

Optimizing Business Management for MSME Growth: A Case Study of CandyCo's Empowerment

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ABSTRACT:

This community service activity examined the managerial conditions of CandyCo, a crochet-based micro, small, and medium enterprise (MSME) in Malang, East Java, and formulated an integrated strengthening agenda across human resources, operations, marketing, and finance. The activity was conducted through field observation, interviews, document review, and participatory problem analysis with the business owner and team. The diagnosis identified four interrelated issues: specialization of artisan skills that limited production flexibility, geographically distributed artisans that complicated coordination and quality consistency, seasonal demand concentrated around graduation and gift-giving periods, and financial records that had been digitized in spreadsheets but were not yet fully used for forecasting and managerial analysis. Rather than reporting unsupported short-term performance gains, this article presents the verified managerial conditions, the practical recommendations developed with the partner, and their implications for MSME capability building. Recommended actions include a skills matrix and cross-training scheme, simple production and quality-control SOPs, more structured inventory and order coordination, market diversification through content and marketplace optimization, and cash-flow planning based on seasonal scenarios. The case shows that managerial strengthening in a creative MSME is most useful when business functions are treated as an interconnected system rather than as separate interventions.

Keywords: CandyCo, community service, creative MSME, integrated management, crochet enterprise, managerial strengthening.

1. INTRODUCTION

CandyCo is a creative MSME in Malang, East Java, producing handmade crochet products such as flowers, dolls, bags, key chains, baby products, and customized gifts. The business was initiated by Putri Ruswandani in 2020 and developed from an owner-led activity into a wider artisan network. The field report used in this community service activity documented 21 artisans distributed across several cities at the time of observation, while later public reporting shows that the composition and location of the workforce continued to evolve as the business developed. This changing network is important because CandyCo operates through a distributed production model in which craftsmanship, coordination, product consistency, and market responsiveness are closely interdependent.



Figure 1. Logo CandyCo

Source: Researcher's Documentation

CandyCo's development illustrates both the opportunity and the managerial complexity of a creative enterprise built around handmade production. The comprehensive field report describes a gallery at Jl. Raya Candi VI D No. 165, Karangbesuki, Sukun, Malang, supported by artisans working from different locations. The business combines customized products, local craft skills, social-media promotion, and marketplace distribution. An earlier study using CandyCo consumers in Jakarta also found that product benefits and product attributes significantly influenced brand image, indicating that the value perceived in the product itself is central to the brand's market position (Ruswandani & Mugiono, 2023). This makes consistency of craftsmanship, product presentation, and customer communication managerial priorities rather than merely production concerns.

The initial diagnosis identified four connected management challenges. First, artisan competencies were uneven and product-specific, so the availability of a particular skill could become a bottleneck when demand shifted among flowers, dolls, bags, or other customized items. Second, geographical separation complicated supervision, communication, and quality assurance. Third, sales were strongly influenced by seasonal occasions, particularly graduation-related demand, creating potential fluctuations in workload and cash flow. Fourth, CandyCo already used spreadsheet-based financial recording, but the records were still more oriented toward transaction documentation than toward systematic forecasting, product-level contribution analysis, and scenario-based planning. These issues suggest that the enterprise required cross-functional managerial strengthening: workforce flexibility affects production capacity; operational consistency affects product attributes and brand image; marketing diversification influences seasonality; and financial information determines whether growth can be funded sustainably. Research on SMEs similarly emphasizes that digital capability, strategic flexibility, and financial literacy can reinforce resilience when they are connected to operational decision-making (Wided, 2023; Frimpong et al., 2022).

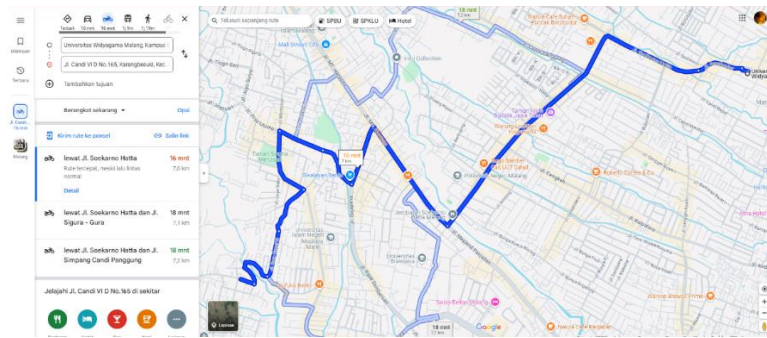


Figure 2. Location of CandyCo's Gallery in Malang

Source: Researcher's Documentation

Accordingly, the purpose of this community service activity was to (1) diagnose priority managerial problems at CandyCo based on field evidence; (2) formulate feasible strengthening actions for human resources, operations, marketing, and finance; and (3) integrate those actions into a practical improvement agenda appropriate to a handmade, distributed-production MSME. The article therefore emphasizes verified conditions and actionable knowledge transfer rather than attributing post-program numerical improvements that were not measured in the original field documentation.

2. METHODS

This activity used a participatory, problem-solving community service design with elements of participatory action research. The emphasis was on joint problem identification and the formulation of applicable managerial solutions rather than on an experimental before-and-after evaluation. Field activities were conducted in November 2024 at CandyCo's gallery in Malang, in accordance with the practicum implementation period documented in the field report. The service team consisted of six Management Study Program students from Universitas Widyagama Malang under academic supervision. The primary partner informant was the business owner, supported by information concerning marketing, production, artisans, and financial administration available during the field visit.

Table 1. Stages of Implementation

Stage	Description
Assessment and Problem Identification	Direct observation, interviews, document review, and photographic documentation were used to identify issues in human resources, operations, marketing, and finance.
Functional Diagnosis	Observed practices were mapped against basic management functions. The team identified artisan skill specialization, distributed coordination, seasonal demand, operational standardization needs, and opportunities to improve the managerial use of financial records.
Participatory Formulation of Solutions	Recommendations were discussed and formulated around a skills matrix and cross-training, concise production and quality SOPs, inventory/order coordination, market diversification and storytelling, and seasonal cash-flow planning.
Evaluation and Follow-up Agenda	The activity evaluated the consistency and feasibility of the proposed solutions. Because no validated pretest-posttest or time-series outcome data were collected, follow-up measurement indicators were proposed for subsequent mentoring.

Data were obtained through direct observation of the gallery and work setting, interviews, review of business records and photographs, and analysis of the company's management practices. The diagnostic framework covered four functional areas: human resources, operations, marketing, and finance. Existing digital practices—including

spreadsheet-based financial records, social media, marketplace channels, and messaging applications—were treated as the partner’s baseline capabilities. The team then compared observed conditions with basic management principles and formulated recommendations that could be implemented without requiring complex technology. Because the original documentation did not include a controlled pretest-posttest, transaction analytics, or a validated outcome survey, evaluation was conducted at the level of managerial diagnosis, feasibility of recommendations, and consistency between identified problems and proposed solutions.

3. RESULTS

The community service activity generated an integrated managerial diagnosis of CandyCo. The main finding was that the enterprise’s challenges could not be treated independently because the distributed artisan model links workforce skills, order coordination, quality consistency, market timing, and cash-flow stability. In human resource management, the report identified different levels and types of crochet expertise among artisans. Some artisans were more capable of producing particular product categories than others. This specialization is valuable for craftsmanship, but excessive dependence on product-specific individuals can reduce flexibility when orders change rapidly. The recommended response was therefore not to eliminate specialization, but to document it through a simple skills matrix and gradually develop cross-skilling for selected high-demand product categories. Such an approach can support functional flexibility while preserving the quality advantages of specialist artisans.

A second human-resource issue was geographical dispersion. The report records artisans working across different cities and describes production responsibilities being divided between locations. This creates a coordination problem that is especially relevant for custom products, because variations in pattern interpretation, finishing, and delivery timing can affect the final customer experience. The strengthening agenda proposed routine digital coordination, clear task ownership, reference samples, and concise quality criteria for each product category. Later external reporting on CandyCo also continued to identify human-resource management, production capacity, and quality consistency as practical growth challenges, which supports the relevance of the original diagnosis without implying that the community service activity alone caused subsequent business development.

From an operational perspective, CandyCo relied mainly on simple hand tools, while production and final assembly involved different workers and locations. The report describes inventory control, production planning, quality checks, and a gallery layout, but it also points to possible delays and inconsistency when skills, materials, and orders are not synchronized. The key operational recommendation was therefore to formalize only the most critical processes: order acceptance and specification confirmation, assignment of artisans, material preparation, progress tracking, final inspection, and packing. A lightweight SOP is more appropriate for a small creative enterprise than an overly bureaucratic procedure. The aim is to make the production flow visible and repeatable while retaining the flexibility required for customized handmade products.

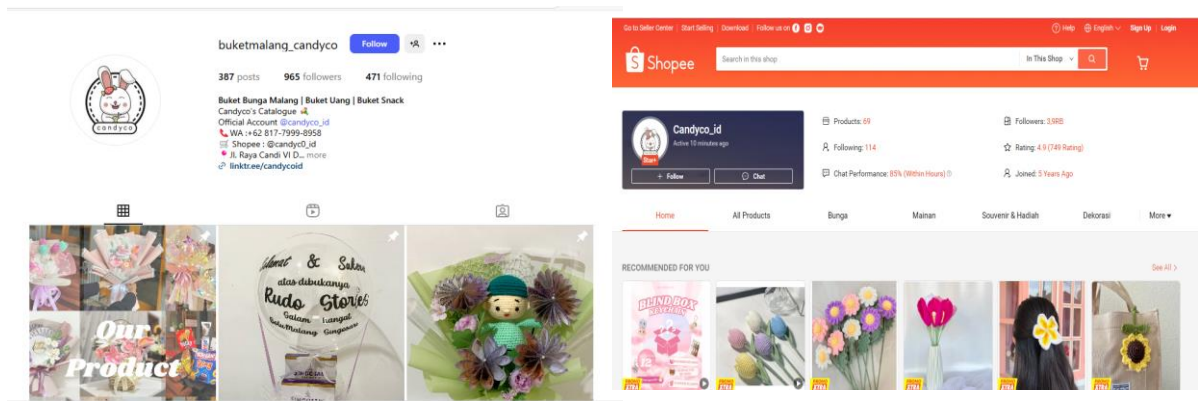


Figure 3. CandyCo's Instagram and Shopee Presence

Source: Researcher's Documentation

Marketing diagnosis showed that CandyCo already had a stronger digital baseline than stated in the initial draft article. The field report notes the use of Instagram, TikTok, Shopee, and Tokopedia, alongside a physical gallery and participation in creative events. Consequently, the managerial issue was not the absence of digital channels, but how to use them more strategically to reduce dependence on seasonal demand and strengthen product differentiation. Recommended actions included grouping products by occasion and customer problem, preparing reusable product stories, improving catalog consistency, and scheduling content outside graduation peaks. This is consistent with evidence that social media can support e-commerce performance when it is connected to customer management rather than treated merely as a broadcasting channel (Fitriani et al., 2023).

CandyCo's own prior consumer research provides a particularly relevant basis for this recommendation. Ruswandani and Mugiono (2023) found that product benefits and product attributes significantly affected CandyCo's brand image, whereas price did not show a significant partial effect. For the partner, this suggests that communication should emphasize craftsmanship, customization, usability as a meaningful gift, material quality, and the story behind handmade production rather than relying primarily on price competition. This positioning is also compatible with later media coverage showing that CandyCo continued to market through multiple channels, including a gallery, resellers, marketplaces, social commerce, B2B activities, exhibitions, and events. These later developments are used here only as contextual corroboration of the importance of channel diversification, not as measured outcomes of the 2024 activity.

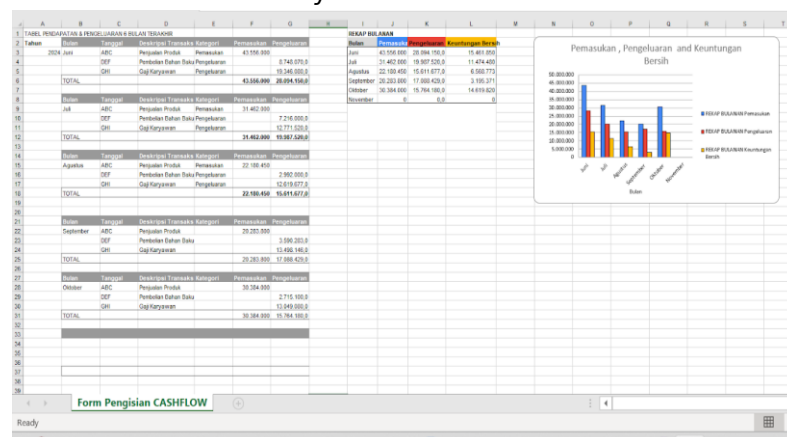


Figure 4. CandyCo's Monthly Cash-Flow Worksheet

Source: Researcher's Documentation

Financial management was more developed than the original draft suggested. The comprehensive report documents Excel-based recording and presents a monthly cash-flow worksheet. The central gap was therefore not a shift from paper to digital bookkeeping, but the managerial use of those records. Seasonal demand and local price competition can create uneven revenue patterns even when transaction recording is orderly. The recommended next step was to convert monthly records into simple decision tools: a seasonal cash-flow forecast, product-level cost and contribution estimates, a minimum cash reserve, and a purchasing plan for high-demand periods. Financial literacy research indicates that the ability to interpret financial information and access digital finance is associated with stronger SME performance, while studies in Indonesian MSMEs also stress the relevance of combining financial and digital literacy in practical business decisions (Frimpong et al., 2022; Al-Shami et al., 2024).

Table 2. Integrated Managerial Diagnosis and Strengthening Priorities at CandyCo

Management Area	Verified Diagnosis	Strengthening Priority
Human Resources	Specialized artisan skills; distributed team	Skills matrix, cross-training, and clear task ownership
Finance	Excel-based monthly records; limited forecasting use	Seasonal cash-flow forecast and product-level cost analysis
Operations	Split production/assembly; coordination and quality-control needs	Concise order, production, QC, inventory, and packing SOPs
Marketing	Digital channels already active; demand remains seasonal	Occasion-based diversification, storytelling, and catalog optimization

The cross-functional implication is that CandyCo's growth depends on alignment rather than isolated improvements. A promotion campaign can increase orders, but without a skills map and production schedule it may lengthen lead times. Cross-training can increase capacity, but without product standards it can create quality variation. Digital bookkeeping can improve documentation, but without product-level and seasonal analysis it may not improve purchasing or pricing decisions. The practical contribution of the service activity is therefore an integrated sequence: map skills and roles; standardize critical order and quality steps; coordinate inventory and production; diversify market occasions and storytelling; and use financial records to plan capacity and cash needs. This sequence is deliberately simple so that it can be applied by a small creative enterprise with limited managerial staff.



Figure 5. Field Documentation with the CandyCo Team

Source: Researcher's Documentation, 2024

Two limitations should be acknowledged. First, the source field report was designed as a comprehensive management practicum and did not collect validated pretest-posttest

measures, time-series performance indicators, or controlled outcome data. For that reason, numerical claims previously included in the draft—such as percentage reductions in preparation time, increases in online inquiries, numbers of marketplace transactions, or increases in social-media engagement—cannot be verified from the available documentation and have been removed. Second, CandyCo is a dynamic enterprise whose workforce composition, locations, and channels have changed after the observation period. Subsequent media reports describe continued growth, artisan training, wider channel use, and participation in business-development programs. Future follow-up activities should therefore begin with an updated baseline and measure a limited set of outcomes, for example order lead time, defect/rework rate, number of artisans able to produce priority products, proportion of off-season sales, contribution margin by product category, and completeness of monthly cash-flow forecasting.

4. CONCLUSION

This community service activity provides a grounded managerial diagnosis of CandyCo as a distributed handmade crochet MSME. The field evidence indicates that the key challenges were uneven artisan specialization, coordination across locations, the need for more consistent operating standards, seasonal demand, and the limited use of existing financial records for forward-looking decisions. CandyCo already possessed important capabilities, including skilled artisans, customized products, a physical gallery, digital promotion, marketplace use, and spreadsheet-based financial recording. Therefore, the most appropriate strengthening strategy is not to replace existing practices, but to connect them through simple management tools and clearer decision routines.

The recommended model integrates five practical steps: skills and role mapping, cross-training for priority products, concise production and quality SOPs, market diversification based on product benefits and attributes, and seasonal financial planning. This integrated approach is relevant for other creative MSMEs that depend on distributed artisans and customized production. Future community service should use an updated baseline and measurable outcome indicators so that changes in efficiency, market reach, workforce flexibility, and financial quality can be evaluated transparently. In this way, knowledge transfer can remain participatory while also producing stronger evidence of impact.

All authors contributed to the implementation and preparation of the community service article. Contributions included program planning, field activities, data collection and interpretation, preparation of managerial recommendations, manuscript writing, and critical revision. All authors read and approved the final manuscript.

AUTHOR CONTRIBUTIONS

Survival contributed to the conceptualization, supervision, and critical review of the community service program and manuscript. Mega Fianita Fadilah contributed to field data collection, problem identification, documentation, analysis of managerial functions, and preparation of the manuscript. Zaenudin contributed to field implementation, data interpretation, formulation of managerial recommendations, and manuscript preparation. All authors participated in the implementation of the

community service activity, reviewed the final manuscript, and approved the version submitted for publication.

DATA AVAILABILITY

The data supporting this article were obtained from field observations, interviews with the CandyCo business owner and team, business documentation, financial records made available by the partner, and photographic documentation collected during the community service activity. Data containing confidential business information or personally identifiable information are not publicly available. Non-confidential supporting data may be made available by the corresponding author upon reasonable request and subject to the consent of the community service partner.

CONFLICT OF INTEREST

The authors declare that there are no conflicts of interest regarding the implementation of the community service activity, interpretation of the findings, or publication of this article.

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