy support, factors that ongoing digital initiatives aim to address across India's lagging regions.



Sector-wise Digital Maturity Index

- **Financial Services and IT & ITeS** continue to lead in digital maturity, benefiting from strong digital foundations, deeper technology integration, and sustained focus on process optimisation. Financial Services records a **DMI of 67.3,** while **IT & ITeS improves to 66.2,** reflecting continued momentum among digitally advanced sectors.
- **Transportation and Energy & Utilities show notable gains,** signalling expanding digital adoption across operationally intensive sectors. This progress is driven by a sharper focus on efficiency (including **IoT enabled smart metering**), service continuity, and infrastructure modernisation, with **Energy & Utilities reaching a DMI of 62.9 in 2026.**
- **Retail digitalisation appears to be stabilising,** while **Education and Professional Services show gradual recovery,** indicating a shift from uneven adoption towards more structured and measured digital progress.
- Overall, the 2026 sectoral finding suggests a **sector driven digital maturity landscape,** with progress concentrated in sectors that have clearer transformation priorities and stronger capability to convert digital adoption into sustained operational and business value.

SECTOR-WISE DIGITAL MATURITY INDEX

INDUSTRY	2026	2025	2024	2023
Financial Services	67.3 ▲	65.7 ▲	62.2 ▲	53.0
IT & ITeS	66.2 ▲	62.0 ▼	63.3 ▲	59.0
Transportation	63.6 ▲	62.4 ▲	61.5 ▲	58.0
Energy & Utilities	62.9 ▲	59.9 ▲	55.5 ▲	56.0
Tourism & Hospitality	62.0 ▲	60.3 ▲	55.8 ▲	55.0
Retail	61.9 ≈	62.1 ▲	60.5 ▲	52.0
Media & Entertainment	61.7 ▲	59.0 ▼	59.4 ▲	60.0
Logistics	61.4 ▲	60.1 ▲	55.2 ▲	60.0
Healthcare & Social Work	60.8 ▲	59.8 ▲	55.8 ▲	56.0
Manufacturing	59.9 ▲	59.6 ▲	56.5 ▲	60.0
Education	59.2 ▲	52.2 ▼	56.0 ▲	55.0
Mining	59.2 ▲	57.8 ▼	58.3 ▲	59.0
Construction	59.0 ▲	57.2 ▼	61.0 ▲	58.0
Telecom	57.7 ▲	55.9 ▲	54.7 ▲	56.0
Agriculture	57.5 ▲	54.3 ▼	59.3 ▲	56.0
Professional Services	57.1 ▲	53.4 ▲	41.8 ▼	55.0

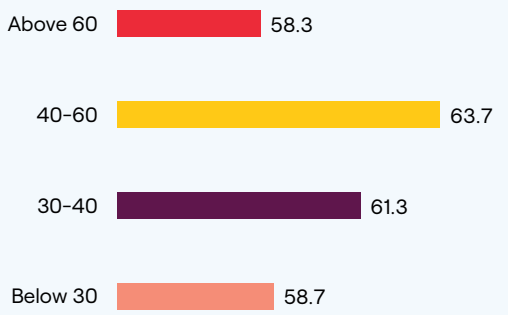
Digital Maturity by gender profile and respondent age

- **Gender differences in MSME digital maturity remain minimal,** with female-led businesses recording a DMI of 61.6 and male-led businesses 60.4, reflecting steady progress towards greater gender parity and inclusive digital adoption across business segments.
- **Digital maturity is highest among respondents aged 40–60** (DMI: 63.7), indicating that decision makers in this age group are better positioned to translate digital adoption into sustained and structured business practices.
- **Digital maturity remains moderate** at both ends of the respondent age spectrum, with those below 30 still evolving towards more structured adoption, and respondents above 60 exhibiting a slower pace of integration, **highlighting the need for targeted support around modernisation and business linked digital transformation.**
- **Technology readiness and software usage in core business functions** reflects deeper and more integrated digital decision making.
- Lower maturity levels among younger and older respondents are reflected in **gaps in operational digitisation, employee enablement through digital systems, and cyber preparedness,** suggesting that digital adoption is yet to be consistently embedded across business processes.
- Women are emerging as digital frontrunners, with DMI rising sharply from 57.4 (in 2025) to 61.6 (in 2026).
- Female participation in **#ReadyForNext** study has shown a notable increase, with representation rising from 14.5% in 2025 to 17.8% in 2026.
- The stronger digital maturity observed among respondents aged 40–60 is **driven by higher adoption of digital ways of working.**
- The **close alignment in digital maturity across male and female-led businesses** highlights the role of digitalisation in narrowing traditional gaps, with comparable performance across customer engagement, operational digitisation, and secure digital access, indicating broadly even embedding of digital capabilities.

Female **61.6**

Male **60.4**

AGE-WISE DIGITAL MATURITY



Digital maturity of MSMEs across sectors

Sector-wise digital adoption of solutions

Digital maturity across sectors shows a broad shift from fundamental digital adoption towards more structured, business-led digital transformation. **The highest DMI remain anchored by Financial Services (67) and IT & ITeS (66),** reflecting these sectors' long-standing integration of technology into core processes and consistent digital investments. Emerging evidence indicates that traditional and operationally intensive sectors are catching up, with sectors like **Transportation and Energy & Utilities now having DMI in the low 60s,** owing to their deployment of technologies such as IoT-based fleet tracking, smart metering, and process automation to enhance efficiency and resilience. These improvements suggest that **digital adoption is no longer limited to tech-centric industries; it's broadening across a wider economic base.**

The pace and depth of digitalisation vary significantly by sector, shaped by sector-specific business models, investment capacities, and strategic priorities. Sectors with clear digital roadmaps and higher capacity to invest can push deeper into transformative initiatives. For example, Financial Services firms accentuate digital customer experience, real-time transactions and high compliance through robust systems, while manufacturing or smaller service industries may prioritise incremental automation or e-commerce integration. This has resulted in a more **sector-driven pattern of digital maturity.** Each sector's progress is increasingly aligned with how effectively its businesses translate digital investments into tangible operational efficiencies and customer value. In essence, mature digital sectors are those where firms go beyond basic IT adoption, leveraging technology for strategic advantage, ultimately demonstrating that digital transformation success hinges on industry context and an **organisation's ability to convert digital tools into real business outcomes.**

Financial Services

Overall DMI	Rank
67.3	1

Gender	DMI
Female	70.3
Male	67.7

Year	2023	2024	2025
DMI	60.6	62.2	65.7

Level of Digital Adoption*

Connectivity	95.3
Workforce Collaboration	41.1
Cybersecurity	22.5

Drivers
Need for enabling digital payments, onboarding, and customer management are driving adoption of connectivity tools

Improvement Areas
Cybersecurity and workplace productivity tools should be adopted to secure trust and improve productivity.

**Adoption reflects usage of one or more technologies in the category*

IT & ITeS

Overall DMI	Rank
66.2	2

Gender	DMI
Female	66.0
Male	67.0

Year	2023	2024	2025
DMI	60.7	63.3	62.0

Level of Digital Adoption*

Connectivity	97.4
Workforce Collaboration	47.7
Cybersecurity	24.2

Drivers
High connectivity is enabling delivery of digital services and collaborative work environments.

Improvement Areas
Low adoption of cybersecurity is limiting digital resilience and secure scaling.

Transportation

Overall DMI	Rank
63.6	3

Gender	DMI
Female	68.1
Male	62.6

Year	2023	2024	2025
DMI	57.2	61.5	62.4

Level of Digital Adoption*

Connectivity	89.0
IoT Services	36.7
Workforce Collaboration	31.5

Drivers
Need for real-time tracking and operational visibility boosts connectivity needs

Improvement Areas
Adoption of IoT and workforce tools needed to ensure real-time vehicle tracking, route optimisation, and operational coordination.

Energy & Utilities

Overall DMI	Rank
62.9	4

Gender	DMI
Female	63.6
Male	63.6

Year	2023	2024	2025
DMI	52.0	55.5	59.9

Level of Digital Adoption*

Connectivity	96.0
Workforce Collaboration	46.7
Cybersecurity	29.9

Drivers
Digital monitoring and operational control systems driving need for connectivity

Improvement Areas
Adopting workplace solutions can simplify work processes, field automation and real-time coordination.

MSME spotlight

Industry: IT & ITeS
Digital Maturity Index: 71
Turnover : 50-100Cr

How Cosmic Information & Technology Limited achieved 100% uptime during peak election campaigns

The Ahmedabad-based MSME faced significant call volume spikes during large-scale electoral outreach campaigns, creating capacity constraints and challenges in managing voter engagement at scale. The #ReadyForNext digital assessment identified the need for a more scalable communication infrastructure.

The company implemented Vi Business SIP Trunking with high call-handling capacity and unlimited calling, ensuring uninterrupted communication during peak campaign periods. As a result, it maintained 100% network uptime, achieved zero capacity failures, and improved call connect rates from 25% to 45%

**Adoption reflects usage of one or more technologies in the category*

Tourism & Hospitality

Overall DMI	Rank
62.0	5

Gender	DMI
Female	66.4
Male	61.2

Year	2023	2024	2025
DMI	52.7	55.8	60.3

Level of Digital Adoption*

Connectivity	94.4
Workforce Collaboration	41.7
IoT Services	35.2

Drivers
Increasing customer engagement and service delivery.

Improvement Areas
Scope remains to deepen adoption of advanced security tools across operations.

Retail

Overall DMI	Rank
61.9	6

Gender	DMI
Female	60.4
Male	61.4

Year	2023	2024	2025
DMI	57.8	60.5	62.1

Level of Digital Adoption*

Connectivity	86.4
IoT Services	47.4
Workforce Collaboration	31.0

Drivers
Strong connectivity enables omnichannel customer engagement across platforms.

Improvement Areas
Adoption of IoT and workforce tools needed to ensure real-time inventory tracking, in-store analytics, and backend coordination.

Media & Entertainment

Overall DMI	Rank
61.7	7

Gender	DMI
Female	64.9
Male	61.8

Year	2023	2024	2025
DMI	58.1	59.4	59.0

Level of Digital Adoption*

Connectivity	96.0
Workforce Collaboration	51.6
Customer Engagement	43.4

Drivers
Need for digital content creation and distribution driving high connectivity tools

Improvement Areas
Need to adopt cybersecurity tools to ensure secure content management and workflows.

MSME spotlight

Industry: Media & Entertainment
Digital Maturity Index: 47
Turnover : > 100 Cr

Reporter Broadcasting Company Pvt. Ltd. overcame network disruptions to achieve 125% viewership growth and secure the #2 BARC ranking

The Regional Media Broadcaster faced network latency and connectivity disruptions that impacted live news broadcasts.
The #ReadyForNext digital assessment identified the need for stronger and more reliable connectivity.

Reporter TV implemented a dedicated NPLC link and MBB-powered transmission units, enabling seamless live broadcasting. As a result, it achieved 100% network uptime, increased viewership by 125%, and improved its BARC ranking from 35th to 2nd position.

**Adoption reflects usage of one or more technologies in the category*

Logistics

Overall DMI	Rank
61.4	8

Gender	DMI
Female	68.0
Male	61.0

Year	2023	2024	2025
DMI	54.8	55.2	60.1

Level of Digital Adoption*

Connectivity	92.8
Workforce Collaboration	50.0
IoT Services	44.4

Drivers
Need for tracking and coordination driving connectivity and workplace modernisation tools

Improvement Areas
Adoption of IoT needed to ensure limiting real-time fleet tracking, asset monitoring.

Healthcare & Social Work

Overall DMI	Rank
60.8	9

Gender	DMI
Female	62.7
Male	60.3

Year	2023	2024	2025
DMI	54.5	55.8	59.8

Level of Digital Adoption*

Connectivity	94.6
Workforce Collaboration	48.2
Customer Engagement	42.3

Drivers
Teleconsultations, online appointments, and digital records driving connectivity needs.

Improvement Areas
Adoption of cybersecurity solutions can secure patient data management processes.

Manufacturing

Overall DMI	Rank
59.9	10

Gender	DMI
Female	62.5
Male	60.0

Year	2023	2024	2025
DMI	55.7	56.5	59.6

Level of Digital Adoption*

Connectivity	92.2
Workforce Collaboration	45.3
IoT Services	40.5

Drivers
Need for digital twining, inventory tracking, and process monitoring demands better connectivity solutions

Improvement Areas
Adoption of IoT can ensure sensor-based monitoring and predictive maintenance.

MSME spotlight

Industry: Logistics
Digital Maturity Index: 74
Turnover : < 50 Cr

From manual monitoring to real-time control: How FleetX, a growing logistics company streamlined fleet operations at scale

The MSME was managing a growing fleet, including delays, high costs and limited visibility due to manual tracking. The #ReadyForNext digital assessment identified opportunities to improve operations through Vi Business IoT smart sensors and GWS solutions.

The implementation enabled real-time tracking, vehicle health monitoring and better communication across teams. As a result, FleetX achieved improved fleet visibility, enhanced driver safety, faster coordination and reduced operational efficiencies.

**Adoption reflects usage of one or more technologies in the category*

Education

Overall DMI	Rank
59.2	11

Gender	DMI
Female	57.5
Male	59.1

Year	2023	2024	2025
DMI	55.3	56.0	52.2

Level of Digital Adoption*

Connectivity	96.1
Customer Engagement	63.9
Workforce Collaboration	32.4

Drivers
Digital learning platforms and remote delivery

Improvement Areas
Collaborative workspaces and effective digital classrooms can be ensured with secure workplace solutions.

Mining

Overall DMI	Rank
59.2	12

Gender	DMI
Female	62.0
Male	60.1

Year	2023	2024	2025
DMI	55.4	58.3	57.8

Level of Digital Adoption*

Connectivity	93.6
Workforce Collaboration	43.6
Cybersecurity	10.3

Drivers
Need for digital tracking and operational visibility.

Improvement Areas
System security and workplace productivity can be improved.

Construction

Overall DMI	Rank
59.0	13

Gender	DMI
Female	61.1
Male	57.6

Year	2023	2024	2025
DMI	57.8	61.0	57.2

Level of Digital Adoption

Connectivity	94.4
Customer Engagement	62.2
Workforce Collaboration	34.2

Drivers
Digitalisation of project coordination through communication tools and basic digital workflows.

Improvement Areas
Workplace tools adoption to ensure secure data handling, digital documentation, and real-time site coordination.

MSME spotlight

Industry: IT & ITeS
Digital Maturity Index: 71
Turnover : 50-100Cr

Gnani.AI, an IT services MSME, strengthened customer communications to support rapid business growth

The company faced rapid growth that strained its existing communication systems and customer support operations. The #ReadyForNext digital assessment recommended communication solutions and Gnani.AI implemented Vi Business SIP Trunking solutions to modernise its voice infrastructure.

The new communication backbone improved connectivity, streamlined customer interactions. As a result, Gnani.AI achieved smoother operations, faster client onboarding and a scalable platform ready for future growth.

**Adoption reflects usage of one or more technologies in the category*

Telecom

Overall DMI	Rank
57.7	14

Gender	DMI
Female	57.8
Male	54.3

Year	2023	2024	2025
DMI	53.2	54.7	55.9

Level of Digital Adoption*

Connectivity	94.1
Workforce Collaboration	54.7
Cybersecurity	42.7

Drivers
High connectivity and workplace adoption are enabling customer engagement and service delivery.

Improvement Areas
Scope remains to deepen adoption of advanced tools across operations.

Agriculture

Overall DMI	Rank
57.5	15

Gender	DMI
Female	59.6
Male	56.6

Year	2023	2024	2025
DMI	56.0	59.3	54.3

Level of Digital Adoption*

Connectivity	91.8
Customer Engagement	59.6
Workforce Collaboration	35.4

Drivers
Building digital marketplaces, real-time pricing, and advisory services, strengthening market linkages.

Improvement Areas
Secure data management and farm management can be improved with adoption of cybersecurity & IoT tools

Professional Services

Overall DMI	Rank
57.1	16

Gender	DMI
Female	58.9
Male	55.8

Year	2023	2024	2025
DMI	44.7	41.8	53.4

Level of Digital Adoption

Connectivity	93.5
Workforce Collaboration	50.4
Cybersecurity	25.7

Drivers
Remote collaboration, workplace productivity enhancement and service delivery.

Improvement Areas
Need to ensure secure data handling and client management.

MSME spotlight

Industry: Energy & Utilities
Digital Maturity Index: 48
Turnover : > 100 Cr.

Jaysis Green Energy transformed field operations with greater visibility, accountability, and business continuity.

Jaysis Green Energy needed better co ordination, visibility and communication for its growing field operations across multiple locations. The #Ready-ForNext assessment identified opportunities to improve mobility, connectivity and digital readiness. They deployed Vi Business solutions like mobile security, location tracking & CPaaS.

This enabled efficient tracking of sales and service teams, improving accountability and field visibility. It also helped them realise cost savings and business continuity through unified communications and number retention.

**Adoption reflects usage of one or more technologies in the category*

Future of **MSME** digitalisation

Future of MSME digitalisation

The digital transformation of MSMEs is entering a more advanced phase, moving beyond basic adoption toward intelligence-led and integrated business models. Recent large-scale evidence from India **(Digital Maturity Assessment)** shows that **25% of MSMEs already use artificial intelligence or machine learning tools or are in the process of implementing them,** indicating that digital adoption has crossed the initial threshold, **although 19.3% remain fully offline, and only 35.3% have their own websites, highlighting room for further expansion.**

The collaboration dividend from digitalisation is clearly reflected in the **ReadyForNext** study results, where 55% of businesses are using some form of workforce collaboration tools. Firms that have already deployed these platforms report higher workplace digital maturity. For example, **MSMEs with existing workplace collaboration record an average workplace score of 79.3,** compared to 57.4 for those in implementation and 40.2 for those still at the planning stage. This indicates broad digital readiness across foundational collaboration and workflow tools. At the same time, the survey data suggests that progression toward more advanced capability layers remains uneven, pointing to a shift from basic digital participation to more sophisticated capability-building.

Looking ahead, three technology vectors would shape the next stage of MSME evolution: **AI (to drive productivity and decision-making), SaaS-led workplace collaboration (to enable scalable operations) and cybersecurity (to enable trust and continuity).**

Artificial Intelligence: The productivity and competitiveness accelerator

Artificial Intelligence (AI) is emerging as the most transformative driver of MSME competitiveness by enabling firms to overcome traditional constraints of scale, efficiency, and access to information. Global evidence suggests rapid early adoption momentum. SME digitalisation in 2024 - Managing Shocks and Transitions, the OECD survey study indicates that almost 1 in 5 Small and Micro Enterprises (SMEs) are already experimenting with generative AI (Gen-AI, i.e. Large Language Models), and 57% are viewing it as an opportunity rather than a risk, reflecting relatively low barriers to entry compared to traditional enterprise technologies.

The role of AI for MSMEs is primarily operational and decision driven. Key use cases include:

- Customer engagement and personalisation
- Sales and marketing automation
- Inventory and demand forecasting
- Credit assessment and financial analytics

These new applications allow MSMEs to improve productivity and responsiveness without proportional increases in labour cost or capital investment. **AI adoption among MSMEs often follows an uneven trajectory:** companies transition rapidly from pilot experiments to integrating AI into specific workflows, yet scaling these solutions across the entire enterprise tends to lag. This pattern of fast initial uptake but slower full-scale deployment stems from structural constraints, skill and talent gaps, data limitations, and a lack of clarity on use cases, all of which hamper broad implementation across the business.

Cybersecurity: The trust layer of digital growth

Cybersecurity adoption among MSMEs is strengthening as digitalisation deepens, with ~85% of enterprises already using, implementing, or

planning secure solutions such as email (86.7%) and browsing tools (84.2%), reflecting **rising awareness around data protection and business continuity.** This is further reinforced by high sectoral adoption, particularly in **IT & ITeS (89.1%), Financial Services (84.5%), and Energy & Utilities (85.4%),** which emerge as leaders in cybersecurity adoption, supported by strong overall digital maturity levels (DMI of 62.9–67.3, among the top five sectors), while **Education (82.6%) and Media & Entertainment (80.3%)** also demonstrate robust adoption, proving that sectors with higher digital intensity and operational complexity are driving cybersecurity integration at scale.

The implications are twofold:

- Cybersecurity is evolving from a technical requirement to a core business necessity, especially as MSMEs handle increasing volumes of customer and financial data
- It is also becoming a critical enabler of digital adoption, particularly for cloud, AI, and platform-based ecosystems

MSMEs will need to embed security across their digital stack, including secure access, data governance, and vendor risk management, **making "secure-by-design" business models essential.**

Workplace collaboration: The operating backbone of MSMEs

The third pillar of MSME transformation would be adoption of SaaS-based workplace collaboration tools (such as Google Workspace, Microsoft 365, among others) which are redefining how small businesses operate and scale. Evidence shows that digital tools supporting communication and coordination are getting widely adopted. The **Digital Maturity Assessment** survey finds that workplace collaboration among MSMEs is becoming more digitally integrated. **50.8% of MSMEs use emails for communication, 45.3% leverage corporate intranet/workplace platforms, and 46.8% use WhatsApp Business for communicating with customers.** Adoption of digital productivity suites is even stronger, with 84.6% of firms either already using, implementing, or planning Microsoft 365, and 87.3% at a similar stage for Google Workspace.

Beyond internal operations, **MSMEs are increasingly embedded in digital ecosystems.** Around 62% actively seek digital advisory services through online communities and platforms, while 59% rely on digital platforms such as social networks for knowledge exchange and business insights, indicating a shift toward networked collaboration.

At a global level, workplace transformation trends further reinforce this direction. The Microsoft Work Trend Index highlights that 82% of business leaders see current conditions as a turning point to rethink operations, **with 81% expecting integration of AI-led digital labour in workflows within 12 to 18 months,** reflecting a broader shift toward digitally coordinated work environments.

SaaS-driven collaboration solutions play a critical role because they:

- Reduce upfront IT costs through subscription-based models
- Enable real-time visibility and coordination across distributed teams
- Improve accountability, task management, and customer tracking
- Support scalability without significant infrastructure investments

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5G **100+** 5G towns & cities

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Appendix

Approach & methodology

Vi Business launched the first **MSME ReadyForNext Digital Advisory** across India on MSME Day in **2022. Insights from Digital Maturity Assessment** are based on responses collected during **June 2025 to May 2026.** The survey study captures 3 main dimensions of MSME digitisation journey across customers, business operations and workplace.

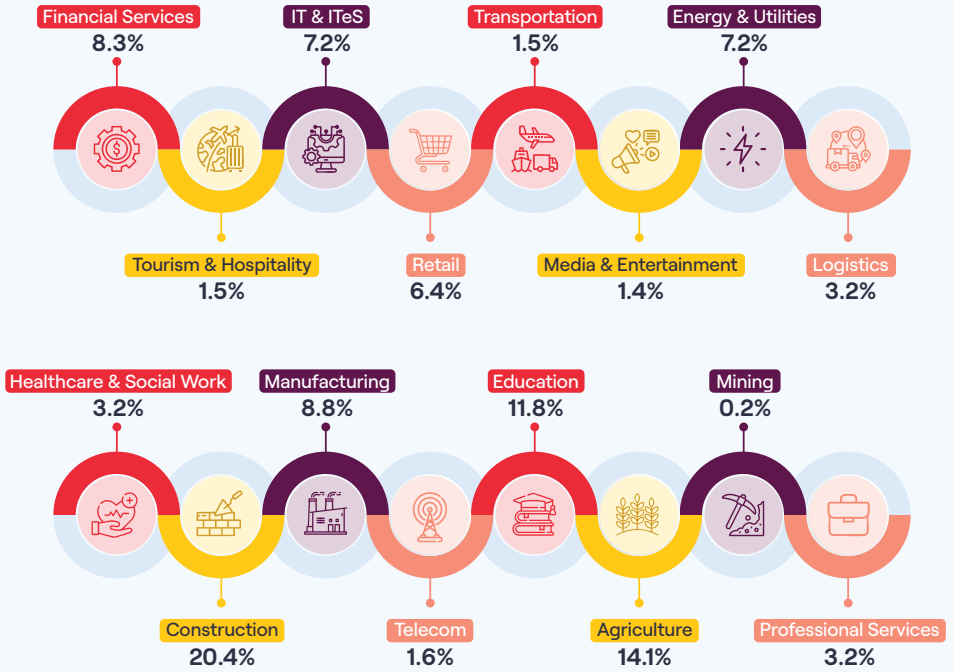
Digital Customers – How MSMEs are digitally engaging with customers or businesses, utilising marketing solutions to improve customer targeting, serving and facilitate interactions.

Digital Operations – Adoption of digital solutions to enhance business operational efficiency and expand its market reach, encompassing lead management, remote asset monitoring, and the optimisation of business processes, leveraging digital technological prowess.

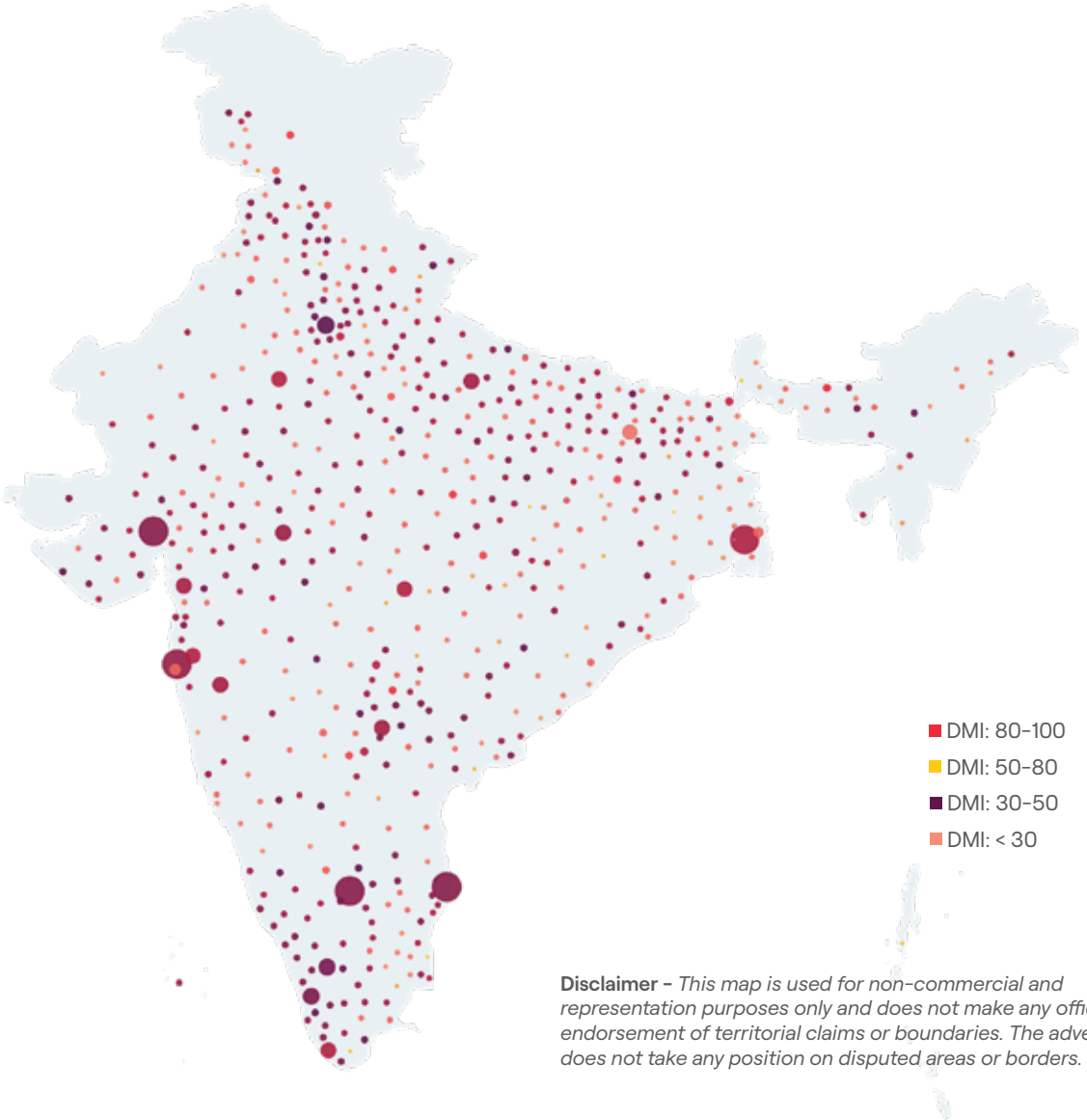
Digital Workplace – Utilisation of digital tools to enhance productivity and collaboration among workforce, such as cloud-based applications, web conferencing, and collaborative work platforms including but not limited to SaaS based products. MSMEs are segmented by sector, operating locations, and enterprise size, scale of operations, revealing differences in digital proficiency across states, sectors, sizes, and operational scales. **Each MSME is assessed on their adoption of digital and technological solutions in their organisation.** The levels of adoption across various digital solutions are comprehensively analysed to calculate digital maturity indices, including sub-indices for digital customers, digital workplace, and digital operations.

Data analysis is performed at both the sector and location level and during product adoption phases, providing a comprehensive assessment of digital maturity within this report. **Through detailed evaluation, key characteristics of digitally mature MSMEs are identified, offering actionable insights to further enhance digital capabilities across the MSME ecosystem.**

DISTRIBUTION BY SECTORS(%)



Representation of Pan-India MSME Participants



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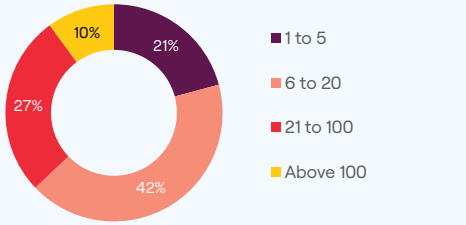
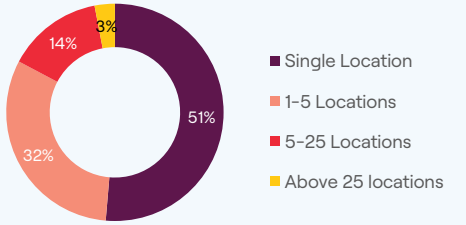
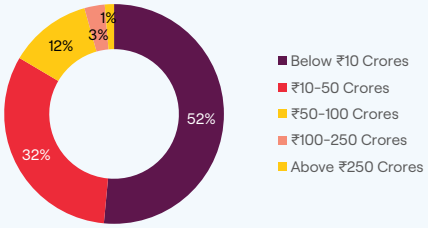
DISTRIBUTION BY NUMBER OF EMPLOYEES (% SHARE)



DISTRIBUTION BY NUMBER OF OPERATING LOCATIONS (% SHARE)



DISTRIBUTION BY TURNOVER (% SHARE)



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