

ABSTRACT

Micro, small and medium enterprises (MSMEs) are an important part of the economy of a country or region. They have won more than a share of Indonesia's gross domestic product. However, MSMEs are still experiencing problems and constraints. One of them is the lack of knowledge about entrepreneurship which can hinder the development of a business and the lack of knowledge on innovation in running a business. This study aims to understand the innovation process and expand knowledge about entrepreneurship in MSMEs in the city of Bandung.

This researcher examines the role of the MSME innovation process under the auspices of the Bandung City Chamber of Commerce and Industry. This quantitative research method was analyzed using Partial Least Square (PLS). The population in this study are the owners of SMEs assisted by the Bandung Chamber of Commerce and Industry. In this study there were 241 respondents. based on the test results of the 9 hypotheses that have been obtained there is a significant influence on the innovation process variable on entrepreneurship. This is proven by showing that centralized decision making has a positive impact on collaboration, communication, and influence on innovation. Communication affects the knowledge of entrepreneurs and collective entrepreneurship. As well as collaboration, it affects the knowledge of entrepreneurs and collective entrepreneurship. Then, entrepreneur knowledge and collective entrepreneurship influence innovation.

Kata Kunci: *Innovation, Collaboration, Communication, Centralized Decision-making, Collective Entrepreneurship, Entrepreneur's Knowledge.*