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Managerial Insight Development Program for Improving Performance and Scalability of Micro Batik Fashion Businesses

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ABSTRACT
This community service research focuses on accelerating the managerial capabilities of ASTAGUNAKU, a batik fashion Micro, Small, and Medium Enterprise (MSME) from Blitar, Indonesia. The primary issue identified was a significant gap between the business's potential—supported by strong legality and technical competence—and its unstructured, intuition-based management practices, which severely hindered scalability and marketing effectiveness. This condition is common among artisan-based MSMEs, where superior product quality is often not matched by robust business management, creating structural barriers to growth. This study aims to transform ASTAGUNAKU from an intuition-led operation into a measurable and scalable business entity through a structured intervention. The method employed was the Managerial Insight Development Program (Program Pengembangan Wawasan Manajerial - PWM), a qualitative action research study conducted intensively over four months (September-December 2025). The program involved five sequential phases: needs identification through diagnostic interviews, SWOT analysis to map strategic position, practical solution formulation, hands-on training workshops, and intensive mentoring for masterplan development. The program's results demonstrated significant improvements in three core areas: finance, with the complete separation of personal and business assets and the standardization of Cost of Goods Sold (COGS) calculation using digital bookkeeping; operations, through the creation and implementation of visual Standard Operating Procedures (SOPs) for production and quality control; and marketing, by successfully expanding sales channels to major marketplaces and launching an official website, leading to initial sales from these new channels. It is concluded that the PWM program successfully built a solid managerial foundation, effectively shifting ASTAGUNAKU from an intuitive craft-based enterprise to a structured micro-business poised for strategic expansion and sustainable growth.

Keywords:
Batik Fashion, Business ,Scalability, Managerial Capability, MSME, Venture Development

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) in the creative sector are one of the fundamental pillars of the Indonesian economy, demonstrating resilience and significant contributions to the gross domestic product (Tambunan, 2011). In this ecosystem, MSMEs based on handicrafts (artisans) often have a competitive advantage in terms of product authenticity and quality. However, this advantage is often accompanied by structural constraints in managerial aspects that hinder the potential for sustainable growth (Longenecker et al., 2017). This phenomenon is reflected in ASTAGUNAKU, a batik fashion brand from Blitar, East Java, which is the case study in this program.

ASTAGUNAKU represents an interesting anomaly: a business entity with great business potential, supported by solid business legality (NIB, HKI Trademark) and certified technical competence of its founders, but its operations are still run intuitively.

The gap between high production capabilities and unstructured management capacity is a major obstacle to business scalability. According to Griffin (2021), effective management is key to coordinating and supervising work activities efficiently and effectively, a principle that has not been fully internalized in ASTAGUNAKU's daily operations. High dependence on the founder (key person risk), the absence of standard systems for finance and operations, and suboptimal marketing strategies are manifestations of this gap.

To be able to compete in a broader and more dynamic market, MSMEs such as ASTAGUNAKU need a fundamental transformation from an artisan mindset to a business architect mindset that is capable of designing strategies and systems (David & David, 2017). Therefore, the Managerial Insight Development Program (PWM) is specifically designed to bridge this gap. The main objective of this program is to accelerate ASTAGUNAKU's transformation from a micro-based artisan business into a sustainable, measurable, and scalable business entity by building a healthy financial management system ( ), creating standardized production processes, diversifying digital marketing channels, and developing a long-term business plan as a strategic guide.

Managerial capability is defined as an entrepreneur's ability to integrate, build, and reconfigure internal and external competencies to cope with a rapidly changing environment (Teece, Pisano, & Shuen, 1997). For MSMEs, this capability is a determining factor in survival and growth. Research by Arbawa & Wardana (2016) shows that managerial capabilities have a positive and significant effect on SME performance. These capabilities include strategic planning, financial management, operations, and marketing. Fatoki (2014) adds that managerial competencies for micro entrepreneurs include the ability to identify opportunities, manage resources, and build networks.

Business scalability, or the ability to grow significantly without being constrained by available structures or resources, is the main goal of business development. Scalability does not only mean an increase in production volume, but also process efficiency and sustainable market expansion (Verhoef et al., 2021). In craft-based MSMEs such as the batik industry, scalability is often hampered by manual production processes and dependence on individual expertise (Apriliyanty & Sembiring, 2016). Therefore, standardization through Standard Operating Procedures (SOPs) is crucial to ensure quality consistency while paving the way for delegation and increased production capacity.

In the context of modern marketing, digital transformation is a necessity. MSMEs must be able to utilize digital platforms to expand their market reach beyond geographical boundaries (Kotler & Armstrong, 2018). Diversifying marketing channels, from organic social media to marketplaces and official websites, not only increases sales potential but also builds credibility and a more professional brand image. Interventions that integrate the strengthening of internal managerial capabilities with external digital adaptation strategies, as implemented in this program, are in line with a holistic MSME development framework that is relevant to the challenges of the Industry 4.0 era.

METHOD

This research uses a qualitative case study approach with an action research method. This approach was chosen because it allows researchers to be actively involved in the intervention and observation process, working collaboratively with research subjects to identify problems and implement solutions directly (Creswell & Poth, 2018). The research subject is ASTAGUNAKU, a batik fashion SME in Blitar, East Java.

The main intervention in this study was the Managerial Insight Development Program (PWM), which was implemented intensively over four months (September-December 2025). The program was divided into five systematic phases:

Phase 1: Needs Identification. At this stage, primary data was collected through in-depth interviews with owners and direct observation of business processes to understand operational challenges and strategic vision.

Phase 2: Mapping Potential and Problems. The collected data was analyzed using the SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis framework. This analysis aims to map ASTAGUNAKU's strategic position, identifying internal factors (strengths and weaknesses) originating from company resources (Barney, 1991) and external factors (opportunities and threats) from the business environment.

Phase 3: Solution Exploration. Based on the SWOT analysis results, a series of practical and relevant intervention programs were designed, covering financial management, operational, and digital marketing modules.

Phase 4: Training and Implementation. This phase is the core of the implementation, where solutions are implemented through practical workshops and direct mentoring sessions. Examples include training on the use of digital accounting applications, the preparation of visual SOPs, and the creation of stores in the marketplace.

Phase 5: Master Plan Development Assistance. In the final stage, all lessons learned are integrated into a long-term strategic business plan (master plan) as a guide for business development for the 2026-2028 period.

Data collection techniques include interviews, participatory observation, and document analysis. Data is analyzed qualitatively and descriptively to evaluate the impact of the intervention on changes in managerial practices and the achievement of predetermined targets.

RESULTS AND DISCUSSION

The implementation of the Managerial Insight Development Program (PWM) resulted in significant transformations in three fundamental areas of ASTAGUNAKU's business: financial management, operational production, and digital marketing.

1. Financial Management Transformation

Before the intervention, ASTAGUNAKU's financial management was intuitive, with business and personal assets mixed and no standard transaction recording system. The intervention began with training in the use of a digital bookkeeping application (BukuWarung) and the method of calculating the Cost of Goods Sold (COGS). As a result, by the end of the program, a 100% separation between business and personal bank accounts was achieved. All transactions are now recorded digitally, enabling the owner to compile a simple Profit and Loss Statement independently for the first time. This change shifted the decision-making paradigm from intuition-based to real data-based, a crucial foundation for accurate business planning (Umar, 2005). The ability to accurately track profitability enabled owners to design more competitive and sustainable pricing strategies.

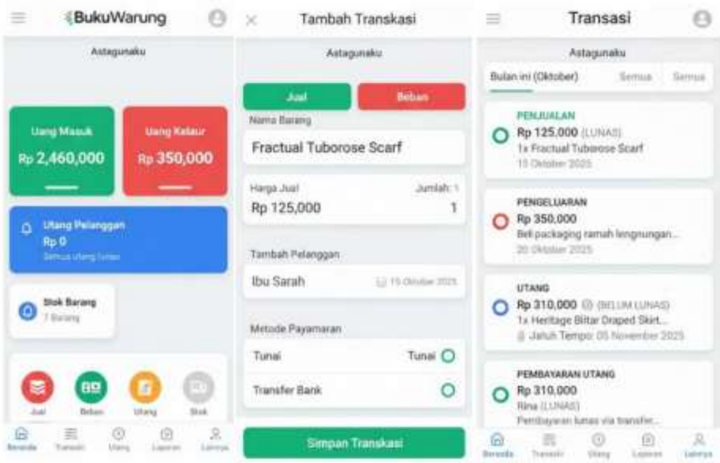

Figure 1. Digital Accounting Application Display

2. Production and Operational Standardization

The main weakness in the operational field was dependence on the founder and the absence of process standards, which limited production scalability. The intervention focused on mapping the production workflow for flagship products, which was then translated into a Standard Operating Procedure (SOP) in visual format. This SOP was posted in the workspace as a standard work guide. In addition, a checklist for quality control was implemented at the final stage of production. As a result, the production process became more structured and product quality consistency was better assured. The presence of visual SOPs opened up opportunities to delegate production tasks to assistants in the future, which was the first step towards increasing business capacity and scalability (Heizer, Render, & Munson, 2020).

Figure 2. Visual SOP for Batik Shirt Production Installed in the Workroom

3. Diversification and Optimization of Digital Marketing

Previously, ASTAGUNAKU's marketing relied heavily on organic Instagram channels. The intervention program expanded market reach by diversifying sales channels. An official store was successfully activated on the Shopee marketplace platform, complete with optimized product descriptions and visuals. Additionally, an official website (https://astagunaku.framer.website/) was launched as a digital storefront and brand information center, enhancing the brand's professional image and credibility. As a result, ASTAGUNAKU not only successfully reached a wider audience but also recorded its first sales transactions through these new channels. This validates the effectiveness of the diversification strategy and proves that with the right guidance, MSMEs can effectively leverage the potential of the digital economy (Rachinger et al., 2019).

Overall, the program results show that structured and applicable interventions in core managerial aspects can effectively accelerate SMEs' readiness to grow. This success is not only measured by physical outputs such as SOPs or financial reports but also by changes in the mindset of owners, who are now more systematic, strategic, and data-driven.

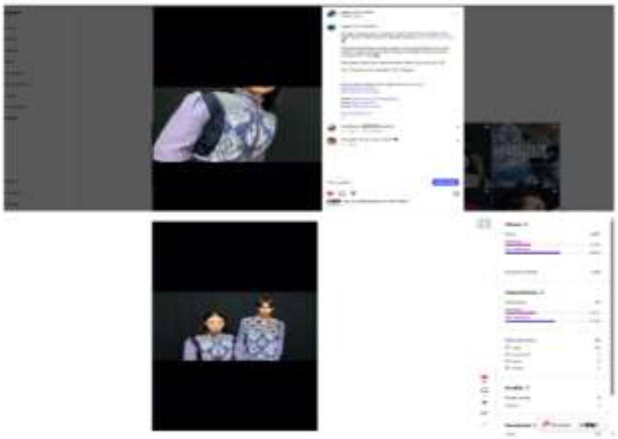

Figure 3. Social Media Content Optimization Display

CONCLUSION

The Managerial Insight Development Program (PWM) has proven successful in accelerating the transformation of ASTAGUNAKU MSMEs from intuition-based micro businesses into business entities with a structured, measurable, and ready-to-grow managerial foundation. The interventions effectively addressed the core problems identified, with significant impacts in three main areas: (1) the establishment of an accountable financial management system through asset separation and digitization of records; (2) the creation of standardized and efficient processes through the implementation of visual SOPs and quality control; and (3) the realization of market expansion through the diversification of digital marketing channels to marketplaces and official websites. This program has succeeded in building a solid foundation, enabling ASTAGUNAKU to shift from estimation-based decision making to data-based decision making, which is an essential asset for strategic and sustainable growth.

Based on the program findings, several recommendations were formulated. For ASTAGUNAKU, it is recommended to maintain consistency in running the established system, especially in financial recording and SOP implementation. The next focus is the execution of the first phase of the master plan (Consolidation), which is to stabilize sales in new channels while begins testing the task delegation system by recruiting production assistants. For similar MSME development programs in the future, it is recommended to allocate more time to the implementation phase to ensure the internalization of new habits, as well as to add specific initial quantitative metrics (e.g., sales growth targets) for more accurate impact measurement. Adding a digital readiness assessment module at the beginning of the program can also help adjust the intensity of technical training to be more effective.

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