

## ABSTRACT

*This thesis aims to evaluate financial performance of PT. Indaco Coatings Industry (Indaco) based on financial statements during period 2006 – 2008, wherein Indaco were consistently doing single-product marketing for Envitex Wall Paint. With this single-product selling strategy, it can be looked further implications to the financial variables of Indaco that determine company's success in marketing its first product that achieved significant growth at this initial period.*

*Financial statements evaluation of Indaco uses Financial Ratios Analysis which all financial ratios of Indaco are compared (benchmarking) to average industries that obtained from [www.reuters.com](http://www.reuters.com). Akzo Nobel, BASF, and Clariant are multinational chemical companies used as benchmark companies since they produce paints and chemicals including raw materials for paints. It is also used 'what-if analyses' particularly sensitivity analysis and simulation analysis to current ratio and quick ratio as liquidity ratios of Indaco. Thus can be seen which variable is most significant influencing company's liquidity.*

*From all the evaluation and analyses, the results show financial performance of Indaco during period 2006 – 2008 were very positive compared to average industries. At the same time, it can be seen that inventory level as the most sensitive variable controlling company's liquidity. This satisfactory performance is very coherent to single-product strategy that determines the success of market penetration and business growth as well during this initial period. Single-product strategy has positive implications to company's inventory conditions. Also in relation to its selling strategy, financial and marketing management policies to avoid consignment sales and controlling maximum 75 days payment term through promotion programs and payment incentive give positive contribution to financial liquidity of company.*

*Keywords : evaluation of financial performance, Indaco, single product, Envitex Wall Paint, financial ratios analysis, benchmarking, what-if analyses, inventory level*