ABSTRACT

The goal of every company is to achieve its business objective. But in order to achieve that objective, they must also mind their employees' safety and welfare when they reach the pension period. For that reason, they establish pension fund for their employees. This pension fund was established to provide appropriate and fair benefits for their employees when they retire, mostly based on their years of service to the company. To run this pension fund is quite a huge job for them. They might do not have the skilled people to run the operation smoothly. So in order to be more focus, some of them outsource their pension fund administration to other company, such as to PT Watson Wyatt Purbajaga.

This company has been providing the service since 1993. So it is a good place to start the study for this thesis due to its wide experience in the business. This writing will focus on how to enhance the existing processes by using business process reengineering (BPR). It is hoped that thorough BPR, the company could produce a faster, cheaper and better in providing the service to its clients. The objective is to simplify workflow so that the functions within each process are optimized. After analyzing the process, it is then optimized. The optimization process will involve information technology and social aspect of the organization. This thesis will also cover the simulation by using Extend software to further look at the comparison between the old and new processes. The simulation results produced will show whether the BPR objectives had been achieved.

It is hoped that the new processes will be able to give the company a competitive advantage in order to further enhance their service for meeting the clients' expectation.

Key words: pension fund, pension fund administration service, business process reengineering, Extend software, optimized process
# TABLE OF CONTENTS

ACKNOWLEDGEMENT ........................................................................................................ iv  
ABSTRACT .......................................................................................................................... v  
TABLE OF CONTENTS ....................................................................................................... vi  
LIST OF TABLES .................................................................................................................. viii  
LIST OF FIGURES ........................................................................................................... ix  
CHAPTER 1 INTRODUCTION .............................................................................................. 1  
1.1. Background ................................................................................................................ 1  
1.2. Problem Definition .................................................................................................... 2  
1.3. Objective and Benefit of the Study .......................................................................... 2  
1.4. Problem Limitation ................................................................................................... 3  
1.5. Thesis Structure ....................................................................................................... 4  
CHAPTER 2 THEORETICAL FRAMEWORK .................................................................. 6  
2.1. Business Process Reengineering (BPR) ................................................................. 6  
2.2. The Enabling Role of Information Technology ...................................................... 9  
2.3. Definition of Pension Fund Administration Related Components ...................... 11  
2.4. EXTEND+BPR ....................................................................................................... 14  
2.5. Conceptual Framework ............................................................................................ 16  
CHAPTER 3 METHODOLOGY ......................................................................................... 17  
3.1. The Company ........................................................................................................... 17  
3.2. “As-Is” Processes ..................................................................................................... 19  
   3.2.1. “As-Is” Producing Benefit Statement ............................................................... 28  
   3.2.2. “As-Is” Producing Technical Report ............................................................... 31  
   3.2.3. “As-Is” Producing Personal Benefit Statement (PBS) .................................... 33  
   3.2.4. “As-Is” Producing Contribution Report ........................................................... 36  
3.3. Data Collection Technique ..................................................................................... 37  
CHAPTER 4 RESULT AND ANALYSIS ........................................................................ 39  
4.1. “To-Be” Process ...................................................................................................... 39  
   4.1.1. “To-Be” Producing Benefit Statement and Analysis ....................................... 43  
   4.1.2. “To-Be” Producing Technical Report and Analysis ......................................... 48
LIST OF TABLES

Table 2.1. Blocks in BPR .......................................................... 15
Table 4.1. The Benefit Calculations Produced ................................ 44
Table 4.2. “As-Is” Process in Producing Benefit Statement ............... 45
Table 4.3. “To-Be” Process in Producing Benefit Statement ............... 45
Table 4.4. Cycle Time and ACT or “As-Is” Process .......................... 46
Table 4.5. Cycle Time and ACT or “To-Be” Process .......................... 46
Table 4.6. Idle Usage in “As-Is” Producing Benefit Statement (in unit) .. 47
Table 4.7. Idle Usage in “To-Be” Producing Benefit Statement (in unit) .. 47
Table 4.8. Idle Usage in “As-Is” Process .................................... 47
Table 4.9. Idle Usage in “To-Be” Process .................................... 47
Table 4.10. “As-Is” Process in Producing Technical Report ............... 49
Table 4.11. “To-Be” Process in Producing Technical Report ............... 50
Table 4.12. Cycle Time in “As-Is” and “To-Be” Process .................... 51
Table 4.13. Idle Usage in “As-Is” Process (in unit) .......................... 52
Table 4.14. Idle Usage in “To-Be” Process (in Unit) .......................... 52
Table 4.15. “As-Is” Process in Producing Personal Benefit Statement ..... 54
Table 4.16. “To-Be” Process in Producing Personal Benefit Statement ..... 54
Table 4.17. Cycle Time in “As-Is” and “To-Be” Process .................... 54
Table 4.18. Idle Usage in “As-Is” Process (in unit) .......................... 55
Table 4.19. Idle Usage in “To-Be” Process (in Unit) .......................... 56
Table 4.20. “As-Is” Process in Producing Contribution Report ............ 57
Table 4.21. “To-Be” Process in Producing Contribution Report ............ 57
Table 4.22. Cycle Time in “As-Is” and “To-Be” Process .................... 57
Table 4.23. Idle Usage in “As-Is” Process (in unit) .......................... 58
Table 4.24. Idle Usage in “To-Be” Process (in Unit) .......................... 58
LIST OF FIGURES

Picture 2.1. Admin Division Process .................................................. 16
Picture 3.1. Organization Chart ........................................................... 19
Picture 3.2. Existing process in producing Benefit Statement ....................... 29
Picture 3.3. Existing process in producing Technical Report ......................... 33
Picture 3.4. Existing process in producing Personal Benefit Statement ............. 35
Picture 3.5. Existing process in producing contribution report ....................... 36