

ABSTRACT

The research was done by developing a model to improve the competitiveness of PT "X" Finance Indonesia as seen from the aspect of quality of credit lending, collecting and credit risk quality. To develop the model, which required respondents in this study are the Branch Managers of PT "X" Finance Indonesia amounting to 120 people.

The data from all respondents collected through questionnaires, were analyzed using descriptive analysis through the index value and inferential analysis with Structural Equation Modeling (SEM) which is run by an AMOS software version 21.

The results of hypothesis testing was performed using SEM showed that the quality of credit lending a significant negative effect on the credit risk, the quality of collection a significant negative effect on the credit risk, the quality of credit lending a significant positive effect on competitive advantage, the quality of collection positive and significant effect on competitive advantage and the credit risk a significant negative effect on competitive advantage.

Based on the results of hypothesis testing, two policies that affect credit risk is known that the quality of the collection is a major factor and indicator that have the greatest influence on the quality of collecting is the frequency of visits to the consumers. Managerial implications can be suggested in this study is a policy that focuses on quality of collection, to the firms must pay attention and standardize collector visits to customers in arrears and to exercise control over the activity.

Keywords:

Quality of lending policy, the quality of collection, credit risk and competitive advantage