

ABSTRACT

Family businesses in the Micro, Small, and Medium Enterprises (MSME) sector play a vital role in supporting Indonesia's economy, particularly in the culinary industry. However, these businesses often face challenges in maintaining sustainability, navigating intense market competition, and adapting to changing consumer preferences. This study focuses on Kopi Warga, a family-owned business based in Bandung that operates in the coffee industry. By integrating innovation, strategic management, and sustainability principles, Kopi Warga has successfully addressed various challenges to maintain its business continuity.

This research aims to analyze the key success factors of family businesses in dealing with sustainability challenges and generational succession. Theoretical frameworks of Dynamic Capabilities and the Resource-Based View (RBV) are applied to explore how innovation, strategic planning, and succession processes contribute to business sustainability. The study also examines the role of generational involvement in business management and decision-making. A qualitative case study method is employed, with data collected through in-depth interviews, field observations, and supply chain analysis.

The findings reveal that Kopi Warga's success is driven by the integration of continuous innovation, operational efficiency, and long-term strategic planning. Active involvement of younger generations in business operations contributes to sustainable continuity. Family values are maintained through open communication and clearly defined roles within the organizational structure. Adaptation to market changes is carried out responsively by leveraging local strengths and organizational culture.

Academically, this study enriches the literature on family business management and MSME sustainability in the culinary sector. Practically, the findings serve as a guideline for MSME actors in formulating sustainable strategies and effective succession planning. Moreover, the results may inform policymakers in designing supportive programs to strengthen family businesses in Indonesia. Academically, this study enriches the study of family business management and

sustainability of MSMEs in the culinary industry. Practically, the results of this study can be a guide for MSME actors in developing sustainability strategies and succession planning. In addition, these findings can be a basis for policy makers to design support programs for strengthening family businesses in Indonesia. This study is expected to provide strategic guidance for family businesses in implementing effective succession, facing operational challenges, and designing sustainability strategies that support competitiveness and business growth in the culinary sector.

Keywords: *MSME, family business, innovation, sustainability, strategic management, generational succession, Kopi Warga.*