



Application Of The Activity-Based Management Method To Improve Cost Efficiency After The Covid- 19 Pandemic At CV. Natural Palembang

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How to Cite :

Arianingsih, O., Alwi, A. Mardiana, S. (2024). Application of the activity-based management method to improve cost efficiency after the covid- 19 pandemic at cv. Natural Palembang. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 12(4). doi: <https://doi.org/10.37676/ekombis.v12i4>

ARTICLE HISTORY

Received [30 Juli 2023]

Revised [1 September 2023]

Accepted [30 September 2023]

KEYWORDS

Cost Efficiency, Activity Based Management

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ABSTRACT

This study aims to calculate the cost efficiency of carpet production from abaca fiber using the Activity Based Management method and whether the Activity Based Management method used can reduce non-value added costs. This study used qualitative analysis techniques. The types of data used were primary and secondary data. From the analysis conducted at CV Natural Palembang, there were 7 activities which were value-added activities. Weighing, placing the ataka banana fiber in the place where the abaca fiber is separated, removing the colored abaca fiber on the clothesline, selecting the size of the carpet that has been made, checking the quality of the finished goods, sending and storing the finished goods to the warehouse. cost efficiency of 12.2%, CV Natural Palembang has not implemented the demity Based Management (ABM) method in the production process and calculating the costs of its production activities. Companies should apply the Activity Based Management (ABM) method in the production process and calculate the cost of production activities.

INTRODUCTION

The increasingly fierce competition in the business world will pose a challenge for companies to maintain their survival, so business people need to plan strategies that are suitable for company goals. In maintaining its survival, every country is required to increase its potential, especially in manufacturing companies. Manufacturing companies are required to produce goods and services with high quality but at competitive prices. By providing high product quality, manufacturing companies are expected to be able to compete in the market both domestically and abroad at the price of equalizing income, economic growth will take a relatively long time to achieve high growth rates. Likewise, conversely, if development is more focused on achieving high growth rates, the greater the likelihood of inequality in income distribution. Company management must be able to plan the allocation of costs appropriately, especially high production costs so that the selling price of the product is relatively more expensive than the selling price of competitors. Conversely, if production costs are low, the cost

of goods manufactured is low so that the selling price of the product is relatively cheap but the company cannot achieve optimal profits. One way that companies can achieve cost efficiency is through activity-based management (ABM).

According to Hansen and Mowen (2004) Activity Based Management (ABM) is a broad and integrated approach that focuses management attention centered on the activities carried out, with the aim of improving customer value and the profits earned for providing that value. In other words, Activity Based Management (ABM) focuses on managing activities to promote business efficiency and effectiveness, and to increase not only the value received by customers but also provide profits for the company. The application of activity-based management emphasizes controlling activities through activity analysis. Activity analysis is intended to find out what activities contribute to the company and what activities do not contribute to the company. Activities that contribute or can be called value-added activities are activities that are needed, while activities that do not contribute or can be called non-value-added activities are unnecessary activities or activities that are necessary but inefficient and if these activities are eliminated or reduced will not reduce the value of the product for consumers. These non-value-added activities will add unnecessary costs called non-value-added costs.

LITERATURE REVIEW

Management Accounting

Management accounting is a field of accounting which has the aim of presenting all forms of reports as a business unit for the benefit of internal parties in carrying out various management processes which consist of planning, organizing, directing and controlling. Management accounting is one of the accounting which aims to produce all financial information for the benefit of internal companies and management in an effort to achieve the goals of a company (Hansen and Mowen, 2013). Management accounting is a process of identifying, measuring and reporting in all financial information where this allows for an assessment, firm decisions for company management using this information where the center point is on the parties in the company (Zakiyudin, 2013). According to Mulyadi (2001) which he explains that management accounting is financial information which is generated by the type of management accounting used especially from internal users of an organization. According to Halim and Supomo (2000) They argue that management accounting is an activity or process in which this produces information in financial form for management in the organization.

Activity Based Management (ABM) Concept

ABM is a concept that directs attention to the consumption of resources to the activities carried out by a company so that in order to find out how a company uses its resources, it must first be understood about what activities have occurred within the company. ABM organizes activities to improve the value of products or services for customers and increase company profits. ABM draws on ABC as its primary source of information and focuses on the efficiency, effectiveness of key business processes and activities. Using ABM, management can pinpoint areas to improve operations, reduce costs, or increase value for customers. By identifying the resources used by customers, products and activities, ABM improves management's focus on the company's key success factors and increases its competitive advantage (Supriyono, 1999).

METHODS

Research Methods

According to Sugiyono (2013) that the research method is basically a scientific way to get data with specific purposes and uses. Based on this, there are four key words that need to be considered, namely scientific methods, data, goals and uses. The research methods used are:

1. Library Research

Library Research is Visiting the library directly and collecting books or literature that has a relationship with the object of research to be held.

2. Field research

Field research is a form of research conducted by researchers by directly visiting CV. Natural Palembang and collecting Activity Based Management data that has a relationship to the research being conducted.

Data Analysis Method

According to Sugiyono (2017) the data analysis method is the process of systematically searching and compiling data obtained from observations, interviews, field notes and documentation studies, by organizing data into categories, breaking down into units, synthesizing, arranging into patterns, choosing which ones are important and which ones will be studied, and making conclusions so that they are easily understood by oneself and others.

The data analysis method used in this research is to use comparative descriptive analysis where the company data that has been collected will later be compiled, processed, then analyzed and compared with existing theories so far. From the results of analysis and comparison, a conclusion will then be drawn.

RESULTS

Company Activities

CV Natural Palembang consists of two production departments, namely the natural department which produces woven carpets from abaca banana fiber and carpets made from Indian grass (Seagrass), the abaca department is a department that produces special carpets from abaca banana fiber, and the Wooden Carpet department is a department that produces carpets or lampit from ramin and jelutong wood. The number of employees of CV Natural Palembang to date totals 115 people consisting of 83 female workers and 32 male workers.

In this section of production activities, the author only describes the production activities of the abaca carpet department. The abaca carpet department produces carpets from abaca banana fiber, where these abaca banana fiber carpets are imported from abroad, namely from Ecuador and the Philippines.

Human Resources

The workforce (employees) at CV Natural Palembang is divided into:

1. Permanent staff employees (leaders), are employees whose appointment is through the board of directors with the main task of managing and being fully responsible for the survival of the company.
2. Non-staff employees (executors), are employees who carry out the duties and authority given by staff employees.

Working hours that apply to employees of CV. Natural Palembang Permanent staff and non-staff employees are as follows:

Table 1 Employee Working Hours CV Natural Palembang

Day	Working Hours	Break	Overtime
Monday - Saturday	08:00 – 16:00	11:30 – 13:00	16:00 – 22:00

Source: CV. Natural Palembang 2022

In providing salaries, the company always pays attention to the principles of fairness and feasibility, which means that it is based on the sacrifices made by the employees themselves, of

course balanced with the provision of wages adjusted by the company, while the salary payments that apply to this company are in accordance with the salaries determined based on groups, namely monthly salaries, daily salaries, piecework salaries. Overtime wages are adjusted to the class and the amount of overtime wages is 50,000 calculated per day.

Resources Used

The resources used by CV. Natural Palembang are:

1. Raw materials
The raw material used in the carpet production process is abaca banana fiber, where this abaca banana fiber carpet is imported from abroad, namely from Equador and the Philippines.
2. Auxiliary Materials
 - a. Textil dye paint as the basic material for coloring abaca banana fiber
 - b. Water [H₂O] used during coloring.
 - c. Tools and Machinery
3. Traditional splitting tools, used when splitting abaca banana fibers to prevent the fibers from tangling.
4. Traditional braiding tool, used during braiding so that the fibers can be combined into a carpet.
5. Drum, used as a container when coloring abaca banana fibers.
6. Hand sewing tools, used to create patterns on the carpet.
7. Traditional scissors, used to cut the fibers on the finished carpet.

DISCUSSION

Production Costs

TABLE 2 CV. Natural Palembang Realization Of Abaca Banana Fiber Carpet Production Costs 2022

Description	Total
Direct Raw Material Cost	Rp. 875.000.000
Direct Labor Costs	Rp. 1.518.160.000
Factory Overhead Costs	Rp. 742.360.000
Total Production Cost	Rp. 3.135.520.000

Source: CV. Natural Palembang 2022 (Data processed)

1. Direct Raw Material Costs

The raw material used to produce carpets is abaca banana fiber, where this abaca banana fiber carpet is imported from abroad, namely from Equador and the Philippines, the total cost of raw materials used during 2022 is Rp.875,000,000.

2. Direct Labor Costs

Direct labor costs are costs incurred for labor directly related to the production process to process abaca banana fiber into carpets. Direct labor costs here consist of costs in the reception of abaca banana fiber, separation station, bagging station, knitting station, sewing station, color station, drawing pattern station (butterfly), fine fiber cutting station, machine repair and maintenance. The following cost breakdown is shown in the following table:

Table 3 CV Natural Palembang Direct Labor Cost per year

Description	Labor Cost
Abaca Banana Fiber Reception	Rp. 187.200.000
Separation Station	Rp. 62.400.000
Bagging Station	Rp. 180.960.000
Knitting Station	Rp. 240.960.000
Sewing Station	Rp. 374.400.000
Color Station	Rp. 124.800.000
Pattern Drawing Station (Butterfly)	Rp. 271.440.000
Fine Fiber Cutting Station	Rp. 62.400.000
Machine Repair and Maintenance	Rp. 9.600.000
Total Labor Cost	Rp. 1.518.160.000

Source: CV. Natural Palembang 2022 (Data processed)

Factory Overhead Costs

Factory overhead costs are costs incurred to support the production process other than direct raw material costs and direct labor costs. Factory overhead costs include:

1. Cost of auxiliary materials

Raw materials used in the manufacture of carpets in the form of textil dye paint and water [H₂O], the total cost of these auxiliary materials is obtained from direct charging activities amounting to Rp 9,360,000.

2. Indirect labor costs

Indirect labor costs are costs incurred for indirect labor. Indirect labor costs include costs provided to leadership and administration, security and other parts other than direct labor. Indirect labor costs for 2022 amounted to Rp.708,000,000.

3. Maintenance costs of machinery and equipment

Costs incurred for damaged machinery and equipment. These costs are traced directly to the activities of repair, maintenance, replacement of machinery and equipment amounting to Rp. 25,000,000.

Table 4 CV Natural Palembang Production Cost Report Year 2022

Description	Description
1. Direct Raw Material Cost	Rp. 875.000.000
2. Direct Labor Cost	Rp. 1.518.160.000
3. Factory Overhead Costs:	
4. Cost of auxiliary materials	Rp. 9.360.000
5. Indirect labor costs	Rp.708.000.000
6. Machinery and Equipment Maintenance Costs	Rp. 25.000.000
7. Water Cost	
8. Electricity Cost	Rp. 3.360.000
9. Shipping cost	Rp. 5.400.000
	Rp. 5.850.000
Total	Rp. 756.970.000
	Rp. 2.393.160.000
Total Production Cost	Rp. 3.159.130.000

Source: CV. Natural Palembang 2022 (Data processed)

Activity Analysis

To classify activities into value-added or non-value-added activities, it is in accordance with the results of interviews and matches the results of observations. The following analysis of the activity of making carpets from abaca banana fiber (abaca fiber) in CV. Natural Palembang can be seen in table 5.

Table 5 CV Natural Palembang Production Activity

Section	Activity
Preparation	<ol style="list-style-type: none"> 1. Received abaca banana fibers from the seller. 2. Delivered abaca banana fibers to the weighing station. 3. Weighing the abaca banana fibers. 4. Collecting the abaca banana fibers that have been weighed. 5. Placing the abaca banana fibers in the room where the abaca banana fiber separation section is located.
Processing	<ol style="list-style-type: none"> 1. Separation of abaca banana fibers to prevent tangling. 2. Clipping of abaca banana fibers. 3. Joining the braids together vertically. 4. Knitting the abaca banana fiber braids. 5. Sewing the abaca banana fiber braids. 6. Dyeing the abaca banana fibers to order. 7. Drying the colored abaca banana fibers. 8. Drying the colored abaca banana fibers. 9. The colored abaca banana fibers are sewn into the pattern of the carpet.
Settlement	<ol style="list-style-type: none"> 1. Cutting of fine fibers in the carpet. 2. Selecting the size of the carpet that has been made. 3. Checking the quality of the finished goods. 4. Packaging / packing. 5. Delivering and storing finished goods to the warehouse.

Source: CV. Natural Palembang 2022

Analyzing activities based on the data collected in the first stage. The analysis aims to classify what activities are included in the value added activity category and what activities are included in the non-value added activity.

Table 6 CV Natural Palembang Activity Classification Table

Activity	Value Added	Non Value Added
1. Received abaca banana fibers from the seller.	<input type="checkbox"/>	
2. Delivered abaca banana fibers to the weighing station.	<input type="checkbox"/>	<input type="checkbox"/>
3. Weighing the abaca banana fibers.		<input type="checkbox"/>
4. Collecting the abaca banana fibers that have been weighed.		<input type="checkbox"/>
5. Placing the abaca banana fibers in the room where the abaca banana fiber separation section is located.	<input type="checkbox"/>	
6. Separating the abaca banana fibers so that they are not tangled.	<input type="checkbox"/>	
7. Clipping the abaca banana fibers.	<input type="checkbox"/>	
8. Joining the braids together vertically.	<input type="checkbox"/>	
9. Knitting the abaca banana fiber braids.	<input type="checkbox"/>	
10. Sewing the abaca banana fiber braids.	<input type="checkbox"/>	
11. Dyeing the abaca banana fibers to order.	<input type="checkbox"/>	
12. Drying the colored abaca banana fibers.	<input type="checkbox"/>	
13. Drying the colored abaca banana fibers.	<input type="checkbox"/>	<input type="checkbox"/>
14. Colored abaca banana fibers are sewn into the pattern of the carpet.		<input type="checkbox"/>
15. Cutting the fine fibers on the carpet.		<input type="checkbox"/>
16. Selecting the size of the carpet that has been made.		
17. Checking the quality of the finished goods.		
18. Packaging / packing.		
19. Delivering and storing finished goods to the warehouse.		

Source: CV. Natural Palembang 2022 (Data processed)

Cost Drivers

Analyze the cost drivers that exist in this abaca banana fiber carpet company. Cost driver analysis is needed in an effort to identify the factors that cause activity costs from value-added activities and non-value-added activities.

Table 7 CV Natural Palembang Cost Driver Identification Table

Activity Cost	Cost driver
1. Cost of auxiliary materials	1. Direct loading
2. Indirect labor costs	2. Total TKTL
3. Machinery and equipment maintenance costs	3. Direct loading
4. Building maintenance costs	4. Land area used
5. Machine depreciation costs	5. Direct loading
6. Depreciation cost of factory buildings	6. Land area used
7. Factory building insurance costs	7. Total machine price
8. Water cost	8. Land area used
9. Electricity cost	9. Total water usage (m3)
10. Fuel cost	10. Number of kilowatt hours
11. Packaging costs	11. Direct loading
12. Waste installation fee	12. Number of packing units
13. Cost of transporting and storing finished goods to the warehouse	13. Percentage of waste generated
	14. Direct loading

Source: CV. Natural Palembang 2022 (Data processed)

Charging Production Costs to Each Activity

After knowing the cost triggers above the costs incurred, the next step is to charge the costs incurred to the company's activities, to determine activity costs. The following is a tracing of costs to each activity based on activity measurement

1. Factory Overhead Costs

The following presents the charging of auxiliary material costs to each activity:

Table 8 CV Natural Palembang Charges of Factory Overhead Costs to Each Activity

Description	Cost per month	Activity	Cost Activity ×12
Cost of auxiliary materials	Rp 500.000	Texstil dye paint	Rp. 6.000.000
	Rp 280.000	Water [H2O]	Rp. 3.360.000
Machinery and equipment maintenance costs	Rp 2.083.000	Repair and maintenance of processing machinery	Rp. 25.000.000
Water costs	Rp 280.000	Water used for workers' needs	Rp. 3.360.000
Electricity costs	Rp 450.000	Lighting source for production activities	Rp. 5.400.000
Shipping costs	Rp 1.950.000	Cost of shipping goods	Rp. 5.850.000 (per 3 bulan)
Jumlah			Rp. 48.970.000

Source: CV. Natural Palembang 2022 (Data processed)

Indirect labor costs

The following presents the cost of auxiliary materials for each activity:

Table 9 CV. Natural Palembang Charges for TKTL Costs for Each Activity per year

Description	Number of employees	Salary and wages	otal cost ×12 months
1. Director	1	Rp. 5.000.000	Rp. 60.000.000
2. Secretary	1	Rp. 3.000.000	Rp. 36.000.000
3. Accounting	2	Rp. 3.000.000	Rp. 72.000.000
4. Personnel	1	Rp. 3.000.000	Rp. 36.000.000
5. Security	1	Rp. 1.500.000	Rp. 18.000.000
6. Warehouse	3	Rp. 2.000.000	Rp. 72.000.000
7. Procurement	2	Rp. 2.000.000	Rp. 48.000.000
8. Daily Admin	1	Rp. 2.000.000	Rp. 24.000.000
9. Piece-rate Admin	1	Rp. 2.000.000	Rp. 24.000.000
10. Production Admin Head of Administration (KTU)	1	Rp. 2.000.000	Rp. 24.000.000
11. Head of Dept. Dept. Natural	1	Rp. 2.000.000	Rp. 24.000.000
12. Head. Dept. Wooden	1	Rp. 2.000.000	Rp. 24.000.000
13. Head. Dept. Abaka	1	Rp. 2.000.000	Rp. 24.000.000
14. Head. General and Environmental	1	Rp. 2.000.000	Rp. 24.000.000
15. Head of Medicine Section	1	Rp. 2.000.000	Rp. 24.000.000
16. Head of Workshop Section	1	Rp. 2.000.000	Rp. 24.000.000
17. Compound (Cleaning)	1	Rp. 2.000.000	Rp. 24.000.000
	2	Rp. 2.000.000	Rp. 48.000.000
	3	Rp. 2.000.000	Rp. 72.000.000
	3	Rp. 1.500.000	Rp. 54.000.000
Total			Rp. 708.000.000

Source: CV. Natural Palembang 2022 (Data processed)

Production Cost Before Elimination

The following presents the cost of each activity before the elimination of non-value-added activities

Table 10 CV Natural Palembang Activity Costs Before Elimination Of Non-Value Added Per Year

Activity	Staff	Salary per day	Salary per month	Piece rate	Total Activity Cost ×12 months
1. Received abaca banana fibers from the seller.	8	40.000			99.840.000
2. Delivered abaca banana fibers to the weighing station.	7	40.000			87.360.000
3. Weighing the abaca banana fibers.	1	40.000	1.700.000		20.400.000
4. Collecting the abaca banana fibers that have been weighed.	2	58.000	1.700.000		40.800.000
5. Placing the abaca banana fibers in the room where the abaca banana fiber separation section is located.	2	58.000	1.700.000		40.800.000
6. Separating the abaca banana fibers so that they are not tangled.	5	40.000			62.400.000
7. Clipping the abaca banana fibers.	10	40.000			180.960.000
8. Joining the braids together vertically.	10	40.000			180.960.000
9. Knitting the abaca banana fiber braids.	10				240.960.000
10. Sewing the abaca banana fiber braids.	15	58.000			374.400.000
11. Dyeing the abaca banana fibers to order.	10	40.000			124.800.000
12. Drying the colored abaca banana fibers.	1	40.000			12.480.000
13. Drying the colored abaca banana fibers.	1	40.000		80.000	12.480.000
14. Colored abaca banana fibers are sewn into the pattern of the carpet.	15	40.000		80.000	12.480.000
15. Cutting the fine fibers on the carpet.	5	40.000			271.440.000
16. Selecting the size of the carpet that has been made.	1				62.400.000
17. Checking the quality	1				12.480.000

of the finished goods.				
18. Packaging / packing.	1			12.480.000
19. Delivering and storing finished goods				24.960.000
20. the warehouse.	1			24.960.000
Jumlah Biaya Aktivitas Produksi				1.887.360.000

Source: CV. Natural Palembang 2022 (Data processed)

Analysis of Non Value Added Activity

Based on the concept of Activity Based Management (ABM). Non-value-added activities must be reduced or eliminated.

1. Sending abaca banana fibers to the weighing station; The activity that occurs from delivering abaca banana fibers to the weighing station is the transfer of abaca banana fibers from the truck that has been received to the weighing station because the weighing station is far from the receiving station. This causes the company to provide a vehicle and a number of workers to transport the wood to the weighing place, the costs that must be incurred for this activity amount to Rp.87,360,000, these costs arise due to non-value-added activities so that this activity must be eliminated. To eliminate it, the company can make layout arrangements or layout because the weighing place should be in one area with the reception place, so as not to cause waste of labor time and costs.
2. Collecting the weighed abaca banana fibers; The activity of collecting the weighed abaca banana fibers to the unprocessed abaca banana fiber storage area. Similar to sending the abaca banana fibers to the weighing station, the abaca banana fiber shelter is far from the weighing station causing the company to provide a vehicle and a number of workers to transport the abaca banana fibers to the weighing station, the cost that must be incurred for this activity is Rp.40,800,000, the cost arises because of the non-value-added activities so that this activity must be eliminated. To eliminate it, the company can make layout arrangements or layout where the abaca banana fiber shelter should be in one area with the weighing place, so as not to cause waste of labor time and costs.
3. Place the abaca banana fibers in the room where the abaca banana fibers are separated.
4. Lifting the clothesline of the colored abaca banana fibers; After drying, the next activity is the removal of the colored abaca banana fibers, as well as the collection of the weighed abaca banana fibers. The drying place for the colored abaca banana fibers which is far from the place of making the drawing pattern causes the company to provide a vehicle and a number of workers to transport the abaca fibers to the place of making the drawing pattern, the cost that must be incurred for this activity is Rp.12,480,000, the cost arises because of non-value-added activities so that this activity must be eliminated. To eliminate it, the company can make layout arrangements or layouts where the abaca banana fiber drying place should be in one area with the drawing pattern making place, so as not to cause waste of labor time and costs.
5. Selecting the size of the carpet that has been made; Selecting the size of the carpets that have been made to ensure that the abaca banana fiber carpets that have been made meet the standards desired by the customer. This activity can be categorized as a non-value-added

- activity because the actual size of the carpet that has been made is according to customer orders and does not need to be selected again, so that there is no waste of costs the company can eliminate costs of Rp.12,480,000.
6. Checking the quality of finished goods; Checking the quality of finished goods to ensure that the abaca banana fiber carpets that have been made meet the standards desired by customers. This activity can be categorized as a non-value-added activity because this activity is actually made by handmade and uses traditional tools that do not have sophisticated machines and technology as auxiliary materials, therefore checking the quality of goods is not necessary because failed goods cannot be processed to the next stage. The cost incurred by the company for this activity amounted to Rp.12,480,000.
 7. Delivering and storing finished goods to the warehouse; After packaging, the abaca banana fiber carpets are moved to the warehouse before being shipped to customers or exported. This activity is a non-value-added activity because the goods are made to order, if there is no order for abaca fiber carpets, there is no carpet production. To satisfy customers, it should be packaged or packed, which is directly sent to customers so that there is no waste of costs of Rp.24,960,000 (Hansen and Mowen 2006).

Performance measurement

Table 11 CV Natural Palembang Value Added Cost And Non Value Added Cost Report

Activity	Value Added	Non Value Added What can be Eliminated	Activity Costs
1. Received abaca banana fibers from the seller.	Rp.99.840.000	Rp.87.360.000	Rp.99.840.000
2. Delivered the abaca banana fibers to the weighing station.	Rp.20.400.00	Rp.40.800.000	Rp.87.360.000 Rp.20.400.000
3. Weighing the abaca banana fibers.	Rp.62.400.000	Rp.40.800.000	Rp.40.800.000
4. Collecting the weighed abaca banana fibers.	Rp.180.960.000	Rp.40.800.000	Rp.40.800.000
5. Placing the abaca banana fibers in the room where the abaca banana fiber separation section is located.	Rp.180.960.000		Rp.62.400.000 Rp.180.960.000
6. Separating the abaca banana fibers so that they are not tangled.	Rp.240.960.000		Rp.180.960.000 Rp.240.960.000
7. Clipping the abaca banana fibers.			Rp.374.400.000
8. Joining the braids together vertically.	Rp.374.400.000		Rp.124.800.000
9. Knitting the abaca banana fiber braids.	Rp.124.800.000		Rp.12.480.000
10. Sewing the abaca banana fiber braids.	Rp.12.480.000		Rp.12.480.000
11. Dyeing the abaca banana fibers to order.	Rp.271.440.000		Rp.271.440.000
12. Drying the colored abaca	Rp.62.400.000		

banana fibers.		Rp.12.480.000	Rp.62.400.000
13. Drying the colored abaca banana fibers.	Rp.24.960.000	Rp.12.480.000	Rp.12.480.000
14. The colored abaca banana fibers are sewn into the pattern of the carpet.		Rp.12.480.000	Rp.12.480.000
15. Cutting the fine fibers on the carpet.			Rp.24.960.000
16. Selecting the size of the carpet that has been made.		Rp.24.960.000	Rp.24.960.000
17. Checking the quality of the finished goods.			
18. Packaging / packing.			
19. Delivering and storing finished goods			
20. to the warehouse.			
Total	Rp.1.656.000.000	Rp.231.360.000	Rp.1.887.360.000

Source: CV. Natural Palembang 2022 (Data processed)

From the table above, it can be seen that factory overhead costs after eliminating non-value-added activities that can be completely eliminated are sending abaca banana fibers to the weighing place, collecting abaca banana fibers that have been weighed, placing abaca banana fibers in the room where the abaca banana fibers are separated, lifting the colored abaca banana fiber clothesline, selecting the size of the carpet that has been made, checking the quality of finished goods, sending and storing finished goods to the warehouse. The following are the changes that occur to factory overhead costs before and after the application of Activity Based Management (ABM).

1. Activity Cost before ABM application Rp.1,887,360,000
2. Activity Costs after ABM application Rp.1,656,000,000
3. Non-value-added costs Rp.231.360.000

$$Efisiensi\ biaya\ diperoleh = \frac{Rp. 231.360.000}{Rp. 1.887.360.000} \times 100\% \\ = 12,2\%$$

From the data calculated above, we can see that the cost efficiency obtained if CV Natural Palembang uses the activity-based management method is 12.2%. An information is seen from the circumstances surrounding it, it is considered material if activity based management is used at CV. Natural Palembang which until now the management system carried out is still conventionally based not yet efficient with operations, the company has not really focused its attention on identifying every activity that occurs, so there are still costs that occur due to unnecessary activities that will result in waste of costs, CV. Natural Palembang should use the activity based management method in order to minimize non-value-added costs. From these costs can be used to advance the company, increase profitability and as a consideration that can ultimately generate profits for the company.

CONCLUSION

Based on the description and analysis of the data presented in the chapter of research results and discussion, the following conclusions can be drawn: By applying Activity Based Management in 2022, the savings that should be made by management amounted to 12.2%, this value is obtained from the cost of non-value-added activities as follows.

1. Sending abaca banana fibers to the weighing station.
2. Collecting the abaca banana fibers that have been weighed.
3. Putting the abaca banana fibers in the room where the abaca banana fibers are separated.
4. Removing the colored abaca banana fibers from the clothesline.
5. Selecting the size of the carpet that has been made.
6. Checking the quality of the finished goods.
7. Delivering and storing finished goods to the warehouse.

SUGGESTION

1. For the management of the Bengkulu City Mandiri Private Foundation Orphanage, especially the financial department, so that they can prepare financial reports in accordance with ISAK No. 35 concerning financial reporting of non-profit organizations.
2. To the city government in order to provide briefings to the Orphanage management related to the preparation of orphanage financial reports that should be made.
3. Higher Education should be able to participate in socialization, counseling and training regarding ISAK in this case regarding Financial Statements of Non-Profit Organizations, as a form of the Tri Darma of Higher Education which is included in the third point, namely Community Service.
4. For future researchers, it is hoped that they can find a different place from previous research, such as, government agencies, schools and so on.

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