TABLE OF CONTENTS

TITL
APPROVAL
EXECUTIVE SUMMARY
ACKNOWLEDGMENTS
TABLE OF CONTENTS
LIST OF TABLES

I  INTRODUCTION

1.1 Issue .................................................. 1
1.2. Scope and Limitation of Study ..................... 1

II  MARKETING ASPECT

2.1. MARKET SITUATION OF U.S. MARKET ............. 2
  2.1.1. Company Condition ............................ 3
  2.1.2. Competition .................................... 7
  2.1.3. Generalized System Preference (G.S.P) ... 10

2.2. TARGET MARKET-PRODUCT DECISION

  2.2.1. Target Market ................................. 11
  2.2.2. Product Decision .............................. 11

2.3. MARKETING MIX

  2.3.1. Distribution .................................. 13
  2.3.2. Pricing ....................................... 14
  2.3.3. Promotion .................................... 14

2.4. MARKETING STRATEGY FOR PENETRATING U.S. MARKET

  2.4.1. U.S Export Start-Up Plan ..................... 16
  2.4.2. U.S.A Potential Market Entry Structures .. 21
  2.4.3. Marketing Entry Strategies ................. 32
III MANAGEMENT AND TECHNICAL ASPECTS

3.1. Organization Structure and Man Power ............... 37
3.2. Technical Assistant .................................. 37
3.3. Production Process ................................. 38

IV FINANCIAL RATIO ANALYSIS

4.1. FINANCIAL RATIO ANALYSIS .......................... 41
  4.1.1. Liquidity Ratio .................................. 41
  4.1.2. Leverage Ratio .................................. 46
  4.1.3. Activity Ratio ................................. 50
  4.1.4. Profitability Ratio .............................. 56

4.2. MULTIPLE DISCRIMINANT OF BUSINESS
      FAILURE OCCURRENCIES .............................. 63

V CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions ........................................ 67
5.2. Recommendations .................................... 71

ATTACHMENT 1: Balance Sheet Of PT PARAMA RAYA SHOES INDUSTRY
                 As of December 31, 1990 ...................... 73

ATTACHMENT 2: Income Statement and Retained Earning State-
                ment Of PT PARAMA RAYA SHOES INDUSTRY
                 As of December 31, 1990 ...................... 74

ATTACHMENT 3: Balance Sheet Of PT PARAMA RAYA SHOES INDUSTRY
                 As of December 31, 1991 ...................... 75

ATTACHMENT 4: Income Statement and Retained Earning State-
                ment Of PT PARAMA RAYA SHOES INDUSTRY
                 As of December 31, 1991 ...................... 76

ATTACHMENT 5: Balance Sheet Of PT PARAMA RAYA SHOES INDUSTRY
                 As of December 31, 1992 ...................... 77

ATTACHMENT 6: Income Statement and Retained Earning State-
                ment Of PT PARAMA RAYA SHOES INDUSTRY
                 As of December 31, 1992 ...................... 78

A. BIBLIOGRAPHY
B. BIOGRAPHICAL DATA
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Footwear 64 Top Countries Plus Indonesia</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>Organization Structure</td>
<td>36</td>
</tr>
<tr>
<td>3</td>
<td>Computation of Current Ratio (C.R.)</td>
<td>43</td>
</tr>
<tr>
<td>4</td>
<td>Computation of Quick Ratio (Q.R)</td>
<td>44</td>
</tr>
<tr>
<td>5</td>
<td>Computation of Cash Ratio</td>
<td>45</td>
</tr>
<tr>
<td>6</td>
<td>Computation of Total Debts to Total Assets Ratio</td>
<td>47</td>
</tr>
<tr>
<td>7</td>
<td>Computation of Total Debts to Equity Ratio</td>
<td>48</td>
</tr>
<tr>
<td>8</td>
<td>Computation of Short-Term Debts to Equity Capital</td>
<td>49</td>
</tr>
<tr>
<td>9</td>
<td>Computation of Inventory Turnover</td>
<td>51</td>
</tr>
<tr>
<td>10</td>
<td>Computation of Average Collection Period</td>
<td>52</td>
</tr>
<tr>
<td>11</td>
<td>Computation of Fixed Assets Turnover (F.A.T)</td>
<td>53</td>
</tr>
<tr>
<td>12</td>
<td>Computation of Total Assets Turnover (T.A.T)</td>
<td>54</td>
</tr>
<tr>
<td>13</td>
<td>Computation of Net Profit Margin (N.P.M)</td>
<td>57</td>
</tr>
<tr>
<td>14</td>
<td>Computation of Gross Profit Margin (G.P.M)</td>
<td>58</td>
</tr>
<tr>
<td>15</td>
<td>Computation of Operating Ratio (O.R)</td>
<td>59</td>
</tr>
<tr>
<td>16</td>
<td>Computation of Return On Investment (R.O.I)</td>
<td>60</td>
</tr>
<tr>
<td>17</td>
<td>Computation of Return On Equity (R.O.E)</td>
<td>62</td>
</tr>
<tr>
<td>18</td>
<td>Computation of Discriminant Function of the Firm</td>
<td>65</td>
</tr>
</tbody>
</table>