

ABSTRACT

XYZ Store is a micro-enterprise engaged in the ready-made clothing industry, particularly selling long and short pants in Sragen District, Central Java. This business has been established since 2000 and is known for offering affordable products with good quality. However, amidst the increasingly competitive clothing industry and the challenges of digitalization, XYZ SME faces issues such as declining income, high income fluctuations, limited product variation, conventional marketing strategies, and suboptimal inventory management. Therefore, XYZ SME requires a suitable business model to develop strategies that can address these challenges and enhance its competitiveness in the market.

This research aims to propose a new business model for XYZ SME using the *Business Model Canvas* and SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis methods. The methodology used in this study is qualitative, where data is collected through direct interviews with the owner and customers, as well as literature studies related to the business environment. The analysis is conducted inductively by mapping the existing business model into the nine blocks of the *Business Model Canvas*, followed by a SWOT analysis to identify the strengths, weaknesses, opportunities, and threats faced by XYZ SME.

Based on the interview results and analysis conducted, a picture of the current business model of XYZ SME and the issues faced was obtained. A detailed SWOT analysis was then carried out to formulate business development strategies. The outcome of this research is a new business model design using the *Business Model Canvas*, which has been adjusted and validated together with the business owner, with the expectation that it will improve income stability, expand the market, and strengthen the competitiveness of XYZ SME in the digital era.

Keywords: *Business Model Canvas*, SWOT, Business Model, SMEs, Ready-made Garments.