

ABSTRACT

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BUILDING BUSINESS STRATEGIES THROUGH ENTREPRENEURSHIP COMPETENCE AND PRODUCT INNOVATION TO IMPROVE PERFORMANCE IN MICRO, SMALL, MEDIUM, ENTERPRISE (MSMEs).

(xii + 100 pages; 9 images; 29 tables)

MSMEs in Food and Beverage industry are one of the industries that have great potential. A company that can bring positive impacts are companies that have good performance, so achieving this requires the right business strategy. Therefore, the purpose of this research is to examine the effect of the business strategy formed through entrepreneurial competence and product innovation on the company's performance. The method being used for this study is the quantitative method. The number of respondents collected by distributing questionnaires for this study amounted to 207 respondents. A preliminary test was carried out with a total of 40 respondents. This study used SmartPLS 4.0.8.0 as a tool to calculate the actual test. There are 5 hypotheses formed in this research, which are (H1) Entrepreneur competence has a significant influence on business strategy, (H2) Product innovation has a significant influence on business strategy, (H3) Entrepreneur competence has a significant influence on business performance, (H4) Product innovation has a significant influence on business performance, and (H5) Business strategy has a significant influence on business performance. Based on the research conducted, found that entrepreneur competence and product innovation have a significant influence on business strategy. This also applies to the hypothesis that entrepreneur competence and product innovation have a significant influence on business performance, and the last hypothesis, which is the business strategy hypothesis, has a significant influence on business performance. It can be concluded that all hypotheses in this study are stated to have a significant effect. With this study, it is recommended that business developers can focus on developing entrepreneurial competence, especially in interpersonal skills and innovating in the field of digitalization to face the upcoming Industry 4.0 in order to improve business performance.

Keywords: *Entrepreneur Competence, Product Innovation, Business Strategy, Business Performance, Digitalization, Interpersonal skills.*