

ABSTRACT

The purpose of this research is to test the influences of company characteristic, bank relationship and business environmental on business strategy to increase company performance. Using these variables, the usage of these variables are able to solve the arising problem within UKM at customer PT. BNI (persero) Tbk. Pekalongan branches.

The samples size of this research is 109 UKM at customer PT. BNI (persero) Tbk. Pekalongan branches. Using the Structural Equation Modeling (SEM). The results show that company characteristic, bank relationship and business environmental on business strategy to increase company performance.

The effect of company characteristic on business strategy are 0,23; The effect bank relationship on business strategy are 0,30; The effect of business environmental on business strategy are 0,21; The effect company characteristic on company performance are 0,22; The effect of business environmental on company performance are 0,22; and The effect business strategy on company performance are 0,27. The implication that suggested were: (1) Keep the quality of credit so that the use of the credit suits with the purposive, beside the manager of small business needs to place credit facilities optimally by increasing selling activity and place the profit investation, (2) Manager of the company needs to keep the integrated policies by continuing the relationship between each unit in order to create sustainable relationship, and (3) The manager of the company needs to accelerate the diversity in business environment to improve business strategy and performance of small business, in order hand, the manager of the company needs to improve the ability to respond government policies by increasing flexibility.

Keywords: company characteristic, bank relationship business environmental, business strategy, and company performance.