

# Islamic Value-Based MSME Mentoring to Increase Micro-Business Competitiveness

Nur'Ainun Gulo<sup>1\*</sup>, Nurintan Asyiah Siregar<sup>2</sup>, Hazrulta Aulia<sup>3</sup>

<sup>1,2,3</sup>Fakultas Ekonomi dan Bisnis Universitas Labuhanbatu, Indonesia

Corresponden author:

Email: [nurainungulo7@gmail.com](mailto:nurainungulo7@gmail.com)

---

## **Abstract.**

*various obstacles, such as low managerial capacity, limited use of digital technology, poor financial record keeping, and suboptimal application of Islamic values in business management. This Community Service (PKM) activity aims to improve the competitiveness of MSMEs through an Islamic-based mentoring program that integrates aspects of business management, digital marketing, financial record keeping, customer service, and Islamic business ethics. The implementation method uses a Participatory Action approach that includes initial observation, outreach, training, mentoring, monitoring, and evaluation. Evaluation is carried out through pre-tests, post-tests, field observations, and interviews. The results of the activity show that the mentoring program has successfully improved the knowledge and skills of participants, indicated by an increase in the average score from 53.54 in the pre-test to 87.40 in the post-test. Observations showed that participants were able to implement simple financial record keeping, utilize digital media as a marketing tool, improve customer service, improve product packaging, and implement Islamic values such as honesty, trustworthiness, fairness, and responsibility in business activities. Interviews also indicated that participants experienced tangible benefits in the form of improved business management skills, increased confidence in marketing products, and increased awareness of the importance of Islamic business ethics as a basis for sustainable business development. Thus, mentoring MSMEs based on Islamic values has proven effective in improving the competence of business actors and strengthening the competitiveness of micro-enterprises in a sustainable manner.*

**Keywords:** MSME Assistance, Islamic Values, Competitiveness, Digital Marketing, Community Service.

---

## **I. INTRODUCTION**

Micro, Small, and Medium Enterprises (MSMEs) are a key pillar of the national economy due to their significant contribution to economic growth, job creation, and income equality. According to the Organization for Economic Co-operation and Development (2023), MSMEs play a strategic role in increasing economic inclusion, encouraging innovation, and strengthening local economic resilience. However, they still face various challenges in increasing productivity and competitiveness. Similarly, the World Bank (2023) states that the success of MSMEs is not only determined by their ability to produce products but is also influenced by managerial capacity, technology utilization, market access, and the ability to adapt to changes in the business environment. Therefore, increasing the capacity of MSMEs is an urgent need to be able to compete sustainably.

Despite their crucial role in economic development, most MSMEs still face various obstacles, such as weak business management, low financial literacy, limited use of digital technology, and limited marketing capabilities. According to Philip Kotler and Kevin Lane Keller (2022), business competitiveness is determined by the ability of entrepreneurs to create value, build relationships with customers, and adapt business strategies to changing market needs. Meanwhile, Michael E. Porter (2023) explains that competitiveness is the ability of an organization or business to create sustainable advantages through efficiency, differentiation, and innovation. This low capacity makes it difficult for many micro-enterprises to develop and are less able to face increasingly intense competition.

On the other hand, ethical and spiritual aspects of running a business are still not a primary concern for some MSMEs. However, from an Islamic perspective, business activities are not only aimed at economic profit but also as a form of worship that must be carried out based on the principles of honesty (sidq), trustworthiness (amanah), justice ('adl), responsibility, and blessings. According to Yusuf al-Qaradawi (2021), economic activities in Islam must be built on moral and ethical principles to benefit both individuals and society. Similarly, M. Umer Chapra (2021) explains that the Islamic economic system places the values of justice, social responsibility, and balance as the primary foundations for building sustainable economic activity. Therefore, implementing Islamic values in MSME management is one way to improve business quality while building consumer trust.

One strategy that can be implemented to increase the capacity of MSMEs is through mentoring activities. According to Jim Ife (2016), community mentoring is an empowerment process aimed at improving the abilities of individuals and groups to solve problems independently through participatory learning. Furthermore, Edi Suharto (2021) states that mentoring is a systematic facilitation process to increase the knowledge, skills, and independence of communities in developing their potential. Thus, mentoring serves not only as a transfer of knowledge but also as a means of strengthening the capacity and changing the behavior of MSMEs.

Islamic-based mentoring for MSMEs is a relevant approach because it integrates the technical aspects of business management with the development of Islamic entrepreneurial character. According to Veithzal Rivai (2022), leadership and business management based on Islamic values emphasize the importance of integrity, professionalism, trustworthiness, and an orientation toward the common good. Meanwhile, Muhammad Syafii Antonio (2022) explains that sharia businesses must be built on the principles of honesty, transparency, fairness, and responsibility to generate blessings and increase customer trust. Mentoring that integrates these values is expected to develop entrepreneurs who are not only business-competent but also possess strong character.

Based on initial observations of community service partners, it was discovered that most MSMEs still experience various problems, including disorganized financial records, suboptimal digital marketing, inconsistent service quality, and a poor understanding of Islamic business ethics. These conditions result in limited market access, low customer loyalty, and weak business competitiveness. Therefore, an applicable mentoring program is needed through ongoing counseling, training, practice, consultation, and evaluation so that MSMEs can manage their businesses professionally in accordance with Islamic principles.

Through this Community Service (PKM) activity, it is hoped that there will be an increase in the knowledge, skills, and attitudes of MSMEs in implementing business management based on Islamic values, starting from financial management, digital marketing, customer service, to strengthening business ethics. This mentoring program is also expected to be able to increase the competitiveness of micro-enterprises through the creation of quality products and services, increased consumer trust, expanded market access, and the formation of a business culture that is professional, integrity-based, and oriented towards blessings. Thus, this PKM activity is expected to have a real impact on community economic empowerment while supporting economic development that is inclusive, sustainable, and in accordance with Islamic economic principles.

## II. IMPLEMENTATION METHOD

This Community Service (PKM) activity utilizes a participatory mentoring method aimed at enhancing the capacity of Micro, Small, and Medium Enterprises (MSMEs) by strengthening managerial competencies and internalizing Islamic values in business management. The participatory approach was chosen because it places partners as the primary subjects in every stage of the activity, from problem identification to evaluation of mentoring outcomes. This approach is expected to lead to a sustainable increase in knowledge, skills, and behavioral change among MSMEs.

The target of this activity is MSMEs who are PKM partners with the characteristics of having a business that has been running for at least one year, being willing to participate in the entire series of activities, and being committed to implementing the results of the mentoring in managing their business.

## **Implementation Stages**

### **1. Preparation Stage**

The preparation phase is carried out through coordination with partners to identify the needs and challenges faced by MSMEs. Activities at this stage include:

- a. Coordination with partners and local government.
- b. Observation of partner business conditions.
- c. Interviews regarding business problems.
- d. Preparation of training materials and mentoring modules.
- e. Preparation of evaluation instruments (pre-test and post-test).

The output of this stage is the preparation of a mentoring program that suits the partner's needs.

### **2. Socialization Stage**

At this stage, the PKM team provides information regarding the objectives, benefits, and series of activities that will be carried out, including:

- a. The importance of increasing the competitiveness of MSMEs.
- b. The concept of entrepreneurship based on Islamic values.
- c. The role of digitalization in business development.
- d. Participant commitment during the program.

The output of this stage is an increase in participants' initial understanding of the mentoring program.

### **3. Training Stage**

The training is conducted interactively through lectures, discussions, case studies, and practical exercises. The materials provided include:

1. Micro business management.
2. Simple financial recording.
3. Digital marketing strategy.
4. Customer service.
5. Development of business competitiveness.
6. Implementation of Islamic values in business, including:
  - a. Honesty (ṣidq)
  - b. Trust
  - c. Justice ('adl)
  - d. Transparency
  - e. Responsibility
  - f. Professionalism (itqan)
  - g. Blessings of business.

The output of this stage is increased participant knowledge regarding sharia-based business management.

### **4. Mentoring Stage**

Mentoring is carried out directly at the partner's business location during the PKM implementation period. Mentoring activities include:

- a. Assistance in preparing financial records.

- b. Assistance in developing digital marketing strategies.
- c. Assistance in the use of social media for promotion.
- d. Assistance in improving the quality of customer service.
- e. Assistance in the implementation of Islamic business ethics.
- f. Consultation regarding business problems faced by participants.

Mentoring is carried out periodically so that each participant obtains solutions that suit their business conditions.

### 5. Monitoring and Evaluation Stage

Monitoring is carried out to determine the level of success of the mentoring program, while evaluation aims to measure changes that occur after the activity is implemented.

Evaluation methods include:

- a. Pre-test and post-test.
- b. Observation of the implementation of mentoring results.
- c. Interview with participants.
- d. Documentation of activities.
- e. Business development assessment.

Indicators of program success include:

- a. Increased participants' understanding of Islamic-based business management.
- b. Increased financial recording capabilities.
- c. Increasing use of digital media in marketing.
- d. Improving the quality of service to consumers.
- e. Increasing the application of Islamic values in business activities.
- f. Increasing the competitiveness of partner businesses.

### Evaluation Method

The success of the activity is measured using a before-after approach, namely comparing the condition of participants before and after mentoring.

Table 1. Evaluation Methods

| Aspect    | Success Indicators                                                                   | Evaluation Techniques           |
|-----------|--------------------------------------------------------------------------------------|---------------------------------|
| Knowledge | Increased understanding of Islamic business management                               | Pre-test and post-test          |
| Skills    | Ability to compile financial records and digital marketing                           | Observation and practice        |
| Attitude  | Implementation of the values of honesty, trustworthiness, responsibility and service | Observation and interviews      |
| Results   | Improving the quality of business management and competitiveness                     | Monitoring business development |

### Partner Participation

Partners play an active role in the entire series of activities by:

- a. Providing a place to carry out activities.
- b. Attend all training and mentoring sessions.
- c. Convey business problems faced.
- d. Implementing training results in business activities.
- e. Participate in program monitoring and evaluation.

### PKM Activity Output

The expected output from this activity includes:

- 1. Increasing knowledge of MSME actors regarding business management based on Islamic values.

2. Improved skills in financial record keeping and digital marketing.
3. The formation of a business culture that prioritizes honesty, trustworthiness, and professionalism.
4. Increasing the competitiveness of micro businesses through the implementation of more effective business management.
5. The development of an MSME mentoring module based on Islamic values.
6. Publication of articles in the Community Service (PKM) journal and documentation of activities as mandatory community service outputs.

### III. RESULTS AND DISCUSSION

The Community Service (PKM) program, themed "Assistance to MSMEs Based on Islamic Values to Improve Micro-Business Competitiveness," was implemented through five stages: identifying partner needs, outreach, training, mentoring, and monitoring and evaluation. The partners consisted of micro-businesses operating in the culinary, trade, and service sectors. All participants actively participated in the program from the initial stage to the final evaluation.

#### Initial Observation and Pre-test Results

Prior to the Community Service (PKM) activities, the team conducted field observations, interviews, and pre-tests with MSMEs to identify the initial conditions of their partners. Observations were conducted on aspects of business management, marketing, financial record-keeping, customer service, and the application of Islamic values in business activities. The observations showed that most MSMEs still operate conventionally with simple management. Financial records are not yet separated between personal and business finances, marketing still relies on loyal customers and word-of-mouth promotion, and the use of digital media as a marketing tool is still very limited. Furthermore, most business owners do not yet have a standardized customer service strategy and do not yet fully understand the application of Islamic business principles in business management.

To obtain an overview of the participants' level of understanding before the activity, the PKM team conducted a pre-test consisting of five assessment aspects: business management, financial record keeping, digital marketing, customer service, and the implementation of Islamic values in business. The pre-test results indicated that the participants' level of understanding was still quite low, necessitating a more intensive training and mentoring program.

Table 2. Initial Partner Observation Results

| Observed Aspects        | Observation Results                                                                                                                                                                                                        |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business management     | Business management is still simple and does not have a clear business plan.                                                                                                                                               |
| Financial records       | Most MSMEs have not done bookkeeping regularly and still mix personal finances with business finances.                                                                                                                     |
| Marketing               | Promotion is still done conventionally through regular customers and word of mouth recommendations.                                                                                                                        |
| Business digitalization | The use of social media and marketplaces as marketing media is still very limited.                                                                                                                                         |
| Customer service        | There are no service standards so the quality of service is not consistent.                                                                                                                                                |
| Islamic values          | Business actors have implemented the value of honesty in general, but have not yet understood the application of the values of trust, justice, professionalism (itqan), and responsibility as part of a business strategy. |

Table 3. Participants' Pre-test Results Before Mentoring

| No | Assessment Aspects | Average value | Category |
|----|--------------------|---------------|----------|
|----|--------------------|---------------|----------|

|                |                                              |              |            |
|----------------|----------------------------------------------|--------------|------------|
| 1              | Business management                          | 55.20        | Low        |
| 2              | Financial records                            | 48.30        | Low        |
| 3              | Digital marketing                            | 50.00        | Low        |
| 4              | Customer service                             | 56.70        | Currently  |
| 5              | Implementation of Islamic values in business | 57.50        | Currently  |
| <b>Average</b> |                                              | <b>53.54</b> | <b>Low</b> |

Pre-test results showed that financial record-keeping received the lowest average score (48.30). This indicates that most MSMEs do not yet understand the importance of bookkeeping as a basis for business decision-making. This situation results in difficulties in determining business profits, controlling cash flow, and developing business plans.

In terms of digital marketing, the average score for participants was 50.00, indicating that MSMEs still face limitations in utilizing social media, instant messaging apps, and marketplaces for promotion. Most participants only use digital media for personal communication and have not yet optimized it as a marketing tool.

The average business management score of 55.20 indicates that participants lack sufficient skills in developing business plans, setting sales targets, or evaluating their business development. Meanwhile, the average customer service score was 56.70, indicating that participants are aware of the importance of providing good service but have not consistently implemented service standards.

The aspect of implementing Islamic values in business received an average score of 57.50. This result indicates that participants were familiar with the concept of honesty in business, but did not yet comprehensively understand the application of the principles of trustworthiness, justice, transparency, professionalism (itqan), and responsibility as the foundation for building a sustainable business.

Overall, the average pre-test score of 53.54 indicates that participants' knowledge level is still in the low category. Therefore, the training and mentoring activities implemented in the PKM program are aimed at improving managerial competency, digital marketing skills, financial record-keeping skills, service quality, and strengthening the implementation of Islamic values in MSME management. The results of the initial observations and pre-test also serve as the basis for developing mentoring materials to align with the actual needs faced by partners.

Based on initial observations and pre-tests, it was found that most MSMEs still face several obstacles, including not maintaining systematic financial records, limited use of digital media as a marketing tool, a lack of standardized customer service strategies, and a lack of optimal understanding of the application of Islamic values in business activities. These conditions result in low business management effectiveness and limited competitiveness in the market.

The training was conducted through lectures, interactive discussions, case studies, and hands-on practice. Topics covered business management, digital marketing, simple financial record-keeping, customer service, and the implementation of Islamic values, including honesty (şidq), trustworthiness (amanah), responsibility, professionalism (itqan), and justice ('adl). Throughout the training, participants demonstrated high enthusiasm through discussions and hands-on practice.



**Fig 1.** Implementation of socialization and training activities for Islamic Value-Based MSME

#### Mentoring for micro-business actors

All participants actively participated in the training. Their enthusiasm was evident in the high level of participation in discussion sessions, sharing of business experiences, and practical exercises in simple bookkeeping and digital marketing strategies. Two-way interaction between the PKM team and participants was a key factor in the successful transfer of knowledge during the training.

The mentoring phase is conducted directly at the partner's business location. The PKM team provides guidance on preparing simple bookkeeping, optimizing social media as a marketing tool, improving customer service quality, and implementing Sharia principles in business activities. Mentoring is conducted periodically so that participants receive solutions tailored to their individual business circumstances.

Evaluation of Community Service (PKM) activities is conducted after the entire training and mentoring program has been completed. The evaluation aims to measure the program's success in improving the knowledge, skills, and behavioral changes of MSMEs. Evaluation techniques include post-tests, field observations, and in-depth interviews with participants.

### 1. Post-test results

A post-test was administered to all participants using the same material as the pre-test to determine competency improvements after participating in the mentoring program. The post-test results showed significant improvements in all measured aspects.

Table 4. Comparison Results of Pre-test and Post-test

| No             | Assessment Aspects                           | Pre-test     | Post-test    | Improvement  |
|----------------|----------------------------------------------|--------------|--------------|--------------|
| 1              | Business management                          | 55.20        | 86.40        | 31.20        |
| 2              | Financial records                            | 48.30        | 85.10        | 36.80        |
| 3              | Digital marketing                            | 50.00        | 87.20        | 37.20        |
| 4              | Customer service                             | 56.70        | 88.60        | 31.90        |
| 5              | Implementation of Islamic values in business | 57.50        | 89.70        | 32.20        |
| <b>Average</b> |                                              | <b>53.54</b> | <b>87.40</b> | <b>33.86</b> |

The results showed that the average score for participants increased from 53.54 to 87.40, a 33.86-point increase. The highest increases occurred in digital marketing and financial record-keeping, indicating that the training and mentoring materials successfully enhanced participants' competency in managing their businesses in a more modern and systematic manner.

### 2. Field Observation Results

Field observations were conducted during the mentoring process and after the program concluded. The purpose of these observations was to determine the extent to which participants applied the material provided in their daily business activities.

Table 5. Field Observation Results

| Aspect                  | Before Mentoring                    | After Mentoring                                                        |
|-------------------------|-------------------------------------|------------------------------------------------------------------------|
| Financial records       | Not yet done bookkeeping            | Have recorded transactions regularly                                   |
| Marketing               | Word of mouth promotion             | Leveraging WhatsApp Business, Facebook, Instagram, and marketplaces    |
| Product packaging       | Simple and less informative         | More attractive and includes product identity                          |
| Customer service        | Does not have service standards yet | Friendlier, faster and more responsive service                         |
| Islamic business ethics | Not yet implemented optimally       | Implementing honesty, trustworthiness, transparency and responsibility |
| Business management     | Conventional in nature              | More planned with clear business targets                               |

Observations showed that most participants were able to implement the material they learned during the PKM activities. The most noticeable changes were seen in the use of digital media for promotions, more organized financial records, and improved customer service.

### 3. Interview Results

Semi-structured interviews were conducted with participants to determine their perceptions of the benefits of the mentoring program. Overall, participants stated that the PKM program provided significant benefits in improving their business management skills.

Some of the participants' responses included:

*"Before taking the training, I had never kept bookkeeping records. Now I can record my daily income and expenses so I know my business's profits."*

*"We are now more confident marketing our products through social media and have started to get new customers from outside our local area."*

*"This mentoring has made us understand that trading is not just about seeking profit, but also requires honesty, trustworthiness, and providing the best service to customers."*

### Discussion of Evaluation Results

Evaluation results indicate that the mentoring program has had a positive impact on improving the competency and changing the behavior of MSMEs. Improved post-test scores indicate that participants have grasped the concepts of business management, digital marketing, financial record-keeping, customer service, and the implementation of Islamic values in business.

This finding aligns with research by Rahmawati et al. (2023), which found that mentoring programs can improve the managerial capacity and entrepreneurial competency of MSMEs. Research by Purwana, Rahmi, and Aditya (2022) also found that digital marketing training can expand market reach and increase the competitiveness of micro-enterprises.

Field observations revealed changes in participants' behavior in managing their businesses. Participants began implementing financial record-keeping, utilizing social media for promotion, improving product packaging, and enhancing service quality. These findings support research by Narsa, Widodo, and Kurnianto (2021), which demonstrated that bookkeeping and financial literacy assistance can improve the quality of MSME governance.

Meanwhile, interview results showed that participants not only gained increased knowledge and skills but also experienced a shift in their perspectives on business activities. Internalization of Islamic values, such as *sidq* (honesty), *amanah* (trustworthiness), *'adl* (justice), and *itqan* (professionalism), began to be applied in daily business practices. These results support research by

Hakim and Hasanah (2023), which concluded that implementing Islamic business ethics can increase consumer trust, strengthen customer loyalty, and enhance business sustainability.

Overall, the results of the post-test, field observations, and interviews indicate that the Islamic Values-Based MSME Mentoring program successfully improved the knowledge, skills, and attitudes of micro-entrepreneurs. This program not only strengthens the technical aspects of business management but also builds ethical entrepreneurial character, thus contributing to increased MSME competitiveness and sustainability.

The results of the activity indicate that the mentoring method implemented can improve the capacity of MSMEs to manage their businesses more professionally. The gradual mentoring provides participants with the opportunity to understand concepts, practice the material, and find solutions to business problems they face. This finding aligns with research by Rahmawati, Hidayat, and Prasetyo (2023), which reported that ongoing mentoring programs can improve managerial competence, decision-making skills, and business sustainability in MSMEs. Similarly, research by Sari and Nugroho (2022) shows that the success of MSME empowerment programs is strongly influenced by participatory and ongoing mentoring processes.

The improvement in participants' ability to prepare simple financial records was one of the most tangible outcomes of this PKM activity. Prior to the activity, most participants still mixed personal and business finances, making it difficult to track their business progress. After receiving training and mentoring, participants began to be able to record income and expenses and calculate business profits simply. These results support research by Narsa, Widodo, and Kurnianto (2021), which found that financial literacy training and bookkeeping mentoring can improve the quality of MSME financial management, thereby simplifying business decision-making.

In terms of marketing, participants began utilizing digital media as a means of product promotion. Prior to the mentoring, marketing was still conducted conventionally through loyal customers and word-of-mouth communication. After receiving training in digital marketing, participants were able to create promotional content, utilize social media, and expand market reach. These findings align with research by Purwana, Rahmi, and Aditya (2022), which found that the use of digital marketing has a positive impact on increasing sales, expanding the market, and strengthening the competitiveness of MSMEs. Research by Hendrawan et al. (2023) also concluded that utilizing digital media can increase product visibility and strengthen customer relationships.

Customer service mentoring also demonstrated positive changes. Participants began implementing friendlier communication, improving product quality, maintaining timely service, and being more responsive to customer needs. This resulted in increased customer satisfaction and strengthened customer loyalty to the business. These results align with research by Putri and Yuliana (2022), which found that improving service quality through mentoring programs contributes to customer satisfaction and the sustainability of micro-businesses.

The primary advantage of this PKM activity lies in the integration of Islamic values into business practices. After participating in the mentoring, participants begin to understand that business activities are not only aimed at gaining economic profit, but also a form of worship that must be carried out honestly, trustworthy, fairly, and responsibly. These values are reflected in transparency of information to customers, accurate weighing, product quality that meets specifications, and a commitment to fulfilling promises to consumers. These results align with research by Antonio and Syafii (2022), which states that the application of Islamic business ethics can increase customer trust, business reputation, and consumer loyalty. Research by Hakim and Hasanah (2023) also shows that internalizing Islamic values in MSME management has a positive impact on business sustainability and increased competitiveness.

In addition to improving individual competencies, mentoring activities also strengthen networks among MSMEs. During the training and mentoring process, participants share experiences regarding marketing strategies, business management, and resolving various business challenges. The

formation of these networks encourages collaboration among business actors, thereby expanding market opportunities. This finding supports research by Kurniawan, Prasetyo, and Lestari (2024), which explains that collaboration among MSMEs through mentoring activities can increase innovation, expand market access, and strengthen business competitiveness.

Overall, the results of the activity indicate that mentoring MSMEs based on Islamic values successfully improved managerial skills, financial literacy, digital marketing utilization, service quality, and the implementation of Islamic business ethics among partners. These findings support the research of Fauzi, Nurhayati, and Hidayat (2024), which concluded that a mentoring model that integrates business competency improvement with strengthening religious values results in more sustainable changes in business behavior than training that focuses solely on technical aspects. Therefore, this mentoring model is worthy of recommendation as an approach to empowering MSMEs in various Community Service programs, especially in areas characterized by religious communities.

#### IV. CONCLUSION

Based on the results of the Community Service (PKM) program entitled "Mentoring MSMEs Based on Islamic Values to Improve the Competitiveness of Micro-Businesses," it can be concluded that the mentoring program was well-implemented and achieved its stated objectives. The program, which encompassed socialization, training, mentoring, monitoring, and evaluation, successfully increased the capacity of MSMEs to manage their businesses more professionally and based on Islamic values.

The evaluation results, conducted through pre- and post-tests, showed significant improvements in all measured aspects. Participants' average score increased from 53.54 before the mentoring program to 87.40 after the program, representing a 33.86-point increase. This improvement reflects participants' increased knowledge and skills in business management, financial record-keeping, digital marketing, customer service, and the application of Islamic values in business activities.

Field observations showed that most participants were able to implement the material provided, as evidenced by the development of simple financial records, increased use of digital media for promotion, improved customer service, and enhanced product packaging. Furthermore, participants began to apply Islamic business principles, such as honesty (*şidq*), trustworthiness (*amanah*), justice (*'adl*), transparency, and responsibility in running their businesses.

Interview results also indicated that participants experienced tangible benefits from the mentoring activities. They reported a better understanding of the importance of systematic business management, the ability to utilize digital technology to expand marketing, and a greater awareness of Islamic business ethics. These changes have had a positive impact on increasing customer trust and strengthening the competitiveness of micro-enterprises.

Thus, this PKM activity demonstrates that Islamic-based MSME mentoring is an effective empowerment model for improving managerial competence, business management quality, and sustainable competitiveness. Integrating business capacity building with strengthening spiritual values is a relevant approach to creating professional, competitive, and blessing-oriented micro-enterprises.

#### Suggestion

Based on the results of the PKM activities that have been carried out, several suggestions that can be given are as follows.

1. **For MSMEs**, is expected to be able to consistently apply all the material obtained during the mentoring, especially in financial recording, utilizing digital marketing, improving service quality, and internalizing Islamic values as a work culture in running a business.

2. **For local governments and related agencies**, is expected to implement a sustainable mentoring program through advanced training, facilitation of business legality, halal certification, digitalization of MSMEs, access to financing, and expansion of marketing networks so that the development of micro-businesses can take place sustainably.
3. **For universities**, community service activities should be developed into long-term mentoring programs through collaboration between lecturers, students, government, Islamic financial institutions, and the business world so that the impact of MSME empowerment can be more optimal.
4. **For Islamic financial institutions and industry partners**, is expected to provide support in the form of easy access to financing, entrepreneurship training, business mentoring, and marketing network development so that MSMEs have the ability to develop more competitively.
5. **For researchers or PKM implementers in the future**, it is recommended to develop a mentoring model that integrates digital transformation, product innovation, Islamic financial literacy, artificial intelligence (AI)-based marketing, and strengthening the halal ecosystem so that it can have a broader impact on increasing the competitiveness of MSMEs.
6. **As a follow-up to the program**, periodic monitoring and evaluation activities are required at least every six months to ensure the sustainability of the implementation of mentoring results, identify obstacles faced by MSME actors, and develop business development strategies that are in accordance with market dynamics and community needs.

## REFERENCE

- [1]. Antonio, MS (2022). *Islamic banking: From theory to practice (Revised Edition)*. Jakarta: Gema Insani.
- [2]. Chapra, M.U. (2021). *Islam and the economic challenge*. Leicester: The Islamic Foundation.
- [3]. Creswell, J. W., & Creswell, J. D. (2023). *Research design: Qualitative, quantitative, and mixed methods approaches (6th ed.)*. Thousand Oaks, CA: Sage Publications.
- [4]. Eriyanto. (2021). *Community development and community empowerment*. Jakarta: Kencana.
- [5]. Fauzi, A., Nurhayati, S., & Hidayat, R. (2024). Islamic-based mentoring for MSMEs to increase business capacity. *Journal of Community Service*, 9(1), 45–56.
- [6]. Hendrawan, A., Suryani, D., & Wibowo, A. (2023). Digital marketing assistance for MSMEs to improve business competitiveness. *Journal of Community Service*, 4(2), 95–104.
- [7]. Hakim, L., & Hasanah, U. (2023). Islamic business ethics in improving MSMEs competitiveness. *Journal of Islamic Entrepreneurship*, 5(2), 120–132.
- [8]. Indrajit, RE (2022). *Electronic government: Strategy for the development and advancement of digital technology-based public service systems*. Yogyakarta: Andi.
- [9]. Kotler, P., & Keller, K. L. (2022). *Marketing management (16th Global ed.)*. Pearson.
- [10]. Kurniawan, D., Prasetyo, B., & Lestari, N. (2024). Collaborative mentoring model for MSME development. *Journal of Community Empowerment*, 8(1), 33–46.
- [11]. Laudon, K. C., & Laudon, J. P. (2022). *Management information systems: Managing the digital firm (17th ed.)*. Pearson.
- [12]. Narsa, IM, Widodo, A., & Kurnianto, S. (2021). Financial literacy assistance for MSMEs. *Multiparadigma Accounting Journal*, 12(3), 560–574.
- [13]. Organization for Economic Co-operation and Development. (2023). *SME and entrepreneurship outlook 2023*. Paris: OECD Publishing.
- [14]. Porter, M.E. (2023). *Competitive advantage: Creating and sustaining superior performance (Updated ed.)*. New York: Free Press.
- [15]. Putri, A., & Yuliana, E. (2022). Improving service quality through MSME assistance. *Journal of Economic Service*, 5(1), 66–75.
- [16]. Purwana, D., Rahmi, R., & Aditya, S. (2022). Digital marketing strategy for MSMEs in improving business competitiveness. *Journal of Management and Entrepreneurship*, 24(1), 15–27.

- [17]. Rahman, M., Ismail, A., & Abdullah, N. (2023). Islamic entrepreneurship mentoring and sustainable MSMEs development. *International Journal of Islamic Business*, 8(2), 101–115.
- [18]. Rahmawati, N., Hidayat, T., & Prasetyo, A. (2023). Community mentoring to strengthen MSME competitiveness. *Indonesian Community Service Journal*, 3(4), 221–230.
- [19]. Republic of Indonesia. (2008). Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small, and Medium Enterprises. Jakarta: State Secretariat.
- [20]. Republic of Indonesia. (2021). Government Regulation of the Republic of Indonesia Number 7 of 2021 concerning Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises. Jakarta: State Secretariat.
- [21]. Sari, R., & Kurniawan, B. (2024). Empowering halal MSMEs through participatory mentoring. *Journal of Community Service and Empowerment*, 8(1), 55–67.
- [22]. Sari, D., & Nugroho, H. (2022). Participatory assistance in MSME empowerment. *Jurnal Abdimas*, 6(2), 88–97.
- [23]. Suharto, E. (2021). Building a society that empowers the people: A strategic study of social welfare development and social work. Bandung: Refika Aditama.
- [24]. United Nations. (2022). United Nations e-government survey 2022: The future of digital government. New York: United Nations.
- [25]. World Bank. (2023). World development report 2023: Migrants, refugees, and societies. Washington, DC: World Bank.
- [26]. Yusuf al-Qaradawi. (2021). Islamic economic norms and ethics. Jakarta: Gema Human.