

## **ABSTRACT**

*With the increasing number of SMEs in Indonesia and the fashion industry in Bandung City, business actors are required to innovate to be the best among other competitors so as to improve the competitiveness and business performance of the company. PT. Dharma Adi Mandiri, is a company engaged in the fashion industry in Indonesia which has a brand called Applecoast and has launched its newest brand Noore Hijab Sport.*

*This research was conducted to identify innovation on product innovation, process innovation and marketing innovation which has been done by PT. Dharma Adi Mandiri. In addition, researchers also identified business performance viewed from the aspects of profitability, sales volume and market share.*

*This research is a qualitative research with descriptive presentation. Data obtained by interview, observation and documentation. Sources of data in this study is the owner of PT. Dharma Adi Mandiri, Purchasing and GA in Noore, and Area Manager at Applecoast. The technique of data validity in this study using source triangulation.*

*Based on this research, it can be concluded that PT. Dharma Adi Mandiri has made several innovations on aspects of product innovation, process innovation and marketing innovation. Then business performance at PT. Dharma Adi Mandiri has resulted in better business performance in terms of profitability, sales volume and market share growth.*

*Obstacles in the realization of the product is in the supply chain, it is recommended that PT. Dharma Adi Mandiri is expected to improve supply chain to be efficient. For further research, it is expected to consider and add another operational variable of innovation.*

*Keywords : Innovation; Business Performance; PT. Dharma Adi Mandiri; SMEs*