

ABSTRACT

In the rapidly evolving digital economy, entrepreneurial strategies are pivotal for enhancing the sustainability and performance of startups, particularly in developing countries where ecosystem maturity remains a challenge. Indonesia, as one of the largest digital economies in Southeast Asia, faces a paradox: while the number of startups grows, sustainability remains low due to weak strategic foundations and misaligned value propositions.

This study aims to examine the effect of entrepreneurial strategy on firm performance, emphasizing the mediating roles of offered value and innovation ambidexterity within technology-based startups that have participated in business incubation programs.

A quantitative research approach was employed, using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) technique. The data were collected through an online questionnaire from 60 digital startups that had reached the go-to-market stage under the Bandung Techno Park incubation program, yielding a high response rate of 96.77%. The measurement model was evaluated for reliability and validity, followed by analysis of the structural model, effect size, and predictive power.

The results indicate that entrepreneurial strategy significantly influences offered value and innovation ambidexterity, which in turn enhance firm performance. However, offered value does not have a direct effect on firm performance but acts as a significant mediating variable through innovation ambidexterity. The model demonstrated strong explanatory power and moderate predictive validity.

This study contributes to the strategic entrepreneurship literature by validating the mediation role of innovation ambidexterity and expanding empirical evidence in the context of developing countries. It offers practical insights for startup founders and business incubators to design adaptive, innovation-driven strategies to improve competitiveness and sustainability.

Keyword: *Entrepreneurial strategy, offered value, innovation ambidexterity, startup's firm performance.*