

ABSTRACT

The Influence of Firm's Internal Factors on Financial Performance of Leather-Product Small Enterprises in East Java

This study is to analyze the effect of firm's internal factors such as capability working capital turn over, capital structure, product marketability, production capacity, leader's entrepreneurship skills, and firm's strategy on financial performance, leather-product small enterprises in East Java.

This study applies multiple regression method with financial performance that is measured by EAT as dependent variable and capital structure, working capital turn over, product marketability, capability to produce, entrepreneurship of the leaders, and the business strategy applied by the enterprises as the independent variables.

The findings only product marketability affects the firm's performance.

Core competence in leather-producing small medium enterprises is the ability to imitate fashion and to provide different services for their regular customers in terms of customizing labeling and packaging of the product. This service will not be able to be performed by big companies.

At this moment the small enterprises are just able to serve particular small segments of buyer. The market which is serviced is limited or seasonal

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