

ABSTRACT

CV. Alona Jaya is a private company which involved in export business tanned reptile leather and finished goods from reptile leather that not protected by law. The result from tanning process is the tanned reptile leather that divided into two categories, original color and exhaust color. The exhaust color leather tanning process produce leather that wasted it is batik pattern. The original color leather tanning process produce leather that keeps it is batik pattern.

In the face of intense competition in tanned reptile leather industry, firms should consider about leather quality, delivery time and costs. The customer complaints about delivery time and high operating costs, encouraging firms to improve the snake origin color leather tanning process. Tanning process improvement will be conducted using the Business Process Improvement method because this method can assist companies in implementing continuous improvement. These method using activity analyze, streamlining analyze, efficiency analyze, and process improvement analyze on the process of tanning snake original color. In addition to repairs, the company is also trying to make a calculation of the economic feasibility of operating costs. Economic feasibility of operating costs will be conducted using Benefit Cost Ratio. Benefit Cost Ratio was chosen because it can show the ratio of benefits earned with an overall cost incurred.

Efficiency values obtained from the proposal of tanning process snake leather original color is 99.88%, this value increased by 3.06% from the previous. With the economic feasibility calculations have been performed, obtained the value of NPV (Rp 586,439,260, -), IRR (76%), and BCR (1.14) from the proposal of tanning process snake leather original color is more than the value of NPV (Rp 504,807,258, -), IRR (65%), and BCR (1.13) from existing snake leather original color tanning process. Under these conditions, it can be concluded that the proposal of tanning process snake leather original color is better than existing snake leather original color tanning process. The proposal of tanning process snake leather original color makes it easy for companies having control of the quality of the leather. Expected with the implementation of the proposal of tanning process snake leather original color, companies can increase its profits and the quality of leather produced.

Keywords: *Business Process Improvement, Benefit Cost Ratio, Cycle Time, Economic Feasibility.*