

## **ABSTRACT**

The growth in the number and sales value of the Youth Entrepreneurial Group (KWP) assisted by Dinpora in Central Java Province which continues to decline is the basis for this study to answer problems through a scientific approach. Therefore, this study was conducted to develop and empirically test a model that explains the problem of declining business performance in the Youth Entrepreneurs Group (KWP) assisted by Dinpora, Central Java Province.

The development of an empirical model is carried out through theoretical and empirical studies so that macro variables, namely the role of government, business environment and access to information, and micro variables which include financial, management and operational factors are mapped to explain problems in business performance. The model was tested through the Structural Equation Modeling (SEM) approach by utilizing data obtained through interviews with the Youth Entrepreneurs Group (KWP) under the guidance of Dinpora, Central Java Province.

The results of the analysis show that external factors such as the role of government, business environment and access to information contribute to building the internal strength of the business group which includes financial factors, management factors and operational factors.

***Keywords:***    *external factors, internal factors, business performance*