

***INFLUENCE OF THE BUSINESS ENVIRONMENT AND INNOVATION  
STRATEGY ON OPERATIONAL PERFORMANCE ON MSME  
CONFECTIONS IN TAMANSARI DISTRICT,  
TASIKMALAYA CITY***

***ABSTRACT***

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*This study aims to determine: 1) the influence of the business environment on the operational performance of confectionery SMEs in Tamansari District, Tasikmalaya City, 2) the influence of innovation strategies on operational performance of confectionary SMEs in Tamansari District, Tasikmalaya City. The research method used is a survey method. The size in this study were 65 Micro, Small and Medium Enterprises (MSMEs) in Tasikmalaya City, precisely in Tamansari District. Data collection techniques in this study were obtained through questionnaires and interviews with owners or actors of Micro, Small and Medium Enterprises (MSMEs). The statistical test used is multiple linear regression. The results of this study found that the business environment, innovation strategy, and operational performance of MSME Confection in Tamansari District, Tasikmalaya City as a whole with quite good criteria. The business environment partially has a positive and significant effect on operational performance, then the innovation strategy variable does not significantly affect its impact on operational performance. The business environment and innovation strategy simultaneously have a positive and significant impact on the operational performance of the Confection SMEs in Tamansari District, Tasikmalaya City.*

***Keywords:*** *Business environment, innovation strategy, operational performance*