ABSTRACT

The rapid development of infrastructure in Indonesia has driven a surge in the distribution of construction materials, including cement, managed by PT Semen Indonesia Logistik (SILOG). One of the critical elements in this distribution Process is pallet management. However, the current Pallet Management System faces various challenges, such as inaccurate record-keeping, pallet losses, inefficient manual Processes, and escalating operational costs. The main problems identified include inefficiencies in monitoring and pallet handling, along with a data recording system that remains manual, leading to increased operational burdens. This study aims to analyze the pallet management business Process within the Pallet Management System (PMS) Division under the Supporting Logistic Department of PT SILOG and to develop improvement recommendations using the Business Process Reengineering (BPR) approach. BPR methodology is employed to re-design processes fundamentally and radically to achieve significant improvements in Time efficiency and cost savings. The research includes the Analysis of the As-Is Process, root cause identification using the fishbone method, and To-Be Process modeling with the support of Bizagi software using the Business Process Model and Notation (BPMN) standard. Data were collected through interviews and direct observations of pallet management activities over a specific period. The results indicate that implementing BPR can improve Time efficiency, reduce costs, and enhance the overall quality of pallet management. The proposed improvements include system digitalization, administrative Process streamlining, and data integration across divisions, which are expected to produce a new Business Process and support the comprehensive enhancement of the company's logistics performance.

Keywords: *Business Process Reengineering*, BPMN, Bizagi, Pallet Management, Operational Efficiency