ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) of processed cassava in Semarang City have decreased in terms of quantity and quality. The problems faced are low productivity levels due to internal factors, such as the quality of human resources, limited information on access to capital, innovation, government policies, and business relations; as well as external factors, such as large transaction costs, scarcity of raw materials, and obtaining formal legality. This study raised the processed cassava MSMEs in Semarang City because it continued to decline from 2015-2020, which was 33.25 percent due to these internal and external factors. This study aims to analyze the effect of business capital, labor, innovation, technology, networking, government policies, and business profits of young entrepreneurs on processed cassava MSMEs in Semarang City. The data source used was through collecting questionnaires from 66 MSME owners of processed cassava respondents in Semarang City. The method of analysis used regression analysis with SPSS analysis tools. The results showed that venture capital, innovation, technology and networking had a significant effect on operating profits, and labor and government policies had an effect on but not significant on the operating profits of young entrepreneurs. The conclusion from this research is that to increase operating profit, it is necessary to encourage increased business capital, innovation, technology, and broad relationships.

Keywords: Business Capital, Labor, Innovation, Technology, Networking, Government Policy, Operating Profits

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