

BUSINESS PROCESS IMPROVEMENT OF SME OM BREKELE CHIPS FOR FULFILLMENT CPPB-IRT CRITERIA AND HALAL CERTIFICATION USING BPI METHOD

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Abstract

Small and medium enterprises Om Brekele Chips is one of the SMEs engaged in food processing that produces processed cassava. SME Om Brekele Chips plans to enter supermarkets. However, to enter a supermarket, there are several requirements including ownership of SPP-IRT (Home Industry Management Permit) and Halal Certificate. To get both, SMEs must have business processes that comply with the CPPB-IRT criteria and Halal Certification. The appropriate business processes are obtained from the identification of the fulfillment of the CPPB-IRT criteria and Halal Certification with the existing business process conditions

The BPI method includes analysis of RVA, BVA and NVA activities followed by a simplification process using 12 streamlining tools, including Standardization, Supplier Partnership, Automation, Upgrading, Bureaucracy Elimination, Duplication Elimination, Simplification, and Simple Language. In the BPI method, there are several analysis of fulfillment business process activities, including 31 RVA activities, 78 BVA activities, and 1 NVA activity. Then the RVA and BVA activities that were improved include 43 activities carried out by Standardization, 11 activities carried out by Supplier Partnership, 8 activities carried out by Automation, 9 activities by Bureaucracy Elimination, 3 activities by Simplification, 3 activities by Duplication Elimination, 11 activities by Simple Language, and 5 activities by upgrading is done.

From the results of the analysis of activities in the business process of fulfilling the CPPB-IRT criteria and Halal Certification, there is a proposed business process that is grouped into several large activity groups based on Om Brekele Chips UKM. The proposed business process will be documented in the form of an SOP to be implemented in the management of Om Brekele Chips SMEs.

Keywords : CPPB-IRT, Halal Certification, BPI, SOP, SME

I. Introduction

A medium-sized business is a business in a productive economy that stands alone, and is carried out by individuals or business entities that are not subsidiaries or branches of the company owned. Reading the data shown by the Ministry of Cooperatives and SMEs, SMEs as a whole experienced good development and growth as the years changed in 2010, the total number of SME units was 52,769,436. SMEs in the Bandung area in West Java have business types in the apparel, shoes, farming, and processed food sector [1]

In the production processing of SMEs Om Brekele Chips has had SPP-IRT and Halal certificates since the beginning of the business listed on the product packaging, but the active period of both certificates has exceeded the specified limits of each related Institution. So UKM Om Brekele Chips must extend the SPP-IRT and Halal certificates if they want to continue this potato chip production business. The requirement that must be met to extend the active period of SPP-IRT and Halal certificates is to show the initial certificate and proof of documentation related to product production. However, due to the lack of attention from SME owner Om Brekele Chips related to the storage of documents and evidence of SME management records and SPP-IRT and Halal certificates, SME Om Brekele Chips cannot extend SPP-IRT and Halal certificates. Therefore, for the continuity of SME production management, UKM Om Brekele Chips must submit some CPPB-IRT and SME fulfillment requirements.

Based on a survey of om brekele chips consumers, the owner of UKM Om Brekele Chips has a desire to expand marketing to cafés, supermarkets in order to increase sales of potato chip products. This can be done by entering products into supermarkets or minimarkets or

cafes in Bandung and surrounding areas. But there are standard product requirements that must be met by SMEs to put their products into several minimarkets or supermarkets. However, there are standard product requirements that must be met by UKM Om Brekele Chips to put their products in a minimarket or supermarket, the standard product requirements for cassava chips can be seen in the form of checklist on Table 1.

Table 1 Checklist Meets Standards of Product Requirements Entering the Supermarket

No	Types of Requirements	Fulfilled	Not Fulfilled	Analysis
1	Products have a weight size in packaging [2]	V		The criteria have been met, on the product packaging has information about the weight of the product which is 100 grams.
2	Products have an expiration date	V		The criteria have been met, on the packaging of the product has information about expired date
3	Products have Halal certificates		V	The criteria have not been met, because the active period of the halal certificate has expired, the Halal certificate is no longer valid.
4	Products have barcodes		V	The criteria have not been met, because SMEs have not fulfilled the requirements of the product to enter the supermarket

5	Products have PIRT business license		V	The criteria have not been met, because the period of ownership of SPP-IRT is no longer valid.
6	The product lists the manufacturer's name		V	The criteria have not been met, because the existing product packaging only lists the name of the product, the weight of the product, and the expiration date of the product.
7	The product lists the composition of the product in the packaging		V	The criteria have not been met, because SMEs must have a standard and hygienic production process.

Based on the table above it can be concluded that UKM Om Brekele Chips does not yet have standard entry requirements to the supermarket. From the above requirements, what must be met by UKM Om Brekele Chips is to have SPP-IRT as proof of production business license and Halal certificate of cassava chip products produced from SMEs. This is because in the fulfillment of SPP-IRT and Halal certificates can already meet other requirements such as having barcodes and others to enter the supermarket.

The most critical criteria are related to SPP-IRT and Halal Certification. To obtain SPP-IRT and Halal Certification SMEs must apply the criteria of CPPB-IRT (Good Way of Food Production in Household Industries) listed in the Bpom Ri Head Regulation No.HK.03.1.23.04.12.2206 on how to produce good food for the household industry. CPPB-IRT is considered very important because it can protect the public from food quality deviations and health hazards.[3]

As for obtaining halal certification, SMEs must apply the SJH (Halal Guarantee Certificate) criteria listed in has 23000:1 rules for guaranteeing production results. (LPPOM MUI, 2014) An SME has a Halal certificate to be important because the majority of the population in Indonesia is Muslim. So that UKM Om Brekele Chips is important to have SPP-IRT and Halal certificates if you want to continue and expand the product sales network to supermarket / minimarket.

To meet the criteria of CPPB-IRT and Halal Certification, an SME must have a suitable business process so that all production activities can run in a structured manner and have BPOM RI standards, but, in fact, UKM OM Brekele Chips does not yet have a structured and standardized business process. Based on the results

of the interview with Mr. Urfan, UKM Om Brekele Chips does not yet have a structured and standardized binis process because all existing business processes have not followed the standards set by the Government related to the household industry so that CPPB-IRT and Halal Certification standards are needed to standardize business processes so that the products produced can be of good quality and safe for consumption and Halal certification. The table below shows that UKM Om Brekele Chips does not yet have a business process that is in accordance with the criteria of CPPB-IRT and Halal Seritifikasi.

Table 1 Sample Nonconformity of CPPB-IRT and Halal Criteria

No	Criteria Requirements	Fulfillment	Criteria
CPPB-IRT Criteria			
1	Production Environment	No	Dirty production room
2	Process Control	No	SME owners have not implemented a standard food production process
3	Employee Health and Hygiene	No	SMEs do not yet have provisions for employees to always keep the room clean
Halal Certification Criteria			
1	Halal Policy	No	SMEs have not disseminated to all interested parties
2	Training and Education	No	SMEs do not yet have written procedures related to training and education

In the table above, after identifying proves that the business process of UKM Om Brekele Chips has not met the criteria of CPPB-IRT and Halal Certification, therefore, it is necessary to design a proposed business that meets the criteria of CPPB-IRT and Halal Certificate to obtain SPP-IRT and Halal Certification.

Therefore, in this study will be evaluated on the fulfillment of criteria need to be identified to the binis process that is currently running in UKM OM Brekele Chips. The identification results will show the fulfillment of the requirements of CPPB-IRT and SJH criteria that need to be met by UKM Om Brekele Chips in the improvement of business processes in the future.

II. Literature Review

II.1 CPPB-IRT

CPPB-IRT is a program that contains requirements on every scope or aspect that must be met by the producers of processed food in the household industry to produce quality, quality, safe, and consumable food products. CPPB-IRT is one of the important factors to meet food quality standards or requirements set for IRT (Household Industry) food production. CPPB-IRT is very useful for the survival of the food industry both small and medium scale. With quality food will arise trust from the community and will have a significant effect in terms of sales, the community in general will be protected from food quality deviations and health-threatening hazards.

The space contained in the CPPB-IRT criteria is as follows:

1. Production Environment
2. Buildings and Facilities of IRT
3. Production Equipment
4. Water Supply

5. Hygiene and Sanitation Facilities and Activities
6. Pengendalian Hama
7. Employee Health and Hygiene
8. Process Control
9. Foods Labels
10. Storage
11. Stakeholders
12. Product Recall
13. Recording and Documentation
14. Employee Training

II.2 Halal Certification

Halal is a product that does not contain haram elements or materials that are prohibited for consumption by Muslims, and its processing is not contrary to Islamic sharia (Ministry of Religious Affairs, 2014) In Indonesia, to give confidence to consumers that the products consumed are halal, then the company needs to have a HALAL MUI Certificate. Halal certificate is a condition to get permission to include halal labels on product packaging. The validity period of the Halal Certificate is two years, during that period, the company must be able to provide assurance to MUI and Muslim consumers that the company always maintains consistency in its product page.

The Indonesian Ulema Council (LPPOM MUI) is an institution tasked with researching, reviewing, analyzing, and deciding that products (food and cosmetics) are safe to consume both in terms of health and the teaching side of Islam, halal yaki or can be consumed for Muslims in Indonesia. LPPOM MUI reserves the right to issue a Halal Assurance System (SJH) for companies that apply for Halal status and pass the test. Halal Assurance System (SJH) is a management system that is compiled, implemented, and maintained by halal certificate holder companies [4]

halal product criteria refer to the criteria of SJH (Halal assurance system) listed in the document HAS 23000:1 (Indonesian Ulema Council, 2013), among others:

1. Halal Policy
2. Halal Management Team
3. Training and Education
4. Ingredients
5. Product
6. Production Facilities
7. Critical Atvitas Written Procedure
8. Traceability
9. Handling products that do not meet the criteria
10. Internal Audit
11. Management Review

II.3 Business Process Improvement

Business processes are a set of activities that require one or more inputs / inputs and form an output / output that has the value that the customer wants [5] Business processes are a number of activities that convert a number of inputs into outputs for others [6] It can be concluded that business processes are a collection of interconnected activities and needed to achieve a valued final result for the company. Dalam BPI terdapat proses perbaikan berupa analisis aktivitas dan penyederhanaan menggunakan 12 tools streamlining. Analisis aktivitas adalah pengidentifikasian dan evaluasi aktivitas yang terdiri dari:

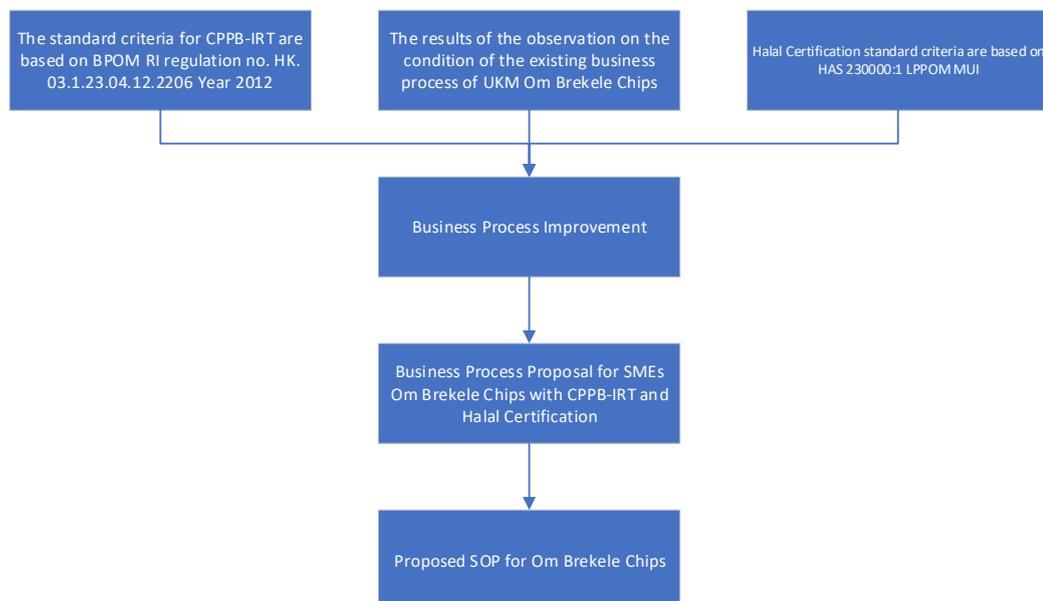
1. Real value Added (RVA) These are activities of a business process that are directly needed to obtain the expected output.
2. Bussiness Value Added (BVA) These are activities of a business process that do not add value to the output of the process directly, but these activities are necessary as a support.
3. Non Value Added (NVA) It is an activity of a business process that does not provide added value to customers in business processes.

After the analysis of activities so that business processes can be adjusted in SMEs, the simplification process is carried out with 12 streamlining tools. The 12 streamlining tools used in simplifying, namely:

1. Bureaucracy Elimination
2. Duplication Elimination
3. Value-Added Assesment
4. Simplificatioin
5. Process cycle-time reduction
6. Error Proofing
7. Upgrading
8. Simple Language
9. Standardization
10. Supplier Partnership
11. Big Picture Improvement
12. Automation and Mechanization

III. Conceptual Model

In this sub-chapter will be explained the conceptual model in the final task of UKM Om Brekele Chips. The conceptual model describes the flow of interrelationships between variables consisting of inputs, processes, outputs. The conceptual model on this final task can be seen in Figure III-1.

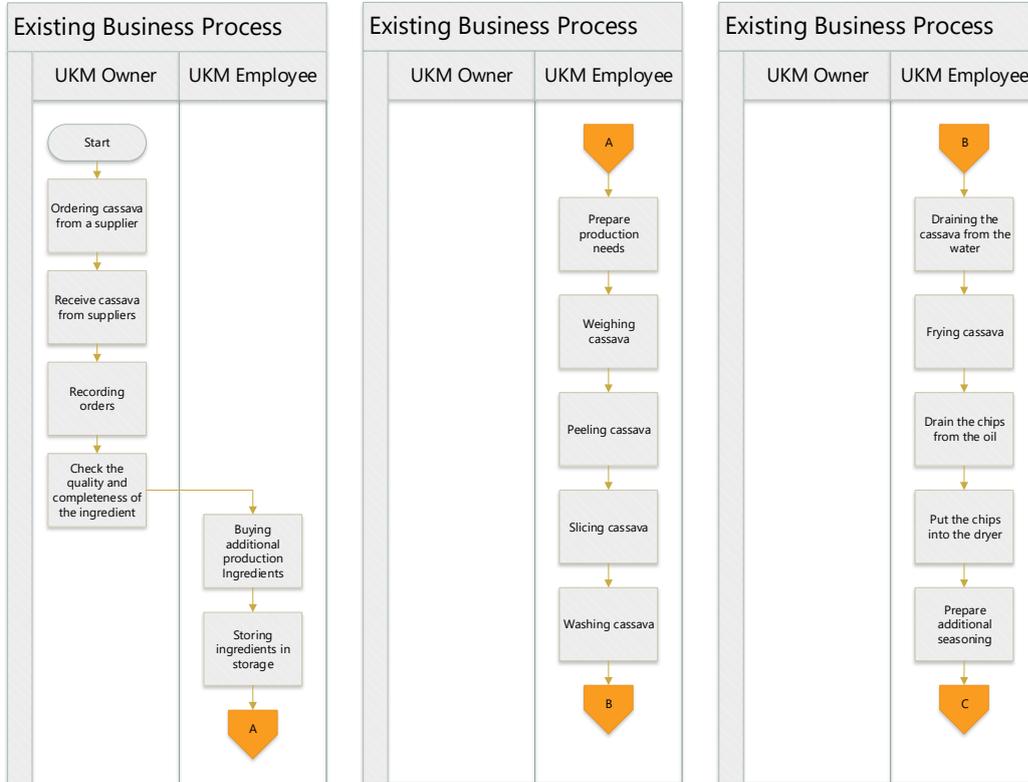


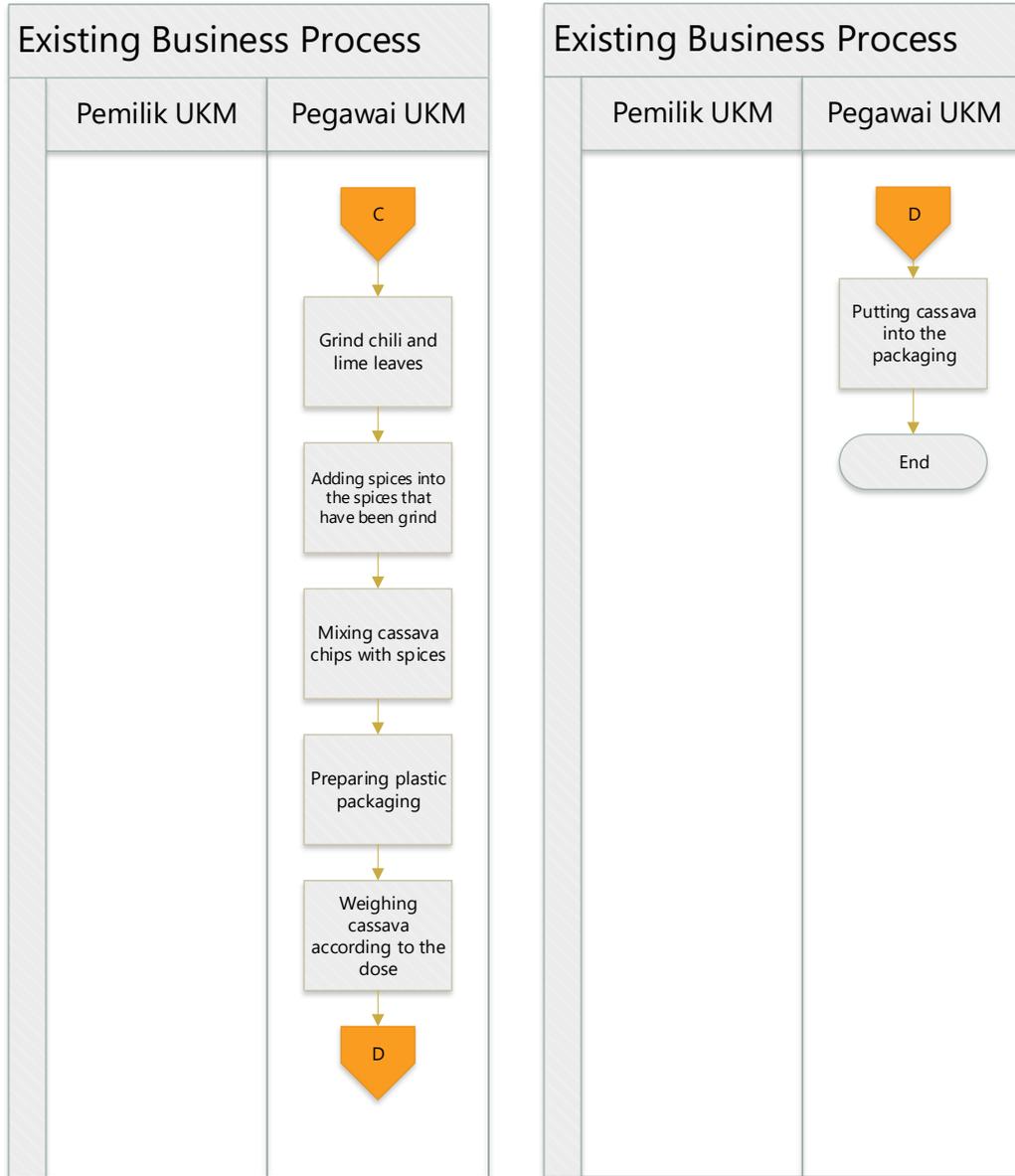
The above image describes the variables used in making proposed business processes and SOPs for SMEs Om Brekele Chips in accordance with the standards of CPPB-IRT Criteria and Halal Certification. Variables in this study start from the existing binis process in UKM OM Brekele Chips as well as the requirements of meeting the CPPB-IRT criteria. Of the two variables will be analyzed so as to give rise to existing business processes, this variable will be a reference to analyze the process that must be immediately addressed to meet the criteria of CPPB-IRT and Halal. The results of this business process identification will be improved by business process improvement methods so that the process in UKM Om Brekele Chips meets the standards of CPPB-IRT criteria and halal certification. The result of this improvement is the proposed business process that is further used to create a proposed SOP of SMEs Om Brekele Chips.

IV. Discussion

IV.1 Existing Process Business

UKM Om Brekele Chips has a series of production processes that have been carried out by EMPLOYEES of UKM Om Brekele Chips can be seen in Figure 1





Based on Figure 1 of the existing business process UKM Om Brekele Chips has 22 process flows that start from ordering cassava chips from a supplier to putting cassava into the packaging.

IV.2 Analysis if CPPB-IRT Criteria and Halal Certification

After identifying the conditions for the application of CPPB-IRT criteria and existing Halal Certification criteria, identification of conditions of nonconformity in the application of CPPB-IRT criteria and Halal Certification criteria. This is indicated to find out the conditions that do not comply with the criteria of CPPB-IRT and SJH.

After an assessment of the nonconformity in the application of CPPB-IRT criteria to SMEs Om Brekele Chips has been done, the following results are obtained 7 for number of Critical Nonconformities and 6 from Number of Serious Nonconformities. After identifying the application of Halal criteria in HAS 23000:1 in UKM Om Brekele Chips, there were 44 discrepancies.

IV.3 Activity Analysis

Based on the analysis of the fulfillment of CPPB-IRT criteria and Halal Certification in existing business processes in SME Om Brekele Chips, an analysis of activities on business processes is carried out. Activity analysis is divided into three characteristics, including RVA, BVA, and NVA. This aims to find out business processes that generate added value directly to consumer needs (RVA), supporting business processes that can generate added value or reduce added value in consumers (BVA), as well as business processes that do not produce added value (NVA). The results of the analysis of business process activities meeting the criteria of CPPB-IRT and Halal Certification of SMEs Om Brekele Chips can be seen as follows:

1. RVA it has 31 business process
2. BVA it has 78 business process
3. NVA it has 1 business process

In the next stage in the proposed business process that belongs to the RVA and BVA activities, the repair process is carried out using 12 streamlining tools. There is a purpose for this tool to minimize and simplify the activities of RVA and BVA in the business process proposed by UKM Om Brekele Chips. Then for the activity of NVA can be eliminated because it does not provide added value for SMEs Om Brekele Chips or consumers.

Based on streamlining analysis activities on proposed business processes that have RVA and BVA activities, following a group of each streamlining criteria from the analysis of activities throughout the business process proposed by UKM Om Brekele Chips. There are 43 business processes conducted by streamlining standardization, There are 11 business processes carried out by streamlining supplier partnerships, There are 8 business process activities carried out by streamlining automation, There are 9 business processes carried out streamlining bureaucracy elimination including simplification, There are 3 business processes that are carried out streamlining simplification, There are 3 business processes that are carried out streamlining duplication elimination, There are 11 business processes carried out streamlining simple language, and There are 5 business processes that use Streamlining Upgrading.

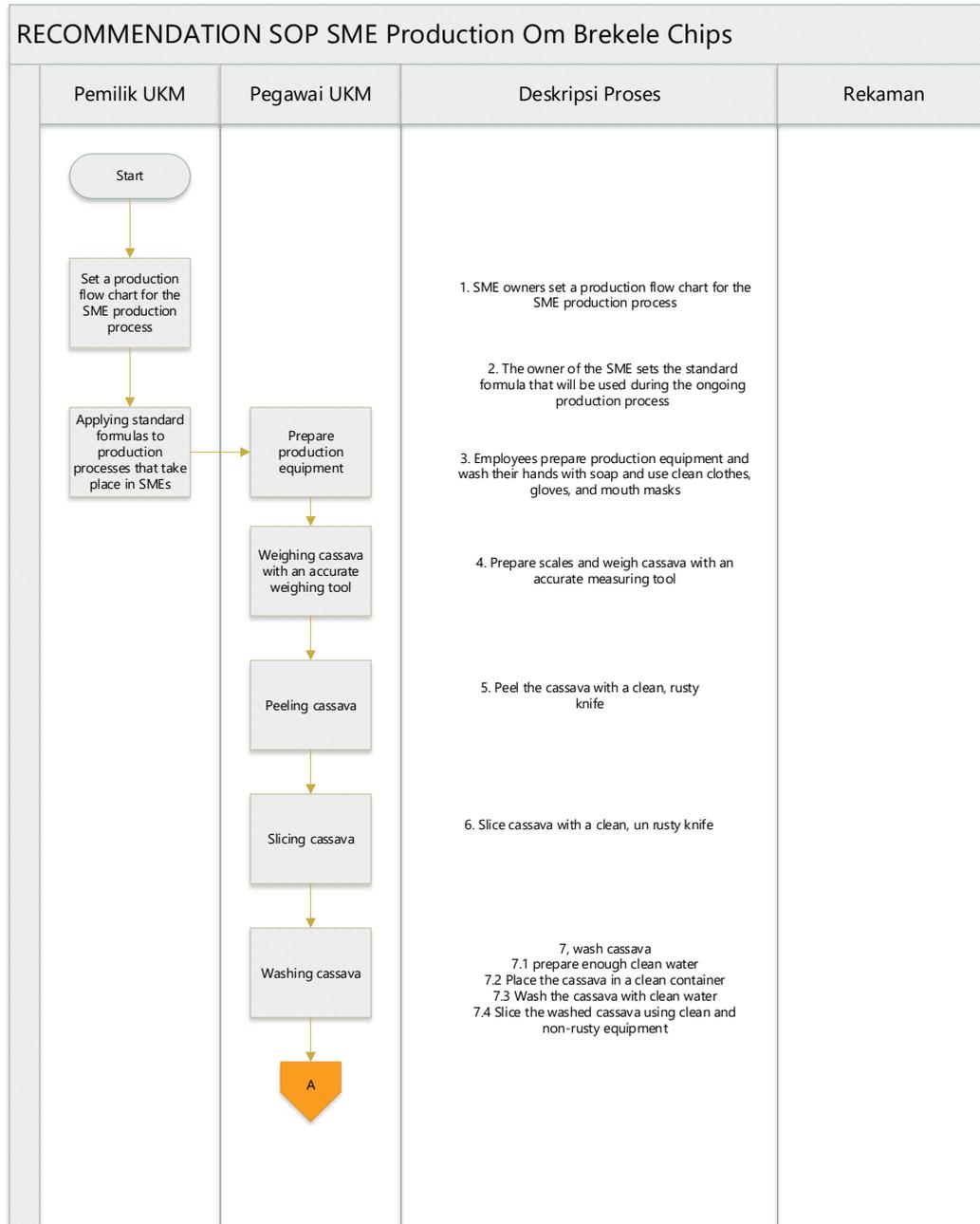
IV.4 Proposed Business Process

Based on the analysis of activities and improvements using streamlining in business processes to meet the CPPB-IRT and Halal criteria, a list of effective and efficient proposed business processes was obtained. This proposed business process consists of all activities of UKM Om Brekele Chips that have been adjusted to the criteria of CPPB-IRT and Halal and used simplification using the BPI method, this aims so that all SME employees related to the management of UKM can understand and implement the procedures applied from SME owners.

IV.5 SME SOP Recommendation Draft Om Brekele Chips

This SOP recommendation is compiled from the analysis of existing business process data that meets the standard requirements of CPPB-IRT criteria and Halal Certification and is improved using the BPI method. The data needed to create an SOP is a list of proposed business processes that have been grouped into each group of SME activities. In the SOP recommendations contain information that can be applied by SME employees such as instructions and work procedures to manage SMEs Om Brekele Chips

This SOP design aims to assist UKM Om Brekele Chips in carrying out the production process and maintaining production facilities based on CPPB-IRT criteria and Halal Certification. In addition, the SOP design also aims to help UKM Om Brekele Chips get SPP-IRT and Halal certificates in order to expand the distribution area of products from grocery stores to supermarkets.



V. Conclusion

The proposed business process is designed large from business processes that apply the criteria of CPPB-IRT and Halal Certification that have been improved using the BPI method in the form of analysis of RVA, BVA, NVA and simplification activities with 12 streamlining tools used including standardization, Supplier Partnership, Simplification, Automation, Bureaucracy Elimination, Duplication Elimination, Simple Language, and Upgrading. After that to be easily understood by SME employees, the proposed business process is grouped into several large groups based on the state of UKM Om Brekele Chips, including procurement of production goods, production process, product packaging, internal audit, and sanitation of SMEs Om Brekele Chips. Sop recommendations are designed so that SME employees can implement existing proposed business processes on OM Brekele Chips SMEs. In the SOP contains about the procedure of activity flow based on business process proposals and recordings in the form of control documents, stickers, and others related to the activities.

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