ANALYSIS OF SME EXPORT READINESS OF ORGANIC MATERIAL BASED ON EXTERNAL and INTERNAL FACTORS THROUGH SME PERFORMANCE

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ABSTRACT

ASEAN Economic Community (AEC) was established to increase productivity and economic growth activities in the ASEAN region as well as accelerating economic growth encourages developing countries to move forward. SMEs expressed very important in increasing employment, equity, revenues, domestic economic development, and increasing non-oil exports. Demographic advantages that can be seen from the excellence of Indonesia, which has abundant resources is expected to be an opportunity to penetrate export markets and compete in the MEA. The overall objective of this research first, is to gain a better understanding of the SME export readiness organic products made from the aspect SMEs performance. Second, to analyze the influence of internal factors on the performance of SMEs. Third, to analyze the influence of external factors on the performance of SMEs. Location of the research carried out on organic material-based SMEs in the Jakarta area. This type of research is exploratory. The theoretical framework involves a description of the theory with the traditional approach of "stage" model will serve as the theoretical foundation for the analysis. Hypothesis testing results show that the internationalization of SMEs readiness organic products, is influenced by external factors and the performance of SMEs. Average internal factors of SMEs is not yet able to give effect to the internationalization readiness. Internationalization Readiness has a value of R Square of 0.612 means that the variable Internationalization Readiness by 61.2% influenced variable internal factors, external factors and the performance of SMEs, and 38.8% are influenced by other variables that are not involved in the study.

Keywords: Internationalization Readiness, Internal Factors of SMEs, External Factors of SMEs, SME Performance