



Assistance in Developing Canvas Model Business Capacity at Walcoo Shoes in Bogor City

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ABSTRACT

MSMEs are an important pillar in the Indonesian economy with a significant contribution to GDP and labor absorption. The fashion industry, especially shoes, is showing strong growth, and WALCOO Shoes as a player in this industry needs to understand and design the right business model. This study aims to analyze the WALCOO Shoes business model using the *Business Model Canvas* (BMC) approach and SWOT analysis. The SWOT analysis shows that WALCOO Shoes strengths in the comfort and flexibility of its products, but has weaknesses in supporting intensive physical activity and weather resistance. Opportunities include fashion trends and innovative materials, while the main threats come from fierce competition and changing consumer trends. Strategic recommendations for WALCOO Shoes include improving marketing strategies, maintaining product quality, and offering after-sales service with a warranty. The main resources include human resources, raw materials, and sewing machines, while the main activity is the shoemaking process from design to sales. The use of social media and *e-commerce* such as Tiktok and Shopee is optimized for sales channels. The proposed business model is expected to improve WALCOO Shoes' performance and competitiveness in the shoe industry.



A. INTRODUCTION

MSMEs are the most important pillar in the Indonesian economy. In the midst of the ever-growing economic dynamics, the existence of MSMEs not only provides a source of livelihood for millions of people, but also becomes a driving force for innovation and creativity at the local level. Along with the challenges brought by globalization and increasingly fierce market competition, efforts to strengthen the competitiveness of MSMEs are very important. One effective approach is through mentoring programs designed to help MSMEs improve operational efficiency and access to a wider market.

The use of human resources by opening many jobs is one of the solutions to reduce poverty and unemployment in a region. The contribution to product innovation, especially in the field



of home shoe industry, of course, is very helpful in improving the economic sector in Bogor City. Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently reaches 64.2 million with a contribution to GDP of 61.07% or worth 8,573.89 trillion rupiah. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total existing workforce and can collect up to 60.4% of total investment (Limanseto, 2021). The development of the fashion industry in Indonesia, especially in the shoe sector, has shown significant growth. Although it has an important role in the economy, the development of MSMEs is not without obstacles. Bank Indonesia's publications show that there are internal constraints in the form of capital, human resources, law, and accountability as well as external constraints in the form of business climate, infrastructure, and access (LPPI, 2015). Subsequent studies concluded that capital and marketing are still obstacles for MSMEs. (Rokhmah & Yahya, 2022).

In this context, WALCOO Shoes, as one of the business actors engaged in the shoe industry, needs to understand and design the right business model to compete and survive in the market. Increasing business and market access has become a major focus for many companies, especially for MSME players. Increasing business and market access are two important aspects that must be considered by MSME players, to develop and compete in an increasingly competitive market. One of the tools that can be used to analyze and design a business model is *the Business Model Canvas* (BMC). WALCOO Shoes is one of the shoe businesses that produces types of flat shoes for women with a variety of models and colors.

Better market access can be the key to driving the growth and sustainability of MSMEs. With access to a wider market, MSMEs can increase sales volume and increase the scale of business operations and MSMEs can learn and adapt to increase the competitiveness of their products or services. While MSMEs often face challenges in scaling up their business and accessing a wider market, MSMEs generally have limitations in terms of finance, human resources, and technology, which hinder their ability to compete with larger competitors. The problems identified in PKM can be divided into two things, namely how to implement the Business Model Canvas and how to market MSME products on the *marketplace platform*. The purpose of PKM activities is to provide education and assistance in the form of a Business Model Canvas model and product marketing through *a marketplace platform*. With this assistance, it is expected to provide a clear picture of WALCOO Shoes' position in the market, strengths and weaknesses in business models, and opportunities and threats that may be faced. In addition, this PKM can also provide strategic recommendations that can help WALCOO Shoes improve its business performance and competitiveness in the shoe industry.

B. METHODS

Canvas model business capacity development assistance activities at WALCOO Shoes will be carried out in March 2025. WALCOO Shoes manufactures in Batu City, Ciomas District and has business locations in Ciomas, Warung Jambu, Pekanbaru, and Aceh. At the implementation stage, the activities are divided into *onboarding activities* and assistance activities for the preparation of canvas model businesses. In *the onboarding activity*, the PKM



team assisted in conducting interactive discussions with business partners. The first indicator of the success of the activity is an in-depth analysis of WALCOO Shoes' business and environmental activities so that the PKM team can get accurate data to be able to answer questions about the internal and external environmental conditions. The next indicator of success can be seen from the existence of product marketing through *the marketplace*. Data were obtained through interviews, direct observation, and documentation.

C. RESULTS AND DISCUSSION

SWOT analysis is a method of strategic analysis used to evaluate strengths, weaknesses, opportunities, and threats that can affect the performance of an organization, project, or initiative. A SWOT analysis helps organizations to detail the factors that can affect their success or failure. Here is a SWOT analysis of the WALCOO Shoes business:

Table 1. SWOT Analysis Results

<i>Strength</i> (kekuatan)	• Comfort: Flats are known for their comfort, which is a great advantage especially for everyday wear. • Flexibility: Models can adapt to a variety of styles and occasions, both formal and casual. • Lightweight: Lightweight design makes it comfortable to use in comfortable daily activities.
<i>Weaknesses</i> (kelemahan)	• Lack of support for intensive physical activity: Flat shoes may not provide enough support for intensive physical activity, compared to shoes designed specifically for sports. • Lack of resistance to weather: some types of flat shoes may be less resistant to extreme weather or harsh environmental conditions.
<i>Opportunities</i> (peluang)	• Fashion trends: following and responding to the latest fashion trends to create designs that suit consumer tastes. • Innovative material development: creating flat Shoes with innovative materials that provide added value, such as eco-friendly materials or new comfort technologies.
<i>Threats</i> (ancaman)	• The shoe industry's fierce competition has high competition, so it is necessary to always maintain competitiveness. • Changes in consumer trends: sudden changes in fashion trends or consumer preferences can be a threat if not properly anticipated.



Based on the results of the SWOT analysis that has been conducted, here are recommendations for a new business model for WALCOO Shoes:

Table 2. Business Analysis Canvas Model (BMC)

Key Partners	Key Activities	Value propositions	Customer Relationship	Customer Segments
1. Shoe Raw Material Store • Distributor Business partners are: 4 other shoe brands	• Creation of shoe designs or models • Purchase of raw materials. 1. Pattern making 1. Texting process • Cutting process • Sewing process (<i>sewing</i>) 1. The maintenance process and Sole Installation 2. <i>Finishing</i> and then sold Evaluation Results: Create strategic marketing to increase brand awareness and sales	1. Shoe models follow the latest model trends • Maintain neatness and quality • Comfortable to use for daily activities because it is lightweight	• Maintain the quality of the shoe from materials and glue not mixed with gasoline. Evaluation Results: • Create after-sales service • Availability of warranty or return guarantee	• Teenage to adult women • School children and students • For the lower middle class
	Key Resources • Human Resources • Synthetic leather • Sewing machine • Rubber Floor • Squirrels Evaluation Results: Increasing the number of shoe manufacturing		Channels • Tiktok • Shopee • Direct sales (<i>offline</i>)	



	<i>employees</i>			
	Cost Sructure (Value Driven) • Raw material cost • Electricity costs • Cost of employee salary • Transportation costs	Revenue Streams Sources of income are from 3 productions: • Flat Shoes • Heels • Sandal Shoes <i>Evaluation Results:</i> <i>Unlocking shoe care and repair</i>		

After *on-boarding assistance* and assistance to increase human resource capacity, the service team provides assistance by establishing communication with business partners to discuss events that have not been previously described at the initial mentoring stage to get the best solution. Based on the results of the interview assistance and observations that have been carried out, it can be seen that WALCOO Shoes has applied the concept of a business model in its business by using a business model canvas approach. However, in its daily implementation, there need to be several aspects that must be evaluated based on the results of the SWOT analysis of WALCOO Shoes, here is a discussion of the canvas model that has been carried out:

1. *Customer Segments* :

Talking about business, the main thing that must be owned is the use of opportunities and an understanding of the target market. If both are mastered, at least the business that is run will be more directed and easy to develop. The customer segment of WALCOO Shoes is women from teenagers to adults because the shoe model is modern and follows the latest trend of eating shoes suitable for teenagers to adults and *flatshoes* that are suitable for school children and students and the price of affordable shoes starts from Rp. 45,000, then the segment is for the lower middle class.

2. *Value Propositions* :



WALCOO Shoes offers advantages in shoe models that are always updated and keep up with the times, as well as maintaining neatness and quality, besides that shoes are made comfortable to use for daily activities. With these advantages, WALCOO Shoes is no less good than other shoe brands, as shown by the sale of shoes on Tiktok shop and Shopee which has sold thousands of pairs of shoes.

3. *Channels (Saluran):*

For sales and promotional media, WALCOO Shoes uses direct/offline sales and uses social media and *e-commerce platforms*, namely Shopee and Tiktok. As MSME actors who have succeeded in taking advantage of market trends, especially during the shoe model boom. After entering the Shopee platform, the number of daily orders, which was initially only one to two orders, increased consistently, and could even reach more than 200 orders per day. By utilizing the advertising feature on Shopee as one of the main marketing strategies and allocating a significant budget for advertising, WALCOO Shoes has managed to increase traffic and expand market reach. Not only domestically, currently WALCO Shoes products already have customers in Malaysia thanks to the Shopee Export Program that it participates in.

4. *Customer Relationships :*

From the results of observations at WALCOO Shoes only pay attention to the quality of shoes to maintain customer relationships, so the researcher provides suggestions to add value to customer relationships, namely by making after-sales service and providing a warranty or return if there is damage to the shoes. An example of after-sales service is if the shoes when they reach the consumer's hands are damaged or the shoes are damaged, then WALCOO Shoes will make repairs to the damage to the shoes.

5. *Revenue Streams :*

The revenue stream obtained by WALCOO Shoes is from the sale of flat shoes, heels and sandals as well as from 5 shoe brands, namely 1 brand owned by itself, namely the WALCOO Shoes brand and 4 brands owned by others. So this business not only makes shoes of the WALCOO Shoes brand but also makes 4 other brands that have cooperated. WALCOO Shoes' income in a week can reach Rp. 3,000,000. Then the researcher gave suggestions to increase the source of income, business owners can open shoe care and shoe repair services because people usually do not understand shoe care and if the shoes are damaged such as loose soles or accessories that come off, consumers can repair them at WALCOO Shoes so that the shoes can be reused.

6. *Key Resources :*

WALCOO Shoes manufactures women's shoes made from quality PVC materials, at very affordable prices. Knowledge in choosing the raw materials used for the product is one of the main keys to the quality of shoes. In addition, to support this business, the main resources needed are employees and sewing machines, wood shoeing for shoe formation or for opening. The number of employees currently is 14 people with their respective parts,



namely 7 people in the sewing/sewing section, 5 people in the open section, and 2 people in the admin section. After conducting research, business owners said that many requests for shoe orders were not able to meet the demand and were only able to fulfill half of the orders, so the researcher suggested adding employees in the shoe manufacturing department so that all customer wishes were fulfilled.

7. *Key Activities :*

The main activity in this business is the manufacture of shoes from starting to design the model then buying materials, after that making the pattern then it is finished and scissors, then the sewing or sewing process and after that the opening process then the installation of the shoe sole is finally *finished* and finally sold. Judging from the SWOT analysis of the number of competitors, the researcher provides suggestions to make marketing strategies to increase brand awareness and sales.

8. *Key Partnerships :*

From the activities that have been carried out, partners have been registered and can make sales transactions by utilizing the Tiktok and Shopee platforms. However, this still requires consistency of business actors in conducting regular marketing. The service team also provides advice to optimize marketing through social media *Instagram Story* and *Whatsapp Status* every day. During the mentoring, business actors stated that there was an increase in turnover so that it needed to be increased again in terms of product marketing. Shoe raw material stores provide raw materials such as synthetic leather, shoe accessories, yarn, and so on. Distributors as distributors and sellers to consumers and collaborate with business partners, namely 4 shoe brands owned by others and WALCOO Shoes helps make shoes with these brands.

9. *Cost Structure :*

The costs incurred by WALCOO Shoes in running its business include raw material costs, electricity costs, employee salary costs, transportation costs. Raw material costs are costs incurred when there is an order and the cost is uncertain because it corresponds to the order quantity. Then other costs such as employee salaries of approximately Rp. 700,000 are paid once a week and electricity costs are paid every month. The initial capital spent by the business owner to make this shoe industry home is Rp. 15,000,000. In the implementation of assistance activities for the preparation of production costs, the obstacles faced are that the calculation of cost accounting is difficult. Cost calculation also requires the discipline of business owners in recording the costs incurred so that the calculation is accurate. On the other hand, business actors find it easier by making targeted *gross profit estimates* . This can be done as long as the composition of raw materials, the price of raw materials and the size of the packaging are not fluctuating or relatively fixed. However, if the price of materials fluctuates, then the cost calculation using estimates can be inaccurate and the profit calculation also becomes inaccurate.



D. CONCLUSION

MSMEs have an important role in the Indonesian economy, including the fashion industry such as WALCOO Shoes which produces women's shoes. WALCOO Shoes' business model through the BMC and SWOT approaches, there are strengths in the comfort and flexibility of its products, as well as weaknesses in supporting physical activity and weather resistance. The opportunity lies in fashion trends and innovative materials, while the threat comes from fierce competition and changing consumer trends. Online business has enormous potential and will be able to provide clear benefits if it is lived diligently. Strategic recommendations include improving business performance through improved customer service, marketing strategies, and employee addition. The advantage of this activity is to focus on one MSME so that the results achieved can be more monitored. The next activity can be sought to be followed by more MSMEs without reducing the monitoring of results.

SUGGESTION

With this MSME mentoring activity, it is hoped that business owners can take advantage of the knowledge that has been provided during the mentoring to improve their ability to be entrepreneurial. In addition, this MSME assistance program can also strengthen the local economy and improve the welfare of the community as a whole. Sustainability, mentoring and collaboration with various parties are expected to be able to create a better and sustainable business ecosystem for MSMEs throughout Indonesia, especially Bogor City.

For newcomers who will or have entered the shoe business industry, here are some suggestions from the PKM team, including:

1. Knowing what value to offer to customers and being consistent in creating that value, as much as possible creates value that is different from competitors.
2. Empowering employees who do not have skills and expertise, so that the skills and expertise possessed by old employees can be passed on to new employees, in order to overcome the threat of high *turnover* from employees.
3. Provide special offers to existing customers, such as special prices. This is because old customers do not move to rival production sites, and can minimize customer *turnover* rates .
4. Always provide information to customers, both about the process of processing products ordered from customers, and about the latest products.
5. Using effective marketing channels, one of which is by utilizing technology.
6. Establish strong relationships with suppliers and preferably have backup suppliers.

E. AUTHOR CONTRIBUTION

- 1) Conducting professionally managed financial bookkeeping and utilizing existing intellectual resources, one of which is the brand so that it can reach other sectors in the shoe industry.

Documentation Attachment



Picture 1.

Assistance with Business Owners



Picture 2.

With WALCOO Shoes Employees



Picture 3.

Interviews with Business Owners



Picture 4.

Raw Material Storage



Picture 5. Shoe Pattern Making Process





Picture 6. Sewing/ Sewing Process



Picture 7. Maintenance Process



Picture 8. Shoe Sole Installation Process



Picture 9. Ready-to-Sell Shoe Finishing

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