

**IMPROVING BUSINESS PROCESS IN CONSTRUCTING *RENCANA STRATEGI*
DISKOPERINDAG USING BUSINESS PROCESS IMPROVEMENT (BPI) METHOD
(Fulfilling the Requirements of Minister of Home Affair Regulation Number 54 of 2010
and ISO 9001:2008 Clause 7.3)**

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Abstract

DISKOPERINDAG of Bandung Regency has a role in preparing the development planning documents; one of them is Renstra (*Rencana Strategi*). In existing condition, DISKOPERINDAG Renstra has compatibility issue with The Minister of Home Affair Regulation Number 54 of 2010. This research is aimed to improve the business process of constructing Renstra DISKOPERINDAG based on The Minister of Home Affair Regulation Number 54 of 2010 and the ISO 9001:2008 Clause 7.3, to ensure the Renstra to be able to meet customer’s expectation.

This research was using BPI method to improve the business process of constructing Renstra. The improvement was started by performing activity analysis. The result of activity analysis shows that there are 14 RVA activities, 13 BVA activities and 0 NVA. Streamlining was performed to increase efficiency of the process. RACI matrix was used to determine the process owner of each activities. There are 5 activities in existing business process and 22 activities in the proposed business process. The proposed business process was trafered onto the SOP to facilitate a consistent conformance and to ensure a well-documented process. The result of this research is 1 SOP of Renstra Construction and 7 work instructions to support the SOP.

Keyword: Renstra, ISO, BPI, RACI, SOP

1. INTRODUCTION

DISKOPERINDAG as it stands for *Dinas Koperasi, UKM, Perindustrian, dan Perdagangan* is one of SKPDs in Bandung Regency Government. DISKOPERINDAG is in charge of doing all the local government affairs in industry and commerce sectors. DISKOPERINDAG has a role in preparing the development planning document of Bandung Regency, one of them is Renstra (*Rencana Strategi*). Figure 1 shows the relation of development planning document in Bandung Regency.

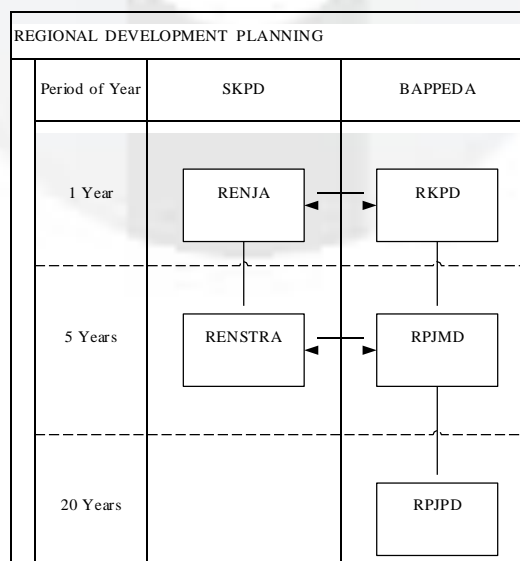


Figure 1 Contents of Regional Development based on Minister of Home Affair Regulation Number 54 of 2010

The Figure 1 portrays the sequence of making a regional development planning. Renstra of DISKOPERINDAG is linked with the RPJMD of BAPPEDA. Based on the interview with the Head of Economic Development Planning subfields of BAPPEDA of Bandung Regency, The Renstra 2010-2015 that is made by DISKOPERINDAG is not aligned with the RPJMD. The Renstra construction team also did not understand about the flow process of how to construct the Renstra. This was happened because DISKOPERINDAG did not have the technical guidance regarding the construction of Renstra. A Circular Letter No.050/65-BAPPEDA is issued from Head of BAPPEDA to DISKOPERINDAG regarding some of the problems mentioned. There are 6 points of comment from the Head of BAPPEDA in the Circular Letter No.050/65-BAPPEDA. Three of them are about the incompatibility of the design of the Renstra with the regulated law which is The Minister of Home Affairs Regulation Number 54 of 2010. Below is the list of the comments from the Head of BAPPEDA for DISKOPERINDAG:

1. The procedure for the preparation of Renstra from 2010-2015 refers to Annex IV of The Minister of Home Affairs Regulation Number 54 of 2010
2. In terms of design changes to the Renstra, the results from verification of BAPPEDA, the Renstra is not in accordance with RPJMD, DISKOPERINDAG should fix it no longer than 7 days after the Circular Letter is issued
3. Verification is done to ensure compliance vision, mission, goals, objectives, strategies, policies, programs and activities of DISKOPERINDAG

BAPPEDA that is already certified by ISO 9001:2008 in term of regional planning process of RKPD desired that the business process of constructing the Renstra DISKOPERINDAG also comply with the requirements of ISO 9001:2008. Therefore, another guidance that can be applied to this making Renstra activity is the ISO 9001:2008, Clause 7.3 in particular. ISO 9001:2008 Clause 7.3 describes the steps and the requirements of an ideal process of designing and developing activities. ISO 9001:2008 Clause 7.3 can complete one another with The Minister of Home Affairs Regulation number 54 of 2010 to perform a better business process of DISKOPERINDAG. Having ISO 9001:2008 in the process, can ensure that DISKOPERINDAG's products and services consistently meet customer's requirements and the quality is consistently improved^[1].

In the situation where DISKOPERINDAG doesn't have the written practical guidance regarding the business process of constructing Renstra, a SOP is needed as the technical guidance to allow all the process of making Renstra is assured works in. The SOP will make sure that every activity is well-documented, providing any documents needed, so it can minimize the opportunities for miscommunication among the employee. SOP ensures that a PIC will be responsible to a specified activity. The SOP will create a standard measure of performance that will provide concrete ways to improve performance and help to evaluate the efforts that have been made as it facilitate consistent conformance to guidance^[2]. The SOP can also indicate compliance with organizational and governmental requirements which in this research is The Minister of Home Affairs Regulation number 54 of 2010.

The role of SOP as a strategic document that represents the numbers of activity can be obtained if it is harmonized with the business process of the organization. Therefore, DISKOPERINDAG should strive to perform an ideal business process within its organization. The characteristics of an ideal business process are effective, efficient and adaptive^[3]. Those conditions can be achieved by implementing BPI (Business Process Improvement) into organization's business process. The purpose of BPI is generally to improve productivity and competitiveness of an organization^[4]. Therefore, BPI method will be applied to help DISKOPERINDAG achieving those conditions by improving existing business process of DISKOPERINDAG into a business process that fulfills the requirements of Minister of Home Affairs Regulation number 54 of 2010 and ISO 9001:2008 Clause 7.3.

This research is objected to generate a SOP based on the business process of constructing Renstra after improving DISKOPERINDAG's business process using BPI Method to fulfill the requirements of The Minister of Home Affairs Regulation number 54 of 2010 and the requirements of ISO 9001:2008 Clause 7.3.

2. RESEARCH METHODOLOGY

The research starts by mapping the existing business process of constructing Renstra in DISKOPERINDAG. On the other hand, there are Minister of Home Affairs Regulation number 54 of 2010 and ISO 9001:2008 Clause 7.3 as the requirements that needs to be fulfilled. The Minister of Home Affairs Regulation number 54 of 2010 is the practical guidance that contains what are the activities of constructing Renstra and other information such as information or data needs to be collected. The existing condition then will be compared to the desired condition so that the gap between both can be seen. This gap can be solved by applying BPI into the existing condition. The result of BPI is to create an effective, efficient and adaptive business process of constructing Renstra.

The ideal business process of constructing the Renstra that fulfilled both requirements can be obtained after the implementation of BPI method. The next activity to be performed is the RACI matrix to determine the roles involved for each activity. The SOP of Renstra construction is generated after the RACI matrix is conducted. The result of this research is effective and efficient SOP of Renstra Construction that fulfills the requirements of Minister of Home Affairs Regulation number 54 of 2010 and ISO 9001:2008 Clause 7.3.

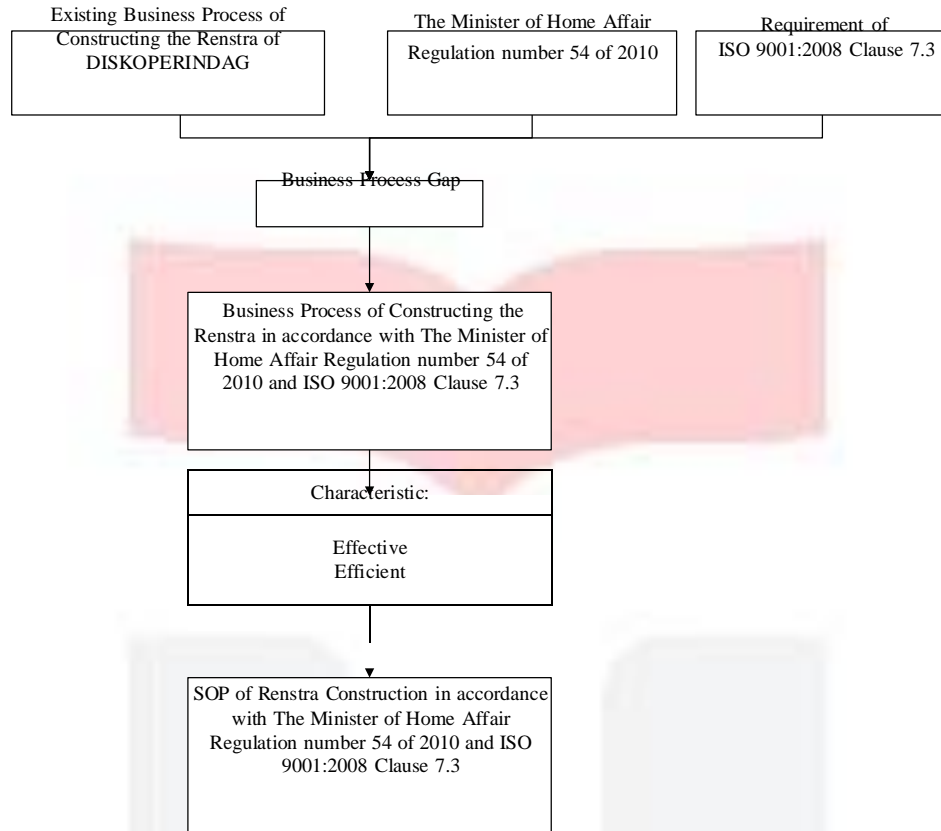


Figure 2 Conceptual Model

2.1 Data Collecting Stage

The data required to conduct this research are:

1. Primary Data

Primary data is the data obtained directly by the researcher by observing or interviewing the business process owner. The data copyright is back to the researcher because the data is originally the researchers. In this research, there are two primary data used.

- a. Existing business process of constructing the Renstra DISKOPERINDAG.
- b. Interview to get some information regarding the processes and any other problems or facts that support the other data.

2. Secondary Data

The secondary data is the data obtained from any specific resources. The data is obtained indirectly from a second party. The secondary data of this research are:

- a. The data are profile, organizational structure, Job description and TUPOKSI of DISKOPERINDAG that will be obtained from DISKOPERINDAG itself.
- b. The Minister of Home Affairs Regulation number 54 of 2010 that is available in the internet on the official web of The Minister of Home Affairs.
- c. The requirements of ISO 9001:2008 Clause 7.3 that is also obtained from the official web of ISO.

2.2 Data Processing Stage

The processing of data is done by identifying the fulfilment of requirements of ISO 9001:2008 Clause 7.3 and the requirements of The Minister of Home Affairs Regulation number 54 of 2010. The result of this gap is a proposal requirement of business process to construct Renstra DISKOPERINDAG. The proposal requirements

then compared with the existing business process of constructing to obtain the proposal business process of constructing Renstra DISKOPERINDAG. The proposal business process is analyzed using activity analysis to define the activity that is categorized as RVA, BVA or NVA. The streamlining is performed on an activity based on the needs and issues arise from DISKOPERINDAG. The proposal business process is also analyzed using RACI matrix to determine the role of each position involved within the business process. The roles that is defined in RACI matrix are the Responsible, the Accountable, the Support, the Consult and the Inform. To generate a procedure that able to ensure the effectivity and efficiency of the business process, the procedure is best to be completed with the information of time for each activity that is obtained from interviewing the staff of Kasubag Program of DISKOPERINDAG and referencing to another SKPD that has procedure of constructing Renstra. All of this information will be put on the procedure of Renstra construction.

2.2.1 ISO 9001:2008 Fulfillment

Table 1 shows the sample of ISO 9001:2008 with The Minister of Home Affair Regulation Number 54 of 2010 fulfillment. Each requirement will complete one another to form a list of comprehensive requirement that can be implemented in the business process of constructing Renstra.

Table 1 Sample of ISO 9001:2008 Clause 7.3 Fulfillments

ISO Requirement	Content of ISO Requirements	PERMENDAGRI Requirement	Gap Requirement	Requirement Proposal	Requirement Business process
7.3.1 Design and development planning	The organization shall plan and control the design and development of product. During the design and development planning, the organization shall determine:	The Minister of Home Affair Regulation Number 54 of 2010 already determine the plan of constructing SKPD's Renstra (P.30)	There is no gap between The Minister of Home Affair Regulation Number 54 of 2010 and the requirements of ISO 9001:2008 Clause 7.3.1. The Minister of Home Affair Regulation Number 54 of 2010 stated that every SKPD has to construct a Renstra, the regulation itself also containing the details of the Renstra Construction process.	Based on The Minister of Home Affair Regulation Number 54 of 2010 and the requirements of ISO 9001:2008 Clause 7.3.1, the DISKOPERINDAG shall plan and control the design and development of the Renstra	Formation of the Renstra Construction Team Orientation regarding SKPD's Renstra Preparation of SKPD's Renstra Team Work Agenda

Table 2 shows that there are several requirements of ISO 9001:2008 Clause 7.3 that has not been fulfilled by The Minister of Home Affairs Regulation Number 54 of 2010. The unfulfilled requirements of ISO 9001:2008 Clause 7.3 are Clause 7.3.1 about the absence of validation activity, Clause 7.3.2 about the review for input adequacy and Clause 7.3.6 about the complete validation process of design and development of Renstra DISKOPERINDAG.

2.2.2 Gap Identification between the Requirement Business Process with the Existing Business Proses

The result of Table 1 is now will be compared with the existing business process of constructing Renstra. The information can be obtained from Table IV.3 are the requirements based on The Minister of Home Affairs Regulation Number 54 of 2010 and ISO 9001:2008 Clause 7.3 The second information is the existing business process that is obtained from interviewing Mr. Pujo who was the staff of Kasubag Program and was in charge of constructing Renstra DISKOPERINDAG last period. The gap can be identified from the requirements and the existing business process. The result of Table IV.3 will determine the proposal business process of constructing Renstra that later will be analyzed using BPI Method. Table 2 shows the sample of gap

identification between the requirements business process with the existing business process on activity no.1 and 3 in the business process of Renstra construction.

Table 2 Sample of Gap Identification between the Requirements Business Process with the Existing Business Process

No	Requirement Business Process	Existing Business Process	Gap Identification	Proposal Business Process
1	Formation of the Renstra Construction Team		There is no activity of preparing The Renstra Construction Team by the Head of SKPD in existing business process.	The activity of preparing The Renstra Construction Team will be added to the business process of constructing Renstra
3	Writing of SDISKOPERINDAG's Draft of Renstra	Compile the draft of Renstra	There is no gap between the ideal business process and the existing business process. Both compile the draft of Renstra based on the work program.	The activity of compiling the draft of Renstra will be added to the business process of constructing Renstra

2.2.3 Activity Analysis and Streamlining

Activity analysis is the assessment of each activity in the process of constructing Renstra. The objective of activity analysis is to determine the contribution of each activity in the business process. There are 27 activities that will be analyzed using BPI. The purpose of Table 3 is to determine which activity which contribute real value to the business process and which activity need to be upgrade so that the business process of constructing Renstra can be more effective and efficient. Table 3 below shows the sample of activity analysis and streamlining activity on activity no.12 in the business process of Renstra construction.

Table 3 Sample of Activity Analysis and Streamlining

No.	Proposal Business Process	Activity Performer	Activity Analysis	Streamlining	Proposal
12	Formulation of strategic issues	Head of Team	BVA The activity of formulating the strategic issues is a necessary activity to construct the Renstra and also contribute to the customer requirements	Simplification - Combine similar activities.	The formulation of strategic issue is determined by the whole team. This activity takes a long time alone because the root of this activity arises from the Head of Bidang up to the Head of Team. Therefore, this activity can be streamlined using simplification-combine similar activities. These activities can be combined with other same activities where the aim is to formulate the organization's future state. Simplification in this activity can be done by creating a Renstra Formulation Meeting. In this meeting, the team can thoroughly formulate the content of Renstra. Creating this meeting means the process time used to formulate content in the Renstra can be reduced. overall, the process time to construct the Renstra will also be

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Table 3 shows a sample of the activity analysis and streamlining process. There are 15 activities categorized as RVA, 14 activities are categorized as BVA. The activities streamlined are the activities that are possible to do some improvement using the 4 out of 12 tools of streamlining which are upgrading, error proofing, simplification and automation.

2.2.4 RACI Matrix

RACI matrix is an analysis on individual’s role for a certain activity. The word RACI determine the person who Responsible, Accountable, Support, Consult and Inform regarding the activity. The explanation about RACI matrix can be found in Chapter II sub chapter RACI matrix. RACI matrix is important in the business process of constructing Renstra because it can help clarify who is actually having the job. RACI matrix deletes the ambiguous and doubt regarding the role for the people involved in the business process. Table 4 shows the sample of RACI matrix analysis on activity no.1 in the business process of Renstra Construction.

Table 4 RACI Matrix

No.	Activity	Regent	Head of BAPPEDA	Renstra Construction Team			Description
				Head of SKPD	Secretary	Head of Bidang	
1	Formation of the Renstra Construction Team	A	I	R	S	-	Based on The Minister of Home Affair Regulation Number 54 of 2010, the position Responsible to do the activity of formatting the Renstra construction team is the Head of SKPD. The secretary will support the Head of SKPD by making the letter containing the names of the person will be assigned to be the Renstra construction team. The Regent will issue a decree regarding the Renstra construction team so that the team can start construct the Renstra. BAPPEDA in this activity only be informed about the Renstra construction team

3. Result of Design and Analysis

The DISKOPERINDAG can be informed regarding the contribution of each activity made up the business process of constructing Renstra. The business process of constructing Renstra can be more effective and efficient to perform by the Renstra construction team because the streamlining is applied in the business process because the proposal business process is processed through activity analysis and streamlining and also RACI matrix. Table 5 shows the sample of effectivity and efficiency analysis. Table 5 shows the sample of effectivity and efficiency analysis on activity no.25 I n the business process of Renstra construction.

Table 5 Sample of Effectivity and Efficiency Analysis

No.	Existing Business Process	Proposed Business Process	Analysis
25	Submission of the final draft of Renstra	Submission of the final draft of Renstra	<p>a. Effectivity: submitting the draft of Renstra is an activity that bridges the team with the BAPPEDA as the one who will perform the verification and validation. Even this activity is quite simple, if the process is done in an effective way, it can be an obstacle for the team to construct the Renstra smoothly. Using technology in the process of submitting the draft of Renstra will bring out this activity where the team can be ensure about the detail of the submission and whether the draft is arrived safely to the BAPPEDA</p> <p>b. Efficiency: Technology helps in many ways such as reducing time and cost. This activity was done manually and must have spare some time and cost to perform it. Information system or an electronic mail can be used to reduce the unnecessary resource from the team</p>

This research will be resulted in a SOP of constructing Renstra DISKOPERINDAG according to The Minister of Home Affair Regulation Number 54 of 2010 and the requirements of ISO 9001:2008 Clause 7.3. In the existing business process, DISKOPERINDAG didn't construct the Renstra based on The Minister of Home Affair Regulation Number 54 of 2010 and the requirements of ISO 9001:2008 Clause 7.3. In the proposed business process of constructing Renstra, DISKOPERINDAG has already implemented The Minister of Home Affair Regulation Number 54 of 2010 and the requirements of ISO 9001:2008 Clause 7.3. The SOP of constructing Renstra DISKOPERINDAG can help the Renstra construction team stick into a guidance where it explains the sequence of how to construct the Renstra of DISKOPERINDAG. The SOP itself made after the activity analysis using BPI method and RACI matrix which means that the business process of constructing Renstra is more effective and efficient rather than the existing business process.

Improving the business process improvement of constructing Renstra DISKOPERINDAG according to requirements of ISO 9001:2008 Clause 7.3 and The Minister of Home Affairs Regulation Number 54 of 2010 resulted in a list as follows:

1. SOP : SOP of Renstra Construction
2. Work instruction :
 - Work instruction for analyzing service description of DISKOPERINDAG
 - Work instruction for formulation of Strategic issues of DISKOPERINDAG
 - Work instruction for formulation of Service Goal of DISKOPERINDAG
 - Work instruction for formulation of Service Target of DISKOPERINDAG
 - Work instruction for formulation of strategies and policies of DISKOPERINDAG
 - Work instruction for formulation of programs of DISKOPERINDAG
 - Work instruction for formulation of Performance Indicators of DISKOPERINDAG

The design of the procedure of Renstra Construction according to requirements of ISO 9001:2008 Clause 7.3 and The Minister of Home Affairs Regulation Number 54 of 2010 can be seen in Figure 3 below.

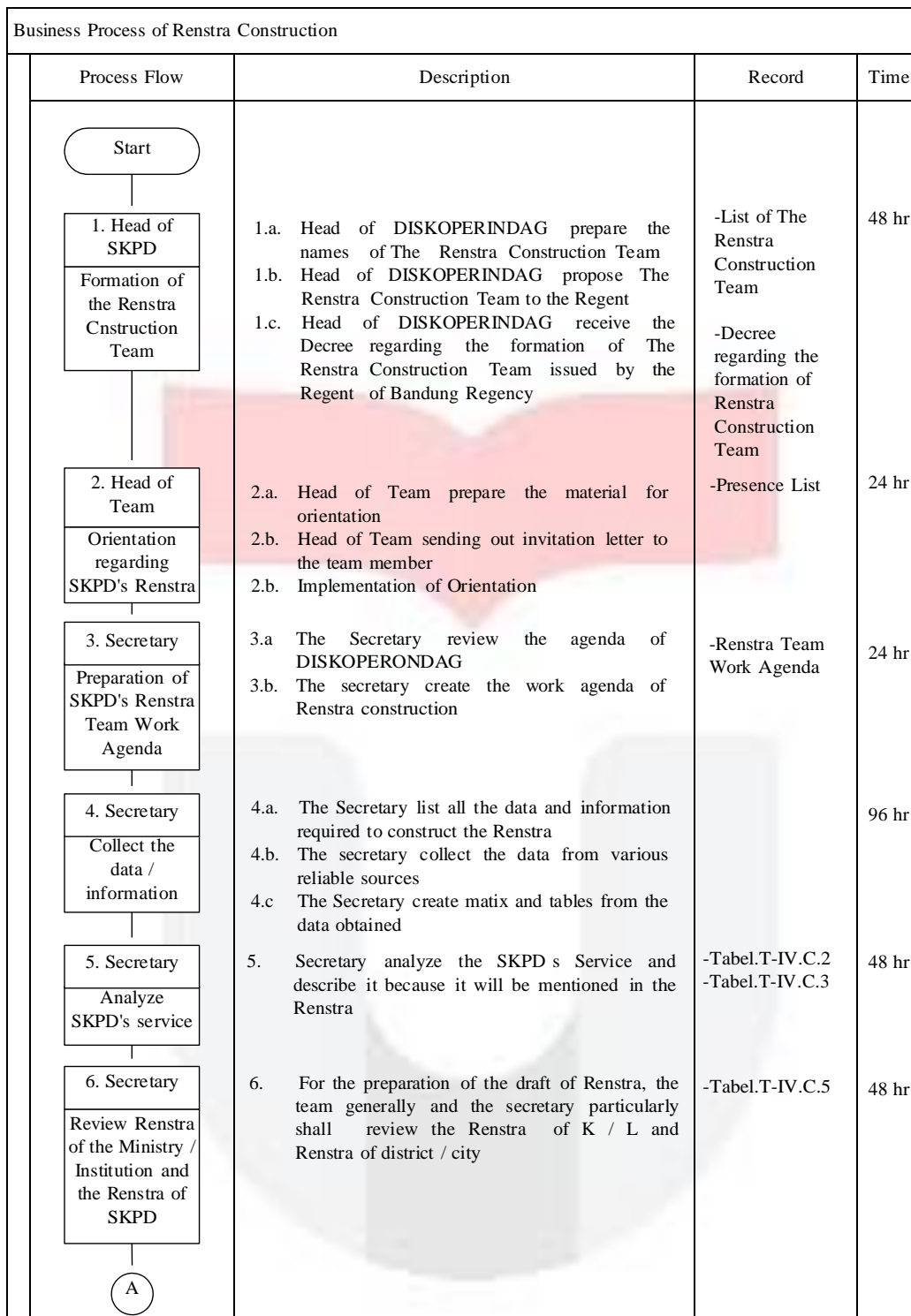


Figure 3 Sample of Renstra Construction Procedure Design

4. CONCLUSION

Based on the result of this research, it is found that there are 5 activities made up the existing business process of constructing Renstra DISKOPERINDAG while in the proposal business process there are 22 activities. The proposal business process is obtained from identifying the fulfillment of the requirements of ISO 9001:2008 Clause 7.3 and requirement of The Minister of Home Affair Regulation Number 54 of 2010. The procedure of constructing Renstra is designed based on the result of activity analysis and streamlining for the list of activities that make up the business process. The result of activity analysis shows that there are 14 activities that are categorized as RVA, 13 activities as BVA and no activity categorized as NVA. The procedure of constructing Renstra is designed also based on RACI matrix for determining the PIC for each activity. The

information of time in the procedure is obtained by interviewing the staff of Kasubag Program of DISKOPERINDAG and referencing on another SKPD that has the procedure of Renstra construction. This research is resulted in 1 SOP of Renstra construction and 7 work instruction to support the SOP.

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