FOREWORD

Reengineering has become a common and widespread concept in most Business Case study. The Reengineering Buzzword struck the business community in the late 80’s. As we know, the 80’s era is wartime between US industrial leadership with Japan. At that time, some believe that Reengineering is the answer for US industry to get over Japanese manufacturer leadership with their quality movement. Reengineering is born in the cradle of the industrialization era. This concept is not new but it is mature and still relevant in today business environment. This concept is the result of the never-ending quest for improvement in business environment.

In the other side, we live in the information era. The needs of information technology become more and more crucial and essential to many company. Information Technology had change the way we do business, no question about it. It’s allowing us to conduct business faster with higher precision. But it’s also bringing disaster if we miscalculate the IT investment. Many company miscalculate their IT investment. Their IT implementation only drain their resource and drawn their business attention far from their core competence. Why these situations occur? I believe because there is a gap between business process design and IT infrastructure design. Other reason is because the business process design and IT design was not rarely have different goals, orientation and lack of integration.

Based on Hammer and Champy books (1993), Information Technology is the decisive reason why a company conducted Reengineering. Therefore, reengineering should bridge the gap between IT and Process design. Reengineering methods used in this thesis facilitate and consider the Information technology as a means to achieve dramatic, radical and fundamental process improvement. This thesis also used IT as a tool to facilitate the reengineering research.

Nevertheless the real question is still relevant. WHY BOTHER? Why we are working so hard try to invent and improve this concept? Why are we reengineering our Business Process? Why we do it in the first place?
For many people, I’m sure that the answer is simple for them. The answer is to MAXIMIZE PROFITABILITY. We do it for profit and we measure it from profit point of view. For me is much simpler than that. My answer is to improve (even a little bit) the quality of human life. This naïve answer may look ridiculous to business minded people. But I think it should be a quest for all academic people to seek and invent a new system or concept that improve the quality of human life. For example, how might we construct a new system for a manufacturing company to produce a product in a safe manner for the worker, with high quality and low price in a very short time? This is of course what Profit minded people seek also, but rather than for PROFIT let us do it for PEOPLE.

The writer understands that this thesis is only a small fraction, a grain of dust in the middle of vast and grand scale topic named Reengineering. Therefore, I understand if the methods used in this thesis may not satisfy all the readers. Some may see flaw or weakness. I humbly invite you to discuss about it. I appreciate comments, critiques and challenges from the readers. In the end, I hope this thesis will benefits its reader with valuable insight about Business Process Reengineering and for the development on Indonesian Economy.

Jakarta, 25 February 2002
Wibowo Kosasih
ACKNOWLEDGEMENT

First of all I want to dedicate this thesis for my Wife, Onik, for her love and understanding. Her love has been an inspiration for me to finish this thesis. May God bless our marriage.

Like many other works, this proposal is surely not the result of one man only. Therefore, I like to thanks to Dr. Richardus Eko Indrajit as my mentor. I must say he is the one that responsible for the idea of this topic even though he doesn’t realize it. I got BPR books from his bookshelf indirectly and since then my fascination in BPR nourish. He also encourages ‘out of the box’ thinking to us in his lecture session. This proposal to be or not to be is the result of his lecture style. I also want to share my gratitude to Dr. Tranggono IS Turner (Dr. Denny) for his advice to keep me on focus and narrowing my research, which I felt it so difficult (very difficult). His comment on several topics is very valuable for the direction of this research, especially in TOC, conceptual model and research problem. Dr. Indrajit and Dr. Denny is always provokes our thinking, and I must thank for both of them for such pleasure.

This thesis proposal cannot be done well without Dr. Gerard Polla as ISRM unit lecturer. He provides assistance and guiding the structure of this thesis proposal. He is a generous and patient teacher to all of us. I would like to note huge gratification for Dr. Heinz Dreher as Curtin ISRM lecturer for such a strong support in our ISRM class. I will never forget his words, “Doing right at the first time”. Viele Dank Herr Dreher. The last but not least, I want to thank Mr. Bill Newman for showing his fascination of my work on BPR. That means a lot to me. Thank you for your encouragement and valuable advice Mr. Bill, I will do my best for my research in reengineering.

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Jakarta, 25 February 2002

Wibowo Kosasih
ABSTRACT

Manufacturing companies as the farthest corner of the supply chain is absolutely play the vital role in business circle. The lifecycle of this company directly or not directly decide the life or death of other company (domino effect). This is why, this thesis chooses manufacturing company as an object for case study in business process reengineering research. The thesis emphasizes on applied research that delivers a new Business Process Model for manufacturing company through reengineering method.

This thesis also tries to bridge the gap between business process and information technology, by using reengineering methods that improvise and integrate the use of IT in business process design. Some ways to improvise and integrate IT and business process is by eliminate, simplification, integrate and automate (Peppard, 1995).

The research begins with constructing BPR methodology through literature research. Then we do strategic analysis that answer the question “Why we should do reengineering?” The next step is mapping the old business process and visioning of what the future process will be. This steps being conducted through a series of workshops involving various managerial level in the company. After we know what we want to achieve then we redesign the old business process. When the new model is done, we compare and simulate the old and new process model using EXTEND+BPR, a process simulation software. Then we compare the old and new process to see the differences and judge the success of the reengineering efforts.

Key Words: Process Mapping, Reengineering, Action Research, Process Simulation
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