

ABSTRACT

Average annual population increased 2,682 % at Cimahi in the period of 2005-2009. The increase of population is correlated with an increase in the demand for foods and beverages. Instead, tofu business at Citeureup declined. Only one tofu businesses still operate. The success or failure of business is influenced by various factors both external and internal. By using descriptive qualitative method it can explain the purpose of this study what is the internal and external factors that lead to business failure? By using data collection techniques with observation, interviews, and document research also can explain what is specific strategies to achieve success at Citeureup tofu industry. With Miles and Huberman models, interviews were conducted in three tofu business with consideration of production location, age of business, production capacity, and the amount of labor.

The results of this study explain the major internal factor cause of business failure is weakness of entrepreneurial competence. The major external factor cause of business failure is lack of direct subsidy for soybean at Citeureup tofu industry. Specific strategies to achieve business success that government activate the agencies with specialized program in the direct distribution of subsidy policy for soybean.

Keywords: business failure, internal, external, business performance