

## **ABSTRACT**

*XYZ is an SME in the fashion industry that produces knitwear using automated machines. The number of sales of XYZ SME has an increasing trend. However, there has been a decrease in the number of customers who reorder. The execution of reordering has a direct relationship in retaining customers. The key in customer retention is to build consistency in delivering the best customer service. There are several components in customer service, including processes and systems and employee interactions. Existing business mapping process of XYZ SME was carried out based on APQC PCF and it was found that there was a gap in the existing business processes of XYZ SME in the category of manage customer service with APQC PCF. In this research, the improvement of the customer service business process at XYZ SME is carried out to improve the ability to retain customers.*

*Business process improvement is carried out using the Business Process Improvement method. Starting with process benchmarking at an SME which is also in the fashion industry, Rath ID as a comparison of business processes in small businesses, and also with the APQC framework. A gap analysis was carried out and consideration was made to add more business processes to the existing business process. The result was adding 7 processes. The implementation of the BPI is carried out by analyzing activities and simplifying by streamlining. It was found that there were 5 RVA processes and 6 BVA processes. Streamlining is done by eliminating bureaucracy, standardization, and automation. SOPs were generated for the implementation of standardization and generated an organizational structure based on the proposed business processes.*

*Keywords: Business Process Improvement, APQC PCF, SME*