

ABSTRACT

Inside the context of small industries in Indonesia, there was been found imbalance of consumer demands that have increased consumption pattern with supplies performance problem of micro and small enterprises. Literature reviews of some journal concluded that flexibility and efficiency in strategic and operational stage can be used to solve this rising problem.

Research were conducted via questionnaire survey on 150 micro and small enterprises that run food industries across Semarang City with probability, area sampling. Analysis in full research model result in positive and significant results among variables. The relationships are : Strategic flexibility with company performance; Operational efficiency with company performance; Strategic flexibility with operational efficiency. This research also found that operational efficiency could fully mediating the relationship between strategic flexibility and company performance.

Keyword : Small industries, Company performance, Strategic Flexibility, Operational efficiency