EFFECT OF BUSINESS PROCESS REENGINEERING, MARKET ORIENTATION AND COMPETITION ENVIRONMENT TO PLANNING STRATEGY AND ADVANTAGES COMPETITIVE INDUSTRY ELECTRONICS BEKASI INDUSTRY AREA

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ABSTRACT

This research design is the influence of business process reengineering, market orientation and competition environment to strategic planning and competitive advantage of electronics industry in Bekasi industrial area. The purpose of this study is to test and analyze: the influence of business process reengineering, market orientation and competition environment simultaneously and partially to the electronic industry strategy planning Bekasi, the influence of business process reengineering, market orientation and competition environment partially and simultaneously to the competitive advantage of electronics industry Bekasi , the influence of strategic planning on the competitive advantage of Bekasi electronics industry, the influence of Business Process Reengineering, market orientation and competitive environment against the competitiveness of Bekasi electronics industry through strategic planning. Data analysis method uses structural equation modelling with 205 companies of Bekasi electronic industry. The result of the research shows that business process reengineering, market orientation and competition environment have simultaneous effect on Bekasi electronic industry strategy planning, business process reengineering, market orientation and competition environment simultaneously influence the competitive advantage of Bekasi electronics industry, strategic planning influence on competitive advantage, reengineering business processes, market orientation and competitive environment affect the competitive advantage of Bekasi electronics industry through strategic planning

Key words: strategic planning, competitive advantage, structural equation modeling

Introduction

Recent phenomena indicate that the form of regional cooperation is becoming more widespread, especially in the field of economy and international trade. The phenomenon of regionalization through the establishment of various trade blocs (EUROPEAN, APEC, NAFTA, AFTA, CACM and MERCOSUR) in various regions becomes unavoidable. Based on the experience of the formation of Custom Unions in Europe (Benelux and the European Union) shows that economic integration can occur due to intensive trading activities among member countries (intra-regional trade). Indonesia faces an era of new challenges in the ASEAN Economic Community. With the enactment of ASEAN Economic Community that is agreed by all countries in Southeast Asia region then automatically liberalization will occur in almost all sectors. The main concept of the ASEAN Economic Community is to create ASEAN as a single market and unity of production base where free flow of goods, services, factors of production, investment and capital and tariff elimination for trade between ASEAN countries are expected to reduce poverty and economic disparity between its member countries through a number of mutually beneficial cooperation. The presence of ASEAN Economic Community can help the powerlessness of ASEAN countries in global world economic competition by forming a single market based in Southeast Asia region.

The development of electronic industry in Indonesia in 2015 reached 118.5 trillion or up 16.69 %% to 138.6 trillion in 2016.

Table 1.2 Electronic Market Share

Electronic Industry	Market share
Year 2013	Rp. 83 trillions
Year 2014	Rp. 98.77 trillion
Year 2015	Rp. 118.5 trillion
Year 2016	Rp. 138.6 trillion

Source: Leadership, 2017.

The electronics industry has a market share that tends to increase by 8% annually and is one of the pre-eminent favorable governments in Indonesia, should benefit the company, but in fact there is a lack of e-commerce industry is evident in the ever-increasing rush of imported electronic products, Indonesia's declining electronic exports and the slow growth of domestic electronic incursions.

This research is conducted by Bekasi, because Bekasi is a rapidly growing region because of the development of industrial sector in large scale (industrial area), medium and small (industrial zone). The existence of allocation of industrial land with a large enough amount of the attraction for the entry of investors and workers from within and outside Bekasi district. Until the end of

2016, the number of investors who enter the industrial area of Bekasi industrial area that has a lot of industrial areas, namely: Bekasi International Industrial Estate, MM2100 Industrial Town - BFIE, MM2100 Industrial Town - MMID, EJIP Industrial Area, Gobel Industrial Area, Jababeka Industrial Estate, Lippo Cikarang Industrial Park, Marunda Center, Greenland International Industrial Center, China Integrated Industrial Area China, Patria Manunggal Jaya Industrial Estate.

Factors that allegedly affect the competitive advantage are the environment of competition, market orientation and Business Process Reengineering and strategic planning. Strategic planning is a systematic management process that can be defined as a process of decision-making on programs to be implemented by the organization and the estimated amount of resources to be allocated in each program over the next few years (Govindarajan et.al., 2001).

As previously mentioned, in order to face the economic integration especially the Asean Economic Community encourages the manufacturing industry that gives the largest contribution to gross domestic product, it must be able to win the competition in order to compete with other industries both at home and abroad in the face of the ever-changing external environment conditions dynamically.

The company must be able to set the right business strategy planning to face the competitive environment, market orientation and Business Process Reengineering (BPR) to face the ever-changing external factors, then in this research will be examined about the influence of strategic planning and the competitive advantage of manufacturing industry.

Literature Review

1. Business Process Reengineering (BPR)

According to Hammer and Champy (1996) BPR is defined as a fundamental improvement effort and radical redesign of business processes to achieve improvement in critical measures of efficiency such as cost, quality, service, and speed. According to Herbkersman (1994) in Ellitan (2006), reengineering is a drastic change in how members of an organization solve their workings. Reengineering can also be interpreted as a process innovation or strategic vision planning and new competitive strategy as well as the development of new business processes that support that vision.

Every company that competes in the business environment will have the same goal of how to win business competition through the company's competitive advantage. Attempts to achieve competitive advantage can be made when firms are flexible in responding to changing and evolving business environments through organizational transformation. Commonly used approaches include reengineering, rethinking, restructuring of organizational design that has evolved in new management literature. The basis used in that approach is a fundamental change in the so-called boundaryless organization.

Efforts to support the process of organizational transformation can be done through the Business Process Reengineering process, which is to redesign business processes to achieve performance improvements such as cost, quality, service, and speed (Dessler, 2000).

2. Market Orientation

The term market orientation states that the concept is not merely the responsibility or concern of the marketing function, but all departments are participating in the collection, dissemination and follow-up of market intelligence. In addition, market orientation focuses on markets that include customers and the factors or forces that influence it. (Kohli & jaworski, 1990) in Slater (2001). Behavioral perspective concentrates on organizational processes or behaviors consisting of three main activities: 1) systematic collection of market intelligence regarding current and future customer needs; 2) dissemination of market intelligence to all organizational units / departments; 3) design and implement organizational response to market intelligence in a coordinated and comprehensive manner (Kohli & jaworski, 1990).

3. Competition Environment

This environment is defined as the level of competition faced by outlets. Specifically, the intensity of competition is related to the number of local competitors, the frequency of use of marketing techniques (such as advertising, pricing activity) to gain market share and the number of competitors using this technique and the intensity of using this technique (Slater and Narver, 1994). Indirectly the competition itself is indispensable in a business arena. Competition will force businesses to always develop themselves.

According to Porter competition is the core of the success or failure of the company. In this case the competition determines the accuracy of the activities of the company that can support its performance. Competition occurs because one / more competitors feel pressure / see opportunities to maintain position. In some forms of competition, especially price competition, it is very unstable and very likely to make the industrial situation deteriorate from the point of view of profitability.

The price drop is easily and quickly matched by the opponent and once matched then the income down for all companies. The competitive environment is one of the important factors in making strategic decisions, where the strategy taken by the owner is done in addition to attention to the consumer aspect also pay attention to the perception of the outlet owner to the existing environmental conditions as well as the characteristics of the managed outlets (Homburg et al., 2002).

4. Strategic Planning

Strategic planning came about in the mid-1960s and company leaders acknowledged that strategic planning was "the one best way "to decide and implement a competitive strategy for each business unit.

As Frederick Taylor's research scientist suggests, strategic planning is a way that involves thinking through a work, the creation of a new staff management function that is the emergence of a planning expert. Where this planning system is a good strategy as a stage of strategy that will be applied to business people, managers and directing companies not to make a mistake (Mintzberg, H.1994).

According to (Allison, Kaye, 2005) the definition of strategic planning is the processsystematically agreed upon by the organization and building engagement among key stakeholders-about the priorities that are essential to its mission and responsive to the operating environment.Strategic planning is specifically used to sharpen organizational focus, so that all organizational resources are used optimally to serve the organization's mission. This means that strategic planning becomes an organization's guidance should be responsive to a dynamic and difficult predictable environment. Strategic planning emphasizes the importance of making decisions that put the organization to success in responding to environmental changes. The focus of strategic planning is on strategy management, that is the application of strategic thinking to the task of leading an organization to achieve its purpose.

Another notion of strategic planning according to (Shrader, Taylor and Dalton, 2004) is long-term written planning wherein consisting of mission and corporate objectives. Several dimensions of strategic planning have been proposed (Frederickson, 2006) by category: process initiation, objective rule, meaning and end of relationship, explanation of the implementation of integrated strategy and decision level.

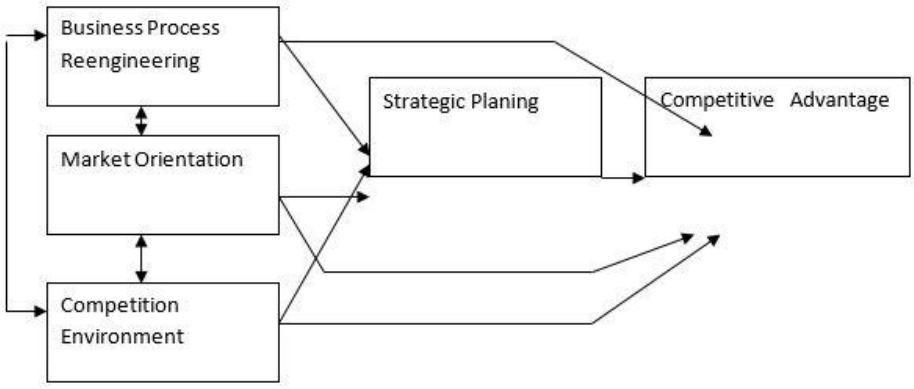
5. Competitive Advantages

The concept of competitive advantage of many companies developed from the generic strategy proposed by Porter (1985). The things that can indicate the variables of competitive advantage are imitability, durability, and ease of matching. Competitive advantage is the heart of corporate performance in the competitive market. Corporate excellence basically grows from the value or benefits that a company can create for its buyers. If then the company is able to create excellence through one of the three generic strategies, it will get competitive advantage (Aaker, 2009).

In order to improve company performance, competitive advantage is seen as something that can be used in or as a corporate strategy. Competitive advantage can be understood by looking at the company as a whole, comes from many different activities being performedby the company in designing, producing, marketing, handing and support sales (Porter, 1999). So the competitive advantage is a the position that the organization is still working on in order to beat the competition.

The resource based approach (RB) views economic or business activity in terms of utilizing its resources and capabilities, not on the market served. The utilization of these resources and capabilities in order to build competitiveness directed at efforts to capture various opportunities overcome various threats in the competition, so from this condition built a strategy to discourage competitors in the form of barriers to imitation (Syafar, 2004: 10).

Figure 2.6: Research Model



Methodology

The research object is Business Process Reengineering, competitive environment and market orientation towards strategic planning and competitive advantage of electronics industry. The research method used here is survey method. This research is a strategic management approach. In accordance with the objectives to be achieved, then used 2 types / forms of research that is:

descriptive and verification research. Descriptive research is a study that aims to obtain a description / description of the characteristics of Business Process Reengineering, market orientation, competition environment, strategic planning, and competitive advantage. Verification research is a type of research that aims to determine the relationship of causality between variables through a hypothesis testing.

The population in this research are all companies registered in JABABEKA industrial area, Delta Cilikon industrial area and Cikarang EJIP industrial area. While the target population used is a manufacturing company that has had a department or strategic planning team and / or executing strategic planning in strategic decision making. In doing quantitative analysis used partial least square statistical tool (PLS) with XLSTAT version 2011.

Result and Discussion

Result

a. Validity Test

Validity test is conducted to determine the ability of research instruments to measure what should be measured (Cooper, et al., 2006) in Jogiyanto (2011). An indicator is valid if it has a loading factor above 0.5 to the intended construct.

Validity test for reflective indicator uses correlation between item score and construct score. Measurements with reflective indicators indicate a change in an indicator in a construct if other indicators on the same construct change (or are excluded from the model). The reflective indicator is suitable to measure perception so that this research uses reflective indicator.
The loading factor gives a value above the suggested value of 0.5. Means indicator used in this research is valid or have fulfilled convergent validity except for information technology investment BPR9.

After the examination done on convergent validity, followed by examination of discriminant validity by looking at the value of cross loading. An indicator is valid if it has the highest loading factor to the target construct compared to the loading factor to another construct. the loading factor for the indicator for the intended construct is higher than that of the other construct. The same is also evident in other indicators. This indicates that these indicators have good discriminant validity.

Thus, latent constructs predict indicators on their blocks better than indicators in other blocks. Another method to see discriminant validity is to compare the root root value of average variance extracted (AVE) of each construct with the correlation between constructs with other constructs in the model. Discriminant value validity is good, when above 0.5. the average variance extracted (AVE) value for each dimension above the standardized value (0.5),

The model has good discriminant validity if the AVE root for each construct is greater than the correlation between constructs with other constructs in the model

b. Test Reliability

Reliability of a measure indicates the stability and consistency of an instrument measuring a concept or a variable (Cooper, et al., 2006, Hair, et al., 2008) in Jogiyanto (2011). Test reliability is done by looking at the value of composite reliability and Cronbach's alpha.

Cronbach's alpha measures the lower limit of the value of the reliability of a construct, while composite reliability measures the true value of a constraint (Salisbury, et al., 2002) in Jogiyanto (2011). The Cronbach's alpha value should be greater than 0.6 and the composite reliability should be greater than 0.7 although a value of 0.6 is still acceptable in exploratory studies (Hair, et al., 2008) in Jogiyanto (2011).

The table above shows that the value of composite reliability for all constructs is above 0.6 indicating that all constructs in the model estimated in this study are reliable. shows the Cronbach's alpha value of each construct above the suggested value is above 0.6 reliable,

In addition to Cronbach's Alpha values and composite reliability values are used to test the reliability level among construction variables, it can also be reinforced by the measurement of communality, indicating that the value of communality in all collisions is above 0.5 means that the indicators used in this study are reliable. The results of communality are used to strengthen the test results with Composite Reliability and Cronbach's Alpha.

The coefficient value of determination shows where the endogenous factors are explained by exogenous variables. In the table above shows that the coefficient value of determination more than 0.5 because it shows the relationship between endogen and endogenous variables is good.

C. Structural Model Testing (Inner Model)

To assess the significance of the prediction model in the test of the structural model (inner model), it can be seen from the T-statistic value between the independent variables to the dependent variable in the table path coefficient on the Smart-PLS output in the following 4:45 table.

Table 4:45 Path Coefficient (Mean, T-Values)

	Original Sample (O)	T Statistics (|O/STERR|)	
kb -> kba	0.902	53.405	>1.96, significant
kb -> kbb	0.923	57.477	
kb -> kbc	0.902	53.405	>1.96, significant
kb -> kbd	0.898	45.243	>1.96, significant
lp -> kb	0.297	2.922	>1.96, significant
lp -> lpa	0.879	42.450	>1.96, significant
lp -> lpb	0.886	36.475	>1.96, significant
lp -> lpc	0.960	154.659	>1.96, significant
lp -> lpd	0.890	48.097	>1.96, significant
lp -> lpe	0.790	18.862	>1.96, significant
lp -> ps	0.757	15.524	>1.96, significant
op -> kb	0.157	1.940	
op -> opa	0.832	22.731	>1.96, significant
op -> opb	0.889	41.088	>1.96, significant
op -> opc	0.748	19.232	>1.96, significant
op -> ps	0.097	1.127	
ps -> kb	0.482	4.882	>1.96, significant
ps -> psa	0.931	88.768	>1.96, significant
ps -> psb	0.900	52.579	>1.96, significant
ps -> psc	0.959	126.792	>1.96, significant
BPR -> kb	-0.019	0.279	
BPR -> ps	0.175	1.734	
BPR -> BPRa	0.740	3.078	>1.96, significant
BPR -> BPRb	0.847	26.361	>1.96, significant
BPR -> BPRc	0.595	5.291	>1.96, significant

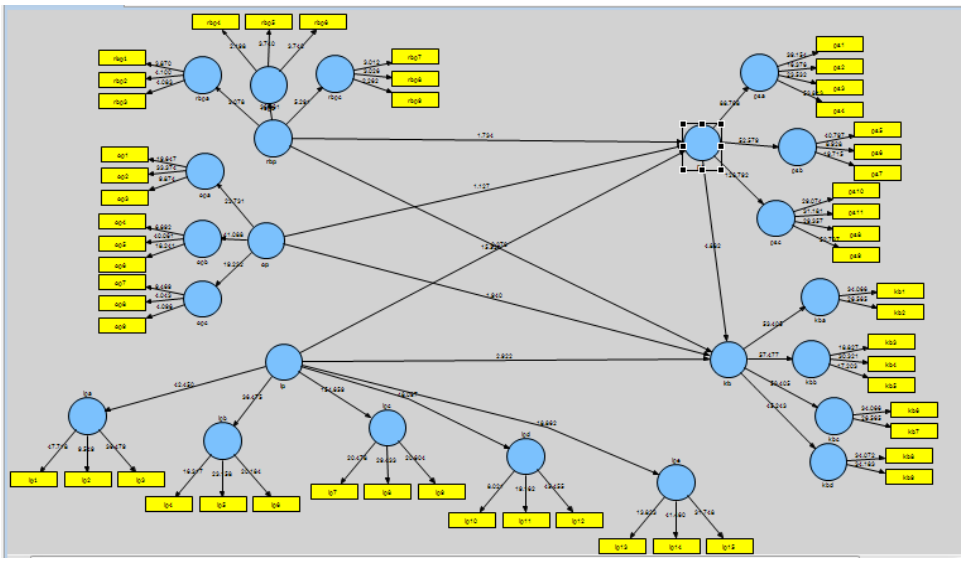
Next to assess the mediation factor through strategic planning can be seen in the total effect table below:

	Original Sample (O)	T Statistics (|O/STERR|)	
kb -> kba	0.902	53.405	>1.96, significant
kb -> kbb	0.923	57.477	>1.96, significant

	Original Sample (O)	T Statistics (|O/STERR|)	
kb -> kbc	0.902	53.405	>1.96, significant
kb -> kbd	0.898	45.243	>1.96, significant
lp -> kb	0.663	10.299	>1.96, significant
lp -> kba	0.598	10.153	>1.96, significant
lp -> kbb	0.611	10.462	>1.96, significant
lp -> kbc	0.598	10.153	>1.96, significant
lp -> kbd	0.595	10.105	>1.96, significant
lp -> lpa	0.879	42.450	>1.96, significant
lp -> lpb	0.886	36.475	>1.96, significant
lp -> lpc	0.960	154.659	>1.96, significant
lp -> lpd	0.890	48.097	>1.96, significant
lp -> lpe	0.790	18.862	>1.96, significant
lp -> ps	0.757	15.524	>1.96, significant
lp -> psa	0.705	15.440	>1.96, significant
lp -> psb	0.681	15.375	>1.96, significant
lp -> psc	0.726	14.983	>1.96, significant
op -> kb	0.203	2.434	>1.96, significant
op -> kba	0.183	2.429	>1.96, significant
op -> kbb	0.188	2.403	>1.96, significant
op -> kbc	0.183	2.429	>1.96, significant
op -> kbd	0.183	2.420	>1.96, significant
op -> opa	0.832	22.731	>1.96, significant
op -> opb	0.889	41.088	>1.96, significant
op -> opc	0.748	19.232	>1.96, significant
op -> ps	0.097	1.127	
op -> psa	0.090	1.126	
op -> psb	0.087	1.119	
op -> psc	0.093	1.133	
ps -> kb	0.482	4.882	>1.96, significant
ps -> kba	0.435	4.901	>1.96, significant

	Original Sample (O)	T Statistics (|O/STERR|)	
ps -> kbb	0.445	4.838	>1.96, significant
ps -> kbc	0.435	4.901	>1.96, significant
ps -> kbd	0.433	4.852	>1.96, significant
ps -> psa	0.931	88.768	>1.96, significant
ps -> psb	0.900	52.579	>1.96, significant
ps -> psc	0.959	126.792	>1.96, significant
BPR -> kb	0.066	1.016	
BPR -> kba	0.059	1.019	
BPR -> kbb	0.061	1.020	
BPR -> kbc	0.059	1.019	
BPR -> kbd	0.059	1.023	
BPR -> ps	0.175	1.734	
BPR -> psa	0.163	1.738	
BPR -> psb	0.157	1.724	
BPR -> psc	0.168	1.736	
BPR -> BPRa	0.740	3.078	>1.96, significant
BPR -> BPRb	0.847	26.361	>1.96, significant
BPR -> BPRc	0.595	5.291	>1.96, significant

For more can be seen in the picture below



According to Hartono (2008a) in Jogiyanto (2011), the measure of significance of hypothesis support can be used comparison of T-table and T-statistics. If the T-statistic value is higher than the T-table value, then the hypothesis is accepted. For a 95 percent confidence level (alpha 5 percent), the T-table value for the two-tailed hypothesis is ≥ 1.96 and for the one-tailed hypothesis is ≥ 1.69.

Discussion

The test results for each hypothesis are as follows:

1. Hypothesis 1: There is direct influence Business Process Reengineering on Strategic Planning

	Original Sample (O)	T Statistics (|O/STERR|)		
BPR -> ps	0.175	1.734	<1.96	Not significant
BPR -> BPRa	0.740	3.078	>1.96	Significant
BPR -> BPRb	0.847	26.361	>1.96	Significant
BPR -> BPRc	0.595	5.291	>1.96	Significant

In the picture above shows that the t value of reengineering the binary process of strategic planning is less than 1.96 it shows that there is no influence of business process reengineering on strategy planning.

2. Hypothesis 2: The Effect of Market Orientation on Strategic Planning

	Original Sample (O)	T Statistics (|O/STERR|)	
op -> opa	0.832	22.731	>1.96, significant
op -> opb	0.889	41.088	>1.96, significant
op -> opc	0.748	19.232	>1.96, significant
op -> ps	0.097	1.127	

In the picture above shows that the t value of the market orientation of strategic planning is less than 1.96 it shows that there is no influence of market orientation on strategic planning, so that market orientation is not a determinant of the success of strategic planning. The coefficient path value is positive This indicates a positive relationship between market orientation to strategic planning.

3. Hypothesis 3: The Impact of Competitive Environments on Strategic Planning

	Original Sample (O)	T Statistics (|O/STERR|)	
lp -> lpa	0.879	42.450	>1.96, significant
lp -> lpb	0.886	36.475	>1.96 significant
lp -> lpc	0.960	154.659	>1.96 significant
lp -> lpd	0.890	48.097	>1.96 significant
lp -> lpe	0.790	18.862	>1.96 significant
lp -> ps	0.757	15.524	>1.96 significant

In the table above that the value of t arithmetic competition against strategic planning is greater than 1.96 it shows that there is an influence of competition environment on strategy planning. The coefficient path value is negative This indicates that there is a negative relationship between the competition environment to the strategic planning.

4. Hypothesis 4: The Influence of Strategic Planning on Business Performance

	Original Sample (O)	T Statistics (|O/STERR|)	
ps -> kb	0.482	4.882	>1.96, significant

ps -> psa	0.931	88.768	>1.96, significant
ps -> psb	0.900	52.579	>1.96, significant
ps -> psc	0.959	126.792	>1.96, significant

In the picture above shows that the t value of strategic planning to competitive advantage is greater than 1.96 it shows that there is influence of strategic planning to competitive advantage. The value of the coefficient path is positive this shows there is a positive relationship between strategic planning to competitive advantage.

5. Hypothesis 5: The influence of business process reengineering (BPR) on competitive advantage through strategic planning.

	Original Sample (O)	**T Statistics (|O/STERR|)**	
BPR -> ps ->kb	0.066	1.016	<1.96, tidak significant
BPR -> ps -> kba	0.059	1.019	<1.96, tidak significant
BPR -> ps -> kbb	0.061	1.020	<1.96, tidak significant
BPR -> ps ->kbc	0.059	1.019	<1.96, tidak significant
BPR -> ps -> kbd	0.059	1.023	<1.96, tidak significant

In the table above shows that reengineering through business processes is not a determinant of the success of competitive advantage. Reengineering will face the enormous possibility of failure without strategic planning and a full-fledged leadership commitment to understand how the roles of leaders in an organization are undergoing radical change and consensus building all levels of hierarchy (Hall, et al., 2003).

6. Hypothesis 6: The influence of market orientation on competitive advantage through strategic planning

	Original Sample (O)	**T Statistics (|O/STERR|)**	
op -> ps->kb	0.203	2.434	>1.96, significant
op -> ps-> kba	0.183	2.429	>1.96, significant
op -> ps-> kbb	0.188	2.403	>1.96, significant
op -> ps-> kbc	0.183	2.429	>1.96, significant
op -> ps-> kbd	0.183	2.420	>1.96, significant

The table above shows that there is an effect of market orientation on competitive advantage through strategic planning. MO including customer and competitor orientation is a basic strategic marketing practice that plays an important role in improving business performance and is also one of the first strategic frameworks that companies provide with sustainable competitive advantage.

7. Hypothesis 7: Environmental Influence Competition to competitive advantage through strategic planning

	Original Sample (O)	**T Statistics (|O/STERR|)**	
lp -> kb	**0.663**	**10.299**	>1.96, significant
lp -> kba	**0.598**	**10.153**	>1.96, significant
lp -> kbb	**0.611**	**10.462**	>1.96, significant

lp -> kbc	**0.598**	**10.153**	>1.96, significant
lp -> kbd	**0.595**	**10.105**	>1.96, significant

Based on table shows that there is influence of market orientation through strategic planning to competitive advantage. Observation of a good industrial environment will result in a more appropriate competitive strategy plan. The results of this study indicate that competitive advantage does not depend directly on the environmental condition of the electronic industry when the company is able to adjust its competitive strategy.

Conclusion and Recommendation

Conclusion

1. Business Process Reengineering has no effect on Bekasi electronic industry strategy planning. The facts show that business process reengineering has not been done correctly to support strategic planning seen from descriptive descriptions supported by depth interviews. This means that electronics industry companies cannot analyze and redesign in the organization's business processes to support strategic planning.
2. Market orientation has no effect on strategic planning. This suggests that gathering market information, disseminating market information, organizational response is not a critical success strategy plan.
3. The competitive environment affects strategic planning. this indicates that the electronic industry is able to anticipate the threat of the influx newcomer the threat of supplier strength, the threat of buyer power, substitution product threats, the threat of intensity of competition so that the strategic plan increases.
4. Strategic planning affects the competitive advantage of the electronics industry Bekasi. This shows that Bekasi's electronics industry can implement goals, initiatives and targets to support the success of competitive advantage.
5. Reengineering business processes through strategic planning does not influence competitive advantage. This shows that the electronics industry company cannot analyze and redesign the work arrangements in the business processes of an organization so that it cannot support the strategic planning that causes the lack of competitive advantage.
6. Market orientation affects competitive advantage through strategic planning. This suggests that the electronics industry can gather market information, disseminate market information and organizational responsiveness to support strategic planning by setting targets, initiatives, targets so that competitive advantage will increase.
7. The competitive environment affects competitive advantage through strategic planning. This suggests that the electronic industry can anticipate the threat of entry of newcomers, the bargaining power of suppliers, the bargaining power of substitution product buyers and the intensity of competition to support strategic planning by setting goals, initiatives, appropriate targets so that competitive advantage will increase.

Suggestions

The company should be able to improve transformational leadership through business process reengineering as it proves to improve organizational performance and increase commitment of organization member, organizational resource ability and achievement desire, because these three things have been proven can improve organizational performance.

For managers it is better to re-engineering p through quality management improvement. In business process reengineering, major improvements in cost reduction still have the lowest value compared to other business process reengineering impacts. This needs to be done because the results of the research show Reengineering business processes can improve competitive advantage and company performance.

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