

## The Impact Of Process Improvement, Elimination Of Non-Value Added Activities, And Cost Efficiency On The Implementation Of Activity Base Management At Hotel Dhika Serenity Jatinangor

Adistie Prestiani Putri<sup>1</sup>, Amelia Kusniawati<sup>2</sup>, Yunta Nur Fauzi<sup>3</sup>,  
Awlyya Hamlatul Arsy<sup>4</sup>, Dwi Ken Hendrawanto<sup>5</sup>

Magister Manajemen, Fakultas Ekonomi,  
University 17 Agustus 1945, Indonesia

E-mail: [1264200052@surel.untag-sby.ac.id](mailto:1264200052@surel.untag-sby.ac.id) [1264200003@surel.untag-sby.ac.id](mailto:1264200003@surel.untag-sby.ac.id)<sup>1</sup> [1264200008@surel.untag-sby.ac.id](mailto:1264200008@surel.untag-sby.ac.id) [1264200019@surel.untag-sby.ac.id](mailto:1264200019@surel.untag-sby.ac.id)<sup>2</sup> [1264200058@surel.untag-sby.ac.id](mailto:1264200058@surel.untag-sby.ac.id) [1264200058@surel.untag-sby.ac.id](mailto:1264200058@surel.untag-sby.ac.id)<sup>3</sup> [1264200058@surel.untag-sby.ac.id](mailto:1264200058@surel.untag-sby.ac.id)<sup>4</sup> [1264200058@surel.untag-sby.ac.id](mailto:1264200058@surel.untag-sby.ac.id)<sup>5</sup>

Diterima: Mei, 2024; Disetujui: Mei, 2024; Diterbitkan: Mei, 2024

Permalink/DOI:

### Abstrak

In an era of competitive and dynamic business competition, the hospitality industry is challenged to maintain its existence through excellent service and operational efficiency. The costs spent by the hotel must really be expenses that add value to the company so that there is no extravagance. Dhika Serenity Hotel is one of the property business lines of Adhi Persada Properti subsidiary of Adhi Karya has the goal of increasing recurring income and it is located in Jatinangor, Sumedang. The purpose of this study is to try to implement the Activity Based Management method to improve processes, increase efficiency at Dhika Serenity Jatinangor Hotel. The research is used Qualitative-Descriptive method. The results of this study showed that by applying the Activity Based Management method to hotel costs in 2024, it was found that non-value-added activities were quite large after activity management was carried out. The non-value-added activities are Inspection Cost, Electricity Token Purchase, Reservation Process, Resto Order Handling, Helper, Supplier Shortage Shopping. These non-value-added costs can be reduced by 12.99% or equivalent to IDR 343,248,127. So that there are cost savings without reducing the quality of service provided to customers.

**Keywords:** Activity Based Management, Non-Value Added Activities, Cost Efficiency, Process Improvement, Hotel Costs

---

### INTRODUCTION

In an era of increasingly competitive and dynamic business competition, the hotel industry is faced with the challenge of maintaining its existence through excellent service and operational efficiency. Changes in consumption patterns, increasing customer expectations, and operational cost pressures require hotels to not only prioritize service quality but also to be efficient in the

use of resources. In this context, cost management is a crucial aspect that cannot be ignored. Improper cost management can result in waste, declining profit margins, and even decreased competitiveness amidst the rapid growth of new hotels (Musikitta et al., 2018). Therefore, a strategic and measurable approach is needed that is able to identify and eliminate activities that do not provide added value to customers or the company (Lumentut et al., 2021).

Dhika Serenity Hotel is one of the business units owned by Adhi Persada Properti, a subsidiary of BUMN Adhi Karya which operates in the property and area development sector. As part of its strategy to increase recurring income, Adhi Persada Properti is expanding its business line to the hotel sector by establishing Dhika Serenity in 2022 in three strategic locations, namely Bekasi, Surabaya, and Jatinangor.

As a relatively new and medium-scale hotel, Dhika Serenity Jatinangor is faced with a major challenge in managing operational efficiency amid fluctuating occupancy rates and post-pandemic economic pressures. Despite offering complete facilities such as Wi-Fi connectivity, restaurants, swimming pools, fitness centers, and minimarkets, the hotel needs to ensure that the operational costs incurred contribute to the added value of the service. One relevant managerial approach to addressing this cost efficiency challenge is Activity-Based Management (ABM), which focuses on managing activities based on their contribution to value (Maulina et al., 2024).

According to Harrington (1991), *process improvement* is a systematic approach used to analyze and improve organizational processes to make them more efficient and effective, with the aim of eliminating waste and increasing added value. According to Kaplan and Cooper (1998), non-value added activities are activities that absorb resources but do not provide added value to customers or the end product. Eliminating these activities is the core of the *Activity-Based Management (ABM) approach*. According to Blocher et al. (2016), cost efficiency is the ability of an organization to use as few resources as possible to produce the desired output, without reducing the quality of products or services. According to Hansen and Mowen (2005), *Activity-Based Management* is a management approach that uses information from the Activity-Based Costing (ABC) system to improve operational efficiency and effectiveness in decision making.

The research gap arises because most previous studies on ABM have focused on the manufacturing sector and large companies, such as those reviewed by Cooper & Kaplan (1988), and Blocher et al. (2013), which emphasize production and distribution efficiency. Meanwhile, the application of ABM in the service sector, especially in the hotel industry, is still relatively small. A study by Ismail & Mahmood (2016) stated that the application of ABM in state-owned hotels has not been widely explored, even though the characteristics of service activities are very different and more complex than the manufacturing sector.

---

In daily operational practices, mid-scale hotels such as Dhika Serenity still face various challenges in managing internal activities efficiently. Despite having adequate service infrastructure, activities such as housekeeping, front office services, and energy management have not been fully implemented optimally (Widowati, 2021). This can be seen from the overlapping of work, excessive use of resources, and work procedures that are not streamlined and repetitive. This condition causes the emergence of non-value added activities, namely activities that do not directly contribute to increasing service value or guest satisfaction.

This inefficiency results in high operational costs and low work productivity, which indirectly hinders the achievement of sustainable profitability (Muhlisoh et al., 2025). Amidst increasingly tight cost pressures and competition in the hospitality industry, the existence of these non-value-added activities is a serious obstacle for management (Marcellia Helmy Sitorus, Agus T. Poputra, 2014). In fact, to achieve cost efficiency and improve performance, organizations need to implement systematic and measurable strategies, one of which is through the *Activity-Based Management (ABM) approach*.

This phenomenon shows that the absence of a structured activity management system can hinder the hotel's ability to identify, eliminate, and improve inefficient activities. Therefore, a managerial approach based on process improvement, elimination of non-value added activities, and cost efficiency is needed as a foundation in implementing ABM effectively. The implementation of this strategy is expected to help hotels create a more accurate cost structure, improve operational effectiveness, and strengthen their competitive position in the accommodation service market

The novelty of this research lies in the integrative approach that combines process improvement, reduction of non-value added activities, and cost efficiency to support ABM implementation in the hospitality sector. This study attempts to answer the real challenges faced by state-owned hotels in improving their operational efficiency and effectiveness. In addition, this study provides practical insights into how ABM implementation can be adjusted to the characteristics of the service industry, especially large-scale hotels. middle school like Dhika Serenity Jatinangor. Based on this background, the formulation of the problem raised in this study is:

1. Does process improvement have an impact on ABM implementation? at Hotel Dhika Serenity Jatinangor?
2. Does the elimination of non-value added activities affect the implementation of ABM at Hotel Dhika Serenity Jatinangor?
3. Does the implementation of ABM affect cost efficiency at Hotel Dhika Serenity Jatinangor?

The purpose of this study is to empirically analyze the effect of process improvement, elimination of non-value added activities, and cost efficiency on the implementation of ABM at Hotel Dhika Serenity Jatinangor. This study also aims to develop managerial recommendations in improving operational efficiency and

effectiveness through an activity-based approach. Thus, the results of this study are expected to enrich the literature on cost management in the service sector and provide real contributions to the management of BUMN business units strategically and sustainably

### **Process Improvement**

According to Hammer and Champy (1993), effective process improvement can result in increased productivity, reduced costs, and improved customer satisfaction. In the hospitality industry, where the customer experience is critical, process improvement is key to creating better service and being more responsive to guest needs.

### **Elimination of Non-Value Added Activities**

Non-value added activities are all activities that do not add value to the customer and can be eliminated without reducing the quality of the product or service. In the context of Lean Manufacturing, which is also applied in the hospitality industry, a focus on reducing non-value added activities is essential to improve operational efficiency. According to Womack and Jones (1996), Lean principles focus on value creation by eliminating waste in every aspect of the process.

### **Activity-Based Management (ABM)**

ABM is a management approach that focuses on managing costs based on the activities performed in the organization. According to Kaplan and Cooper (1998), while according to Hansen and Mowen (2005), Activity-Based Management is a management approach that uses information from the Activity-Based Costing (ABC) system to improve operational efficiency and effectiveness in decision making.

### **Cost Efficiency**

Cost efficiency refers to the ability of an organization to minimize costs while maintaining product or service quality. In the hospitality industry, cost efficiency is critical to improving profitability and competitiveness. According to Porter (1985), a low cost strategy can provide a significant competitive advantage. In this context, hotels need to carefully manage operational costs, including labor, raw materials, and overhead costs.

### **The Correlation Between Process Improvement, Elimination of Non-Value Added Activities, and Cost Efficiency to ABM Implementation**

Process improvement, elimination of non-value added activities, and cost efficiency are interrelated and contribute to the successful implementation of ABM. By conducting process improvements, hotels can identify and reduce non-value-added activities, which in turn will lead to a reduction in operating costs. When non-value added activities are eliminated, resources can be allocated more efficiently, and time spent on unproductive tasks can be minimized. The cost efficiencies resulting from process improvements and elimination of non-value

added activities support the implementation of ABM by providing more accurate data on the costs associated with each activity.

## **METHOD**

The research method used is qualitative descriptive, where concept development, fact collection, observation and understanding are carried out without conducting statistical method testing. Using the cost report figures for activities that occurred at Dhika Serenity Jatinangor in 2024 and the organizational structure and activity reports of Dhika Serenity Jatinangor.

In this study, the object of research is the Activity Based Management method as the Independent Variable, and Cost Efficiency as the Dependent Variable.

The unit of analysis used in this study is the organization, namely the data source whose unit of analysis is the response of the company's organizational division. In this case, the unit of analysis used is all activities in Dhika Serenity Jatinangor.

The research location is where the research variables are analyzed or where the analysis unit is located. The research location is at Dhika Serenity Jatinangor which is located in Sumedang, Jatinangor, Indonesia. The data sources used in this study are, Primary Data is data obtained directly either through interviews or questions and answers, both verbally and in writing, with the hotel authorities and parties in the accounting and financial fields at the hotel regarding cost reports from all activities carried out at Dhika Serenity Jatinangor, Secondary data includes all data obtained by researchers through intermediary media (not directly) such as books and scientific literature related to research and through the internet.

Independent Variable is a variable that can affect the dependent variable. In this study, the independent variable is the Activity Based Management Method..Dependent Variable is a variable that can be influenced by the independent variable. In this study, the dependent variable is Cost Efficiency.The data collection methods that will be used in this research are, Observation, Interview, Documentation

In compiling this research, the author uses descriptive analysis In compiling this research, the author uses qualitative descriptive analysis, where the company data collected, compiled, processed, then analyzed and compared with existing theories. From the results of the comparison, a conclusion will be drawn. The steps that will be taken in analyzing the data obtained are as follows:

1. Identify all activities carried out at Dhika Serenity Jatinangor. Every activity that occurs will be analyzed to find the main cause of the activity with the premise that each activity consists of:
  - Activity input , which is the resources needed by an activity to produce output.
  - Output activities (*activity output*) which are the results of activity
  - Activity output measure *which* shows how much of the activity is done.
2. Determine *the cost driver* and the amount of costs consumed by each of

---

these activities.

3. Conduct activity analysis to determine whether the activity that occurs is classified as a value-added activity *or* a non-value-added activity *by* using three condition indicators that must be met simultaneously by value-added activities.
4. Determine the costs of non-value added activities that have been identified.
5. Determine what alternatives can be done to reduce or even make it possible to eliminate non-value-added activities and to increase the efficiency of value-added activities that occur so that the expected cost efficiency can be achieved.
6. Drawing conclusions from the analysis that has been carried out and providing suggestions that will later be able to provide benefits to the company.

## RESULTS AND DISCUSSION

Dhika Serenity Hotel is one of the property business lines of Adhi Persada Properti, a property company of one of the subsidiaries of BUMN Adhi Karya. Dhika Serenity is a hotel that was established with the aim of increasing *recurring income* from property units owned by Adhi Persada Properti. Dhika Serenity started in 2022 in 3 locations, namely in Bekasi, Surabaya, and Jatinangor.

Dhika Serenity Jatinangor is a modern hotel located in the strategic area of Jatinangor, precisely in the Taman Melati apartment complex, Jalan Cikuda, Hegarmanah, Sumedang Regency, West Java. Its location is very close to several well-known campuses such as Padjadjaran University (UNPAD), ITB Jatinangor Campus, IPDN, and IKOPIN, making it an ideal choice for student families or guests visiting this educational area. It has 60 rooms with Deluxe Queen 4 rooms and Superior 56 rooms.

The facilities available at the hotel are Wifi Connectivity, Swimming Pool, Car Park, Restaurant, Minimarket, Fitness & Gym and ATM. Room Size 24 m<sup>2</sup>, Queen bed size 90x200 Cm, Full Hotel Amenities, Tv Cable, Refrigerator, AC, Individual Wifi, Water Heater, Wardrobe, and Tea Coffee Facility.

In addition, Dhika Serenity Hotel has several other types of business activities, namely a Meeting Room with a capacity of 10 people, a Full Day package is available. and Half Day . then Restaurant and Cafe which provides various choices of food and beverage menus.

### ***Division Cost Presentation***

These hotel costs arise from all costs related to the activity of providing lodging services, namely starting from the *front office* department consisting of administrative activity units, *guest relations*, *concierge* from the *housekeeping department*. which consists of housekeeping & laundry activity units and the restaurant and cafe department.

Hotel cost data for 2024 was obtained from the hotel's Accounting section, where these costs have been prepared through various estimation patterns for the purpose of preparing financial reports for hotel management.

**Total 3.1 Cost of Dhika Serenity Hotel in 2024**

<b>Description</b>	<b>Amount</b>
<i>Salaries</i>	851,104,356
<i>Guest Supplies</i>	272,413,604
<i>Cleaning Supplies</i>	13,452,955
<i>Internet &amp; TV Cable</i>	81,000,000
<i>Laundry</i>	70,230,275
<i>Printing Stationery</i>	12,164,650
<i>Sales and Marketing</i>	98,756,965
<i>Guest &amp; Local (Transportation)</i>	17,081,259
<i>Commision OTA - (Online Travel Agent)</i>	293,024,468
<i>Others - Resto &amp; café</i>	501,525,783
<i>Tax Penalty</i>	526,318
<i>POMEC (Power, Maintenance &amp; Energy Consumption)</i>	431,028,034
<b>Total cost</b>	<b>2,642,308,666</b>

(Data Source: Internal Company)

**Cost Driver Analysis**

To trace the cost to each activity unit, a cost driver determination is required. The cost driver itself consists of 2 types, namely the resource driver attached to the cost itself and the activity driver attached to the activity itself. With the existence of a proper cost driver, the cost can be allocated appropriately to each activity unit. After knowing the consumption ratio of cost drivers in each activity unit. Details of cost allocation to each activity unit are shown in table 3.2. following:

**Table 3.2 Division Cost Allocation for 2024**

Jenis Biaya	Administrasi	Concierge	Housekeeping and Laundry	Café and Rsto	Total
<i>Salaries</i>	183,843,028	212,491,980	299,095,523	155,673,825	851,104,356
<i>Guest Supplies</i>			272,413,604		272,413,604
<i>Cleaning Supplies</i>			13,452,955		13,452,955
<i>Internet &amp; TV Cable</i>	20,250,000	20,250,000	20,250,000	20,250,000	81,000,000
<i>Laundry</i>			70,230,275		70,230,275
<i>Printing Stationery</i>	12,164,650				12,164,650
<i>Sales and Marketing</i>	24,689,241	24,689,241	24,689,241	24,689,241	98,756,965
<i>Guest &amp; Local (Transportation)</i>		17,081,259			17,081,259
<i>Commision OTA - (Online Travel Agent)</i>	73,256,117	73,256,117	73,256,117	73,256,117	293,024,468
<i>Others - Resto &amp; café</i>				501,525,783	501,525,783
<i>Tax Penalty</i>	131,580	131,580	131,580	131,580	526,318
<i>POMEC</i>					
<i>(Power, Maintenance &amp; Energy Consumption)</i>	107,757,008	107,757,008	107,757,008	107,757,008	431,028,034
<b>TOTAL</b>	<b>422,091,624</b>	<b>455,657,185</b>	<b>881,276,303</b>	<b>883,283,554</b>	<b>2,642,308,666</b>

*Source: Processed Data Results 2024*

#### **Allocating Costs to Activities**

After determining the cost driver for each cost and the cost allocation for each existing activity unit, the allocation of the amount of costs for each activity can be done. The cost allocation to each activity is determined based on a percentage where the percentage is obtained by dividing the number of cost drivers. After that, this percentage is multiplied by the total cost absorbed by each activity unit to obtain the cost of each activity.

**Table 3.4 Cost Allocation Per Activity in 2024**

Types of Activities of Each Department	Activity Costs
<b>Administration</b>	
<b>Accounting</b>	
Create all hotel financial reporting from cash in to balance sheet and PLN	49,412,901
Performing Reconciliation of Income and Expenditure	42,353,915
Perform Billing	28,235,943
Make a payment	14,117,972
Deposit Cash Into Bank Every Week	7,058,986
<b>Operational &amp; Marketing Supervision</b>	
Conducting employee recruitment	7,580,222
Conduct operational evaluations	30,320,887
Looking for vendors and collaborating with vendors	18,192,532

Looking for potential guests and making visits to agencies (sales calls)	22,740,665
Conduct monthly meetings and briefings	19,708,576
Ensure operations run smoothly	15,160,443
Create a monthly action plan (promotion strategy)	22,740,665
Ensure all hotel facilities are well maintained	15,160,443
<b><i>Engineering</i></b>	
Ensure that all hotel electrical and technical equipment is functioning properly.	71,119,111
Make sure the electricity token is still sufficient	19,396,121
Buying Electricity Tokens	12,930,747
Recording Water Usage	25,861,495
<b><i>Concierge</i></b>	
<b><i>Front Desk Agent Supervisor</i></b>	
Conduct daily front office reporting	104,539,049
Conduct daily housekeeping checks	47,517,749
Conduct daily inventory checks	38,014,200
<b><i>Front Desk Agent</i></b>	
Welcoming guests	53,117,238
CI/CO Process	53,117,238
Handling reservations	53,117,238
Daily reports such as room status, reservations, daily finances	106,234,475
<b><i>Housekeeping and Laundry</i></b>	
<b><i>Housekeeping</i></b>	
Make Up Room	180,420,206
Ensure all rooms are clean, tidy and comfortable	128,871,576
Make Sure Aminities Are Filled	128,871,576
Conducting Aminities Stock Check	77,322,946
<b><i>FB Service</i></b>	
Handling restaurant guest reservations	36,579,000
Restaurant cashier	91,447,500
Cleaning and ensuring the restaurant is always clean and comfortable	91,447,500
Helping the cook in cooking	109,737,000
Help cooks ensure equipment is always clean	36,579,000
<b><i>Café and Resto</i></b>	
<b><i>Café</i></b>	
Handling restaurant orders	41,369,614
Serving drinks	144,793,649
Make a purchase request for bar needs	62,054,421
Shopping for bar supplies	82,739,228
Clean the table	82,739,228
<b><i>Resto</i></b>	
Handling restaurant guest reservations	32,871,119
Cleaning and ensuring the restaurant is always clean and comfortable	37,566,993

Helping the cook in cooking	93,917,483
Help cooks ensure equipment is always clean	23,479,371
Doing cooking preparations	23,479,371
Preparing breakfast	70,438,112
Submitting kitchen needs	23,479,371
Create an inventory of cooking utensils	46,958,741
Make an inventory of cooking ingredients	46,958,741
Shopping shortage of materials from suppliers	46,958,741
Ensure the kitchen and restaurant are always clean	23,479,371
<b>TOTAL</b>	<b>2,642,308,666</b>

Source : Processed Data Results 2024

### Activity Analysis

After the calculation of the cost of charging the activities of each department is known, an analysis is carried out on the activities in each department. This is done to determine which activities are value-added and which activities are non-value-added. To classify these activities into value- added or non-value-added activities, then according to the theory that explains that value-added activities are activities that as a whole meet the following three conditions:

- a. The activity results in a change.
- b. The change cannot be achieved by previous activities.
- c. The activity enables other activities to be carried out.

### Value Added and Non Value Added Activities

From the analysis of the activities above, it can be used to determine activities that have added value (*value added activity*) and non-value added *activity*. Furthermore, from the grouping of these costs, they can be eliminated or reduced so that non-value added costs that arise from non-value added activities can be reduced.

**Table 3.5 Costs of Value Added Activities and Non Value Added Activities**

Type of Activity Each Department	VA	NVA	COST ACTIVITY
<b>Administration</b>			
<b>Accounting</b>			
Create all hotel financial reporting from cash in to balance sheet and PLN	49,412,901		49,412,901
Performing Reconciliation Income and Expenditure	42,353,915		42,353,915
Perform Billing	28,235,943		28,235,943

Make a payment	14,117,972		14,117,972
Deposit Cash To Bank Every Sunday	7,058,986		7,058,986
<b><i>Operational Supervision &amp; Marketing</i></b>			
Conducting employee recruitment	7,580,222		7,580,222
Conduct operational evaluations	30,320,887		30,320,887
Looking for vendors and collaborating with vendors	18,192,532		18,192,532
Looking for potential guests and making visits to agencies (sales calls)	22,740,665		22,740,665
Conduct monthly meetings and briefings	19,708,576		19,708,576
Ensure operations run smoothly	15,160,443		15,160,443
Create a monthly action plan (promotion strategy)	22,740,665		22,740,665
Ensure all hotel facilities are well maintained		15,160,443	15,160,443
<b><i>Engineering</i></b>			
Ensure that all hotel electrical and technical equipment is functioning properly.	71,119,111		71,119,111
technical equipment is functioning properly. Enough	19,396,121		19,396,121
Buying Electricity Tokens		12,930,747	12,930,747
Doing Recording, Water Usage	25,861,495		25,861,495
<b><i>Concierge</i></b>			
<b><i>Front Desk Agent Supervisor</i></b>			
Conduct daily front office reporting	104,539,049		104,539,049
Conduct daily housekeeping checks	47,517,749		47,517,749
Conduct daily inventory checks	38,014,200		38,014,200
<b><i>Front Desk Agent</i></b>			
Welcoming guests	53,117,238		53,117,238
CI/CO Process		53,117,238	53,117,238

Handling reservations	53,117,238		53,117,238
Daily reports such as room status, reservations, daily finances	106,234,475		106,234,475
<b><i>Housekeeping and Laundry</i></b>			
<b><i>Housekeeping</i></b>			
Make Up Room	180,420,206		180,420,206
Ensure all rooms are clean, tidy and comfortable	128,871,576		128,871,576
Make Sure Aminities Are Filled	128,871,576		128,871,576
Conducting Aminities Stock Check	77,322,946		77,322,946
<b><i>FB Service</i></b>			
Handling restaurant guest reservations	36,579,000		36,579,000
Restaurant cashier	91,447,500		91,447,500
Cleaning and ensuring the restaurant is always clean and comfortable	91,447,500		91,447,500
Helping the cook in cooking	109,737,000		109,737,000
Help cooks ensure equipment is always clean	36,579,000		36,579,000
<b><i>Café and Resto</i></b>			
<b><i>Café</i></b>			
always clean		41,369,614	41,369,614
Serving drinks	144,793,649		144,793,649
Make a purchase request for bar needs	62,054,421		62,054,421
Shopping for bar supplies	82,739,228		82,739,228
Clean the table	82,739,228		82,739,228
<b><i>Restaurant</i></b>			
Handling restaurant guest reservations		32,871,119	32,871,119
Cleaning and ensuring the restaurant is always clean and comfortable	37,566,993		37,566,993
Helping the cook in cooking		93,917,483	93,917,483
Help cooks ensure equipment is always clean		23,479,371	23,479,371

Doing cooking preparation	23,479,371		23,479,371
Preparing breakfast	70,438,112		70,438,112
Submitting kitchen needs	23,479,371		23,479,371
Create an inventory of cooking utensils	46,958,741		46,958,741
Make an inventory of cooking ingredients	46,958,741		46,958,741
Ingredients suppliers		46,958,741	46,958,741
Ensure the kitchen and restaurant are always clean		23,479,371	23,479,371
<b>TOTAL</b>	<b>2,299,024,539</b>	<b>343,284,127</b>	<b>2,642,308,666</b>

Source: Processed Data Results 2024

### ***Cost Reduction***

**Table 3.6 Non Value Added Activity Costs in 2024**

Types of Activities of Each Department	Activity Cost	Cost Reduction	Big Cost Reduction
<b>Administration</b>			
<i>Operational &amp; Marketing</i>			
<i>Supervision</i>			
Ensure all hotel facilities are well maintained	15,160,443	100%	15,160,443
<b>Engineering</b>			
Buying Electricity Tokens	12,930,747	100%	12,930,747
<i>Front Desk Agent</i>			
CI/CO Process	53,117,238	100%	53,117,238
<i>Cafe</i>			
Handling restaurant orders	41,369,614	100%	53,117,238
<b>Restaurant</b>			
Handling restaurant guest reservations	32,871,119	100%	53,117,238
Helping the cook in cooking	93,917,483	100%	93,917,483
Help cooks ensure equipment is always clean	23,479,371	100%	23,479,371
Shopping shortage of materials from suppliers	46,958,741	100%	46,958,741
Ensure the kitchen and restaurant are always clean	23,479,371	100%	23,479,371

<b>TOTAL</b>	<b>343,284,127</b>	<b>343,284,127</b>
--------------	--------------------	--------------------

Source: Processed Data Results 2024

From the elimination of non-value-added activities, the activity costs incurred in the room division of Hotel Gran Puri Manado will of course be reduced. The total cost reduction can be seen in the following table.

**Table 3.7 Activity Costs in 2024 After Cost Reduction**

Types of Activities of Each Department	ACTIVITY COST
<b>Administration</b>	
<i>Accounting</i>	
Create all hotel financial reporting from cash in to balance sheet and PLN	49,412,901
Performing Reconciliation of Income and Expenditure	42,353,915
Perform Billing	28,235,943
Make a payment	14,117,972
Deposit Cash Into Bank Every Week	7,058,986
<i>Operational &amp; Marketing Supervision</i>	
Conducting employee recruitment	7,580,222
Conduct operational evaluations	30,320,887
Looking for vendors and collaborating with vendors	18,192,532
Looking for potential guests and making visits to agencies (sales calls)	22,740,665
Conduct monthly meetings and briefings	19,708,576
Ensure operations run smoothly	15,160,443
Create a monthly action plan (promotion strategy)	22,740,665
<i>Engineering</i>	
Ensure that all hotel electrical and technical equipment is functioning properly.	71,119,111
Make sure the electricity token is still sufficient	19,396,121
Recording Water Usage	25,861,495
<i>Concierge</i>	
<i>Front Desk Agent Supervisor</i>	
Conduct daily front office reporting	104,539,049
Conduct daily housekeeping checks	47,517,749
Conduct daily inventory checks	38,014,200
<i>Front Desk Agent</i>	
Welcoming guests	53,117,238
Handling reservations	53,117,238
Daily reports such as room status, reservations, daily finances	106,234,475
<i>Housekeeping and Laundry</i>	

<b>Housekeeping</b>	
Make Up Room	180,420,206
Ensure all rooms are clean, tidy and comfortable	128,871,576
Make Sure Aminities Are Filled	128,871,576
Conducting Aminities Stock Check	77,322,946
<b>FB Service</b>	
Handling restaurant guest reservations	36,579,000
Restaurant cashier	91,447,500
Cleaning and ensuring the restaurant is always clean and comfortable	91,447,500
Helping the cook in cooking	109,737,000
Help cooks ensure equipment is always clean	36,579,000
<b>Café and Resto</b>	
<b>Café</b>	
Serving drinks	144,793,649
Make a purchase request for bar needs	62,054,421
Shopping for bar supplies	82,739,228
Clean the table	82,739,228
<b>Restaurant</b>	
Cleaning and ensuring the restaurant is always clean and comfortable	37,566,993
Doing cooking preparations	23,479,371
Preparing breakfast	70,438,112
Submitting kitchen needs	23,479,371
Create an inventory of cooking utensils	46,958,741
Make an inventory of cooking ingredients	46,958,741
<b>TOTAL</b>	<b>2,299,024,539</b>

Source: Processed Data Results 2024

### Results and Discussion

From the results of the previous analysis, it appears that there are several activities that can be combined with other similar activities, reduced in volume or even some that need to be eliminated. These activities include:

**1. Ensure that all hotel facilities are well maintained (Inspection)**

This activity can be eliminated because this activity has been carried out by another activity, namely housekeeping supervision, so it can be eliminated 100%.

**2. Purchase of Electricity Tokens**

This activity is an activity of charging electricity in a hotel room when the electricity token has run out, this activity should be combined when checking the electricity meter, so that it does not need to be done repeatedly.

**3. Reservation Confirmation (Check in / Check out)**

This activity is an activity to reconfirm to guests who will stay at the hotel. This activity can also be eliminated because it is the same as the reservation call book and blocking activity so that this reservation confirmation activity only produces non-value-added costs.

**4. Handling Restaurant Orders**

This activity is an activity to reconfirm to guests who will order food at the restaurant, this activity can be eliminated because when ordering guests can order directly to FB Service so that it does not need to be done repeatedly so that it can eliminate costs of IDR 74,240,733.

**5. Help with Cooking**

This activity is an activity to help the Chef cook food orders in a restaurant, this activity can be eliminated because if the cooking ingredients are already available, the chef can cook directly without needing any more help. So it can eliminate the cost of Rp 93,917,483

**6. Ensure cooking equipment is clean**

This activity can be eliminated 100% because when cleaning/washing dishes it must be done all at once until the cooking utensils are completely clean and ready to use so that costs can be eliminated by Rp. 23,479,371

**7. Shortage of Shopping from Suppliers**

This activity can be eliminated 100% because when ordering goods from suppliers it must be absolutely correct so that there is no need to do things repeatedly so that costs can be eliminated by Rp. 46,958,741.

**8. Ensure the kitchen and restaurant are always clean (Inspection)**

This activity can be eliminated 100% because when cleaning the kitchen and restaurant it must be done at the same time until it is completely clean so that costs can be eliminated by Rp. 23,479,371.

By implementing *Activity Based Management*, the total cost at Dhika Serenity Jatinangor can be reduced by Rp. 343,248,127 from Rp 2,642,308,666 to Rp 2,299,024,539 or equivalent to 12.99%. This shows that implementing *Activity Based Management* can help Dhika Serenity Hotel in increasing its cost efficiency, which can be seen from the cost reduction of 12.99%.

## CONCLUSION

The application of *the Activity Based Management* method in this hotel begins with identifying all activities carried out by the hotel. The next step is to analyze *the cost driver* or trigger of each cost incurred and allocate it to each activity unit, then charge the costs to all activities. Then conduct an activity analysis to determine which are value-added activities and non-value-added activities. The last step is to eliminate non-value-added activities and reduce their costs.

After implementing *the Activity Based Management* (ABM) method to the activities in this hotel, it can be identified which activities are classified as value-added activities and non-value-added activities that cause non-value-added costs of Rp. 343,248,127.

After the activity management was carried out, the non-value-added costs were finally reduced by Rp. 343,248,127. Before the implementation of Activity

Based Management, the total activity cost was Rp 2,642,308,666 and after the implementation it became Rp 2,299,024,539. So it can be concluded that the implementation of *the activity based management* (ABM) method is very feasible to be implemented because by implementing this method it can increase cost efficiency at Dhika Serenity Jatinangor so that this will provide benefits for the hotel without reducing the services received by customers.

The relationship between *the Activity Based Management* method and cost efficiency is very influential, because after implementing this method, the company can increase its cost efficiency and can reduce its cost expenditure by up to 12.99% in one year.

Based on the conclusions, the suggestions given to Dhika Serenity Jatinangor are:

1. To achieve cost efficiency, the hotel management should focus on managing activities through the application of the Activity Based Management (ABM) method so that they can obtain information about which activities are classified as value-added or non-value-added so that inefficient use of resources by non-value-added activities can be reduced or eliminated.
2. Several alternative actions that can be taken by hotel management as an effort to combine similar activities, reduce or even eliminate non-value activities at Dhika Serenity Jatinangor in order to create cost efficiency.

---

## REFERENCES

Adi Neka Fatyandri dkk, (2023). *Meningkatkan Keunggulan Kompetitif Dengan Memilih Strategi Tingkat Bisnis Yang Tepat*, Jurnal Mirai Management

Blocher, E. J., Stout, D. E., Juras, P. E., & Cokins, G. (2016). *Cost Management: A Strategic Emphasis*. 7th Ed. McGraw-Hill Education.

Hansen, D. R., & Mowen, M. M. (2005). *Cost Management: Accounting And Control*. 5th Ed. South-Western College Publishing.

Harrington, H. J. (1991). *Business Process Improvement: The Breakthrough Strategy For Total Quality, Productivity, And Competitiveness*. McGraw-Hill.

Irene Septiani dan Devie, (2013). *Analisa Pengaruh Business Process Reengineering Terhadap Keunggulan Bersaing dan Kinerja*, Akuntansi Bisnis Universitas Kristen Petra

Lumentut, L. N. F., Morasa, J., & Pinatik, S. (2021). Penerapan Activity Based Management Untuk Meningkatkan Efisiensi Pada Hotel Diantha Bitung Implementation Of Activity Based Management To Improve Efficiency At Hotel Diantha Bitung. *Jurnal EMBA*, 9(3), 812–821.

Kaplan, R. S., & Cooper, R. (1998). *Cost & Effect: Using Integrated Cost Systems To Drive Profitability And Performance*. Harvard Business School Press.

Marcellia Helmy Sitorus, Agus T. Poputra, T. R. (2014). Penerapan Activity Based Management Untuk Meningkatkan Efisiensi Pada Hotel Sahid Kawanua Manado. *Jurnal EMBA*, 2(3).

Maulina, R., Dariyati, E., Dewi, N. F., Putra, D. S., Nisa, H., & Madura, U. T. (2024). *Analisis Non Value Added Activity Melalui Penerapan Activity Based Management Untuk Meningkatkan Efisiensi Pada Cafe Barista Di Kota* Analisis Non Value Added Activity Melalui Penerapan Activity Based Management Untuk. 2(12).

Muhlisoh, W., Nurfitriyah, D. M., & Amalia, R. (2025). *Analisis Value Chain Sebagai Alat Untuk Menciptakan Efisiensi Biaya Guna Menunjang Strategi Cost Leadership Pada Mebel Karya*. 12(01), 12–22.

Muskitta, C. J. R., Morasa, J., & Alexander, S. (2018). Analisis Penerapan Activity Based Management Untuk Meningkatkan Efisiensi Pada Hotel Gran Central Manado. *Going Concern: Jurnal Riset Akuntansi*, 13(04), 467–476. <https://doi.org/10.32400/gc.13.03.20299.2018>

Oktarina Harahap dkk, (2024). *Penerapan Akuntansi Manajemen Berbasis Aktivitas Pada Perusahaan Manufaktur*, Jurnal Manuhara: Pusat Penelitian Ilmu Manajemen dan Bisnis

Simon & Schuster, (2008). *Lean Thinking Banish Waste and create wealth in your corporation by James P Womack and James T Jones*, Journal of the operational research society

Widowati, S. (2021). Analisis Metode Activity Based Management Dalam Upaya Meningkatkan Efisiensi Biaya Produksi Pada PG. Mojopanggung. *Seminar Nasional Dan Call For Papers 2021*, 1–9.