ABSTRACT

Today, the competition in the market especially in Pulp and Paper is even tougher. With the pulp price decline about 50%, and the paper price is fluctuation, in order to survive in battle, with the prediction of demand stagnant in the following years, company to squeeze the internal cost is a must.

Work efficiently and effectively are the ways to drag down the cost. In order to achieve the result dramatically, companies applied Business Process Reengineering. The Business Process Reengineering with the support of Information Technology will bring the optimum in the result to be achieved.

Success story in Business Process Reengineering at other multinational company in the world has motivated APP to implement Business Process Reengineering (BPR) in his company.

In doing the reengineering, there are 5 stages/steps that described in this thesis. The stages are understand the existing or on-going process, dig all the fact that creates the existing or on-going process, creates new alternative reengineering, estimates all information needed to support the new process, and do the feasibility test for that new process.

After the simulation done, the best proposal of the new process will be proposed to be implemented.

Key words: procurement process reengineering, procurement existing process and new process proposal