

## ABSTRACT

PT. Telekomunikasi Indonesia, Tbk (TELKOM) is the largest one company constitute of information and communication operator as well as services provider and telecommunication network in Indonesia. This company have a support division called R&D (Research & Development), which is constitute of supporting unit committed to do researching and investigating, concerning to the telecommunication technology and services business product. As a research division Telkom R&D needed telecommunication equipment, research equipment tools and supporting facilities to do research. In order to fulfill the R&D necessity, the logistics unit needed to meet necessity procurement.

Logistic unit in R&D division have used 2 procurement method that is: Direct process of sorting method and Direct assignment method. Procurement with direct process of sorting method and direct assignment method only allowed for purchasing goods not more than  $\leq 2$  billion. That two procurement method respectively have time settlement standard: direct process of sorting method 35 days and direct assignment method 27 days. Do to that three method, the company have make serious efforts to fulfill 100% successful procurement target. But the procurement success delivered in actual fact only about 55.55 % and 44.45% remainder are failed. Do to the failed process, emerge idea to do investigation to find out the motive why the procurement process failed and looking for what will be the solution to improve the failed procurement process. BPI (Business Process Improvement) method suggested to be used to improve the success level of the procurement Business Process .

By used BPI (Business Process Improvement) method, every activity process analyzed carefully to find the value added of each activity by categorize the activity to RVA (Real Value Added), BVA (Business Value Added) dan NVA (Non Value Added). Furthermore analyzed by using streamlining analysis with 13 tools. The result of business process reform procurement activity for: direct assignment changes formerly 73 activity decrease to 53 activity. And procurement activity for Direct process of sorting method formerly 98 activity decrease to 60 activity. By apply automation on dispatch of announcement letter has obtained efficiency on paper consumption from 275 paper work become 227 (17.45%) for direct assignment procurement. And direct process of sorting method decrease paper work from 374 become 240 paper work (35.82%).

Key word : Business Process Improvement, procurement of goods and or service, logistic.