

A MODEL OF MANAGING INNOVATION OF SMEs IN THE INDONESIAN CREATIVE INDUSTRIES

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ABSTRACT

Companies in today's business environment, including SMEs, are expected to produce a product that is creative and innovative. However, there is still a lack of **sequential** guidance about how to manage innovation particularly for SMEs in creative industry. **The objective** of this research is to develop a **research** model for managing innovation by outlining key success factors in creative industry through analyzing some of the conditions of successful SMEs in Bandung, Indonesia. In so doing, **the method** used in this study is a case study research methodology. Cases of SMEs in the creative industries were taken based on several criteria, including awards received among others. This was done to ensure whether the selected SMEs represent those with best practices. Data were collected for each company using semi-structured interviews, archival documents, public documents, and direct observations. Cases were selected on each of the fifteen sub-sectors in creative industry in the city. **The main finding of this study** is a model with three stages for managing innovation in creative industry. **The novelty of this study** is that such model, we believe, has never been developed in the context of creative industry in Indonesia. From this study we hope that **this stages model can be serves as a reference for creative industry practitioners for sustainable growth of their business.**

Keywords: creative industries, managing innovation, SMEs, Bandung