

ABSTRACT

Providing fast and simple service transforms as even greater priority for bank and becomes one thing considered by customers when they propose a credit. The more stringent competition in micro credit has ignited many banks to serve faster and better to fulfil customer preference as well as achieve competitive advantage. The lack of Service Level Agreement that exceeds what has defined in the Standard Operating Procedure, can decrease the convenience level of customer and company's revenue. The main purposes of this thesis are to evaluate the existing credit process, to identify and analyze problems and wasteful steps causing credit process becomes longer, and to provide the possible solutions and make recommendations for continuous improvement plan in PT. BPR UGM.

This thesis concludes that (1) The current credit process consists of 28 activities, ranging from document submission until credit filing. The total time needed to accomplish a credit application is 1281 minutes (21 hours) which consists of VA as 471 minutes (37%), NVA as 796 minutes (62%) and NNVA as 16 minutes (1%), (2) The problems causing the exceeding SLA are classified into four dimension which are people (the form of BI checking request is not submitted immediately, MUK is not directly processed by credit analyst, and no specific SLA concerning loan approval by credit committee), procedures (the internal provision concerning the form BI checking request and the MUK that encourages account officer to submit the form BI checking request and the drafted MUK after visit), policies (unclear person-in-charge for handling TBO document and Ineffective on-the-spot survey), and external forces (customers do not comply the schedule of document collection, & credit binding, difficulty to schedule OTS quickly, & waiting for BI checking request), (3) To improve the current credit process, several removals and adjustments of the current activities are proposed. Activities that should be removed include *Comeback to office to submit BI checking request*, *Waiting for MUK authorization by Head of Marketing*, and *Waiting for MUK approval by Credit Committee*. While some adjustments are made in the form of proposing a *credit scoring*, an alert system to notify credit analyst for the incoming MUK, and a specified SLA for loan approval by credit committee. Under the new credit process, it contributes a better performance with the reduced NVA as 69%. While the total time needed to proceed a credit from submitting application until disbursement reduces 45% from 1281 minutes (or 21 hours) to 704 minutes (12 hours).

Keywords: Credit Process, Service Level Agreement, Process Improvement.