

## **ABSTRACT**

*This study examines the effect of strategic alliances and innovation strategies on competitive advantage to improve business performance (studies in the furniture industry in Jepara) The furniture industry is a dynamic business scope, therefore collaboration and innovation are needed to be able to follow a dynamic market. This study aims to analyze the influence of competitive advantage on business performance in the furniture industry in Jepara district, analyze the influence of strategic alliances on business performance in the furniture industry in Jepara district, analyze the influence of strategic alliances on competitive advantage in the furniture industry in Jepara district, analyze the influence of strategy innovation in business performance in the furniture industry in Jepara district, and analyze the effect of innovation strategies on competitive advantage in the furniture industry in Jepara district*

*The sample of this study is the furniture industry business that doing exports business in Jepara in the amount of 150. This study uses a purposive sampling method with data collection conducted by giving questionnaires to the respondents. The analysis technique used to analyze the data obtained is the Structural Equation Modeling (SEM) technique using the AMOS application.*

*The conclusions in this study are (1) Competitive advantage has a positive influence on the company's business performance. (2) Strategic alliances have a positive influence on the company's business performance. (3) Strategic alliances have a positive influence on the company's competitive advantage. (4) The innovation strategy has a positive influence on the company's business performance. (5) The innovation strategy has a positive influence on the company's competitive advantage.*

*Keywords: Strategic Alliance, Innovation Strategy, Competitive Advantage, Business Performance, and furniture industry*