# Business Process Improvement Exercise

## Step 1: Select a process area to focus on

Below in step 2 are notes for both a procure to pay process and a time entry process. Please select one for your group to focus on.

## Step 2: Understand current process

Evaluate the current business process. The process based on interviews with current stakeholders is described below.

**Purchase Requisition to Check**

1. Department identifies need to purchase item.  Department researches approximate costs for item.
2. The Department head contacts the purchasing department to discuss the item and determine how to buy the item (RFP, contract, bid, PO, etc.)
   1. If RFP, develop and release RFP. Evaluate options, Select finalist
3. The Department completes paper requisition form and gets internal approval to purchase the item from Department head (signature on requisition)
4. Department logs requisition (to track budget) into Excel spreadsheet and sends to purchasing.
5. Purchasing department checks with budget for funds availability
6. Purchasing department creates purchase order and forwards to Department.
7. Department sends purchase order to vendor and updates excel spreadsheet
8. Vendor delivers items and department records receipt on spreadsheet
9. Vendor sends invoice to accounts payable
10. Accounts payable routes invoice to department for approval
11. Departments signs the invoice and forwards back to accounts payable
12. Accounts payable enters invoice information into accounting system
13. Accounts payable processes checks once per week
14. Accounts payable holds checks for vendors preferring manual pick up. Mails checks to other vendors.

**Time Entry / Payroll**

1. Payroll department distributes timesheets to departments
2. ½ of the employees enter time on timesheet; ½ of employees report time to the department payroll clerk who enters it on timesheet
3. Employees working overtime complete overtime sheet
4. At end of the pay period, employee signs timesheet and turns in (or payroll clerk has employee sign timesheet)
5. Payroll clerk totals employee hours on timesheet and calculates any necessary overtime, shift differential or premium pay.
6. Department head approves and signs all timesheets
7. Timesheets are copied and filed in department and forwarded to payroll department
8. Payroll department reviews employee timesheet and corrects any errors made by payroll clerk
9. Payroll department keys in total hours by pay code by employee per week into payroll system
10. Payroll department stores timesheet
11. Payroll department processes payroll and prints payroll checks / makes direct deposit
12. Payroll department prints sorts payroll check by department
13. Payroll department delivers checks to employee department
14. Department distributes checks to employee.

## Step 3: Identify Areas for Improvement and Define “To-Be” Process

Review the current process map and look for areas where the process can be improved. Groups should consider methods for making the process more efficient along with potential policy changes, role/responsibility changes, and how new technology could be utilized. Groups should also consider “best practices” and examples from your own experience on now to make this process better.

What are some options for process improvements?

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## Step 4: Consider how to implement your changes?

All changes can be difficult. Even the most difficult and challenges processes may have some support from parts of the organization who “like” having control, may not see the impact on others, or enjoy the convenience of a manual process. For this reason, change management and business process improvement are closely linked. Please think through the change management approach and answer the following questions for your organization.

Who would you consider the organization’s change management leaders? (not necessarily on this project, but overall)

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What obstacles / challenges will get in the way?

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How will you communicate changes to the organization?

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What strategies will you use to ensure follow through on process improvement recommendations?

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