

**BUSINESS PROCESS ANALYSIS TO SUPPORT  
CPO PREMIUM SYSTEM  
IN PT. PERKEBUNAN NUSANTARA VII BEKRI BUSINESS UNIT**

by

Otje Aria Pamungkas  
1-1212-115

BACHELOR'S DEGREE  
in

INDUSTRIAL ENGINEERING  
FACULTY OF ENGINEERING AND INFORMATION TECHNOLOGY



SWISS GERMAN UNIVERSITY  
EduTown BSD City  
Tangerang 15339  
Indonesia

August 2016

**Revision after Thesis Defense on 18<sup>th</sup> of July 2016**

## STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

Otje Aria Pamungkas

Student

Date

Approved by:

Ir. Triarti Saraswati, M. Eng

Thesis Advisor

Date

Dr. Tanika D. Sofianti, ST, MT

Thesis Co-Advisor

Date

Dr. Ir. Gembong Baskoro, M. Sc

Dean

Date

## ABSTRACT

### Business Process Analysis to Support CPO Premium System in PT. Perkebunan Nusantara VII Bekri Business Unit

By

Otje Aria Pamngkas  
Ir. Triarti Saraswati, M. Eng., Advisor  
Dr. Tanika D. Sofianti, ST. MT., Co-Advisor

SWISS GERMAN UNIVERSITY



Palm Oil industry is very important for Indonesian Economy. It contributed 13.11% percent to of agriculture subsector GDP. In 2011, Indonesia is the biggest CPO producer in the world followed by Malaysia in the second place. State Own Company until now still be the Indonesia economy prime mover. PT. Perkebunan Nusantara is one of the State Own Enterprise engage in plantation. PT. Perkebunan Nusantara as a market participants have to compete with other plantation companies in Indonesia. Considering the role of PT. Perkebunan Nusantara part of economy prime mover, this research conducted in PT. Perkebunan Nusantara VII. To boost the growth of production and won the competition, PT. Perkebunan Nusantara VII apply the premium system incentives as well as carried out by other private plantation companies. There is an issue of effectiveness in implementation of premium system. To study further detail the problems, this study focus to analyze the business process of premium system. It is found lack of internal control. To solve the problem, it is proposed to utilize internal control framework by COSO.

*Keywords: Reward System, Risk, Standard Operating Procedure, Internal Control Framework by COSO*



**SWISS GERMAN UNIVERSITY**

## DEDICATION

I dedicate this work to my parents and brothers,  
who have given me all the supports I need,  
and to my lecturers in Industrial Engineering,  
who have taught me nothing but important lessons.



## ACKNOWLEDGEMENTS

First and foremost, I would like to thank the God Almighty Allah SWT for the strengths and blessings given to me during my studies and completion of this work.

I also thank my family, my mother, father, and sister for the relentless support you all have given to me. I will not be where I am today without any of your help. I also express my gratitude towards my thesis advisors, Ms. Triarti Saraswati and Ms. Tanika D. Sofianti. Thank you for your unwavering trust, patience, guidance, and supports towards me during my whole studies and the completion of this work.

A special thank you to Hilman, Dhika, Arief, and for all day and night we spent together while doing our works. Thank you for helping me finish my work and thank you for the distractions that make the progress of this work longer than it should be.

Last but not least, I would like to thank my friends from Industrial Engineering batch 2012 for the last 4 years we spent together. Thank you for all the memories. I am honored to call all of you my friend. I love you all.



SWISS GERMAN UNIVERSITY

## TABLE OF CONTENTS

	Page
STATEMENT BY THE AUTHOR .....	2
ABSTRACT .....	3
DEDICATION .....	5
ACKNOWLEDGEMENTS .....	6
TABLE OF CONTENTS .....	7
LIST OF FIGURES .....	9
LIST OF TABLES .....	10
CHAPTER 1 - INTRODUCTION.....	11
1.1 Background.....	11
1.2 Research Problems .....	13
1.3 Research Question .....	13
1.4 Research Objectives .....	13
1.5 Significance of Study .....	14
1.6 Scope of Analysis .....	14
1.7 Research Limitations .....	14
1.8 Thesis Organization.....	15
CHAPTER 2 – LITERATURE REVIEW .....	16
2.1 Overview of Oil Palm.....	16
2.2 Harvest System.....	17
2.2.1 Harvest Criteria .....	18
2.2.2 Harvest Process .....	19
2.2.3 Harvest Rotation and Management System .....	20
2.3 Reward System.....	21
2.3.1 Attraction and Retention .....	22
2.3.2 Motivation of Performance .....	23
2.3.3 Culture .....	24
2.3.4 Skills and Knowledge.....	24
2.3.5 Cost.....	25
2.4 Business Process.....	25
2.4.1 Business Process Analysis.....	25
2.4.2 Cause-Effect Analysis .....	26
2.5 Internal Control Framework by COSO .....	26
2.5.1 Objectives.....	27
2.5.2 Components of Internal Control.....	27
CHAPTER 3 – RESEARCH METHODOLOGY .....	29
3.1 Study Phase .....	31
3.2 Data Collection.....	31

3.3	Data Analysis.....	32
3.4	Internal Control Framework by COSO .....	33
3.4.1	Risk Assessment.....	34
3.4.2	Control Environment.....	36
3.4.3	Control Activities .....	36
3.5	Conclusion.....	36
CHAPTER 4 – RESULTS AND DISCUSSIONS .....		37
4.1	Company Overview.....	37
4.1.1	CPO Processing.....	40
4.1.2	Premium System in PT. Perkebunan Nusantara.....	41
4.2	Problem Formulation.....	43
4.3	Business Process Documentation .....	44
4.4	Observation Result .....	51
4.5	Data Processing .....	52
4.6	Current Process Analysis.....	53
4.7	Improvement.....	57
4.7.1	Control Environment.....	59
4.7.2	Control Activities .....	64
CHAPTER 5 – CONCLUSION AND RECOMMENDATION.....		71
5.1	Conclusion.....	71
5.2	Recommendation.....	72
5.3	Further Study.....	72
REFERENCES .....		73
APPENDICES .....		75
APPENDIX A – PREMIUM SYSTEM PROCESS FLOW .....		76
APPENDIX B – PREMIUM SYSTEM GUIDLINE.....		80
CURRICULUM VITAE .....		81