

Overview

The following case study involves a university’s current state business process for allocating copy center charges to various departments across the organization. The current legacy system is a homegrown financial accounting system. In this case, the Copy Center where the initial charges are incurred is the “Billing” department and they must prepare 50 individual documents to have the charges posted eventually to the various department accounts.

Review the model on the following two pages (pp. 2 – 3) to see where these documents travel and what roles are responsible for the various tasks. When you have completed your review, answer the questions below.

How well does this process do the job?

Based on what you’ve learned so far, does this process need incremental improvement or redesign?

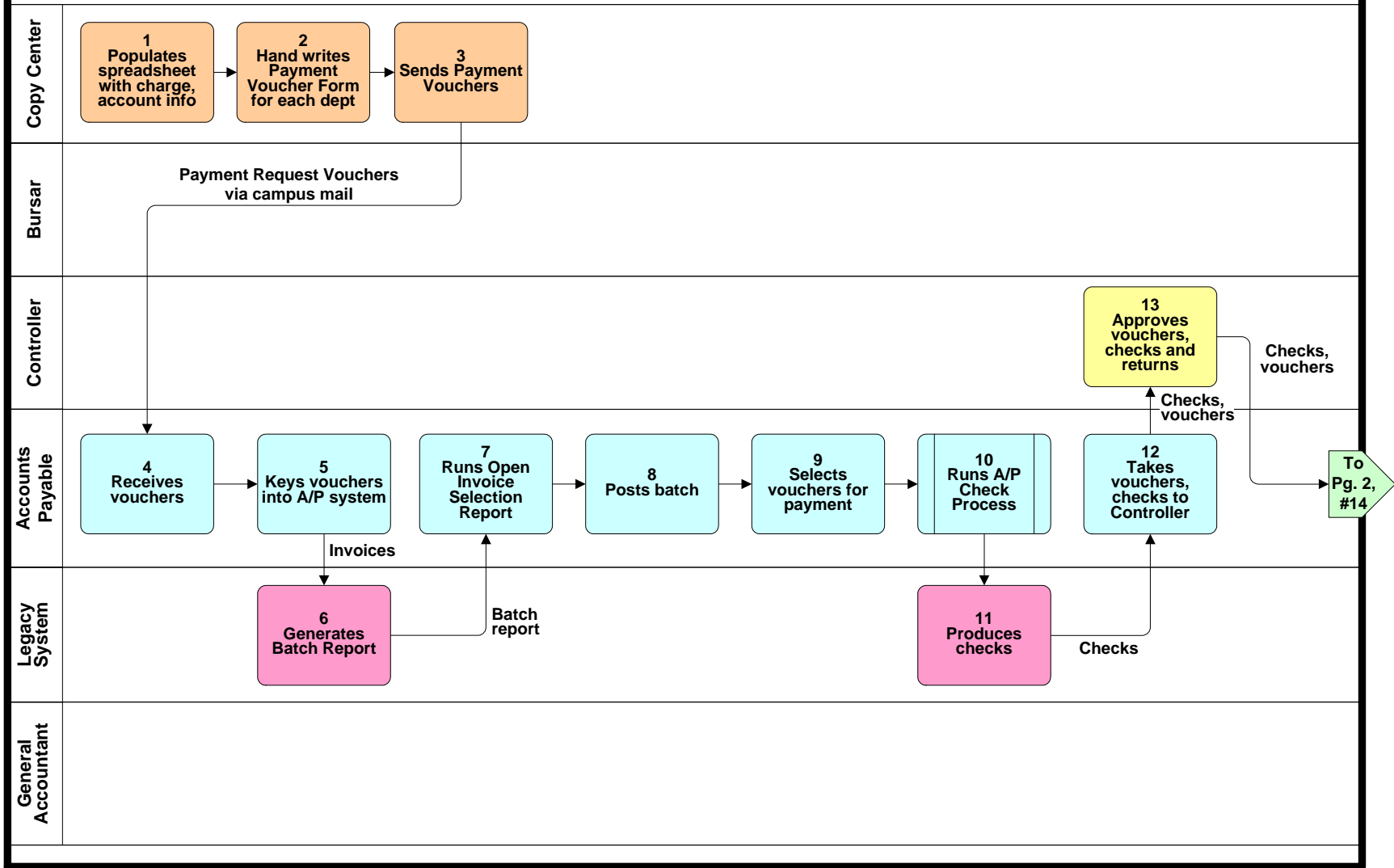
Last Century University - Processing Automated Journal Entries with XYZ Fin System
BPA Current State



Begin: "Billing Dept." Populates Spreadsheet with Charge and Account Information

End: System Posts the Journal Entries to the GL

Effective: December 31, 1999

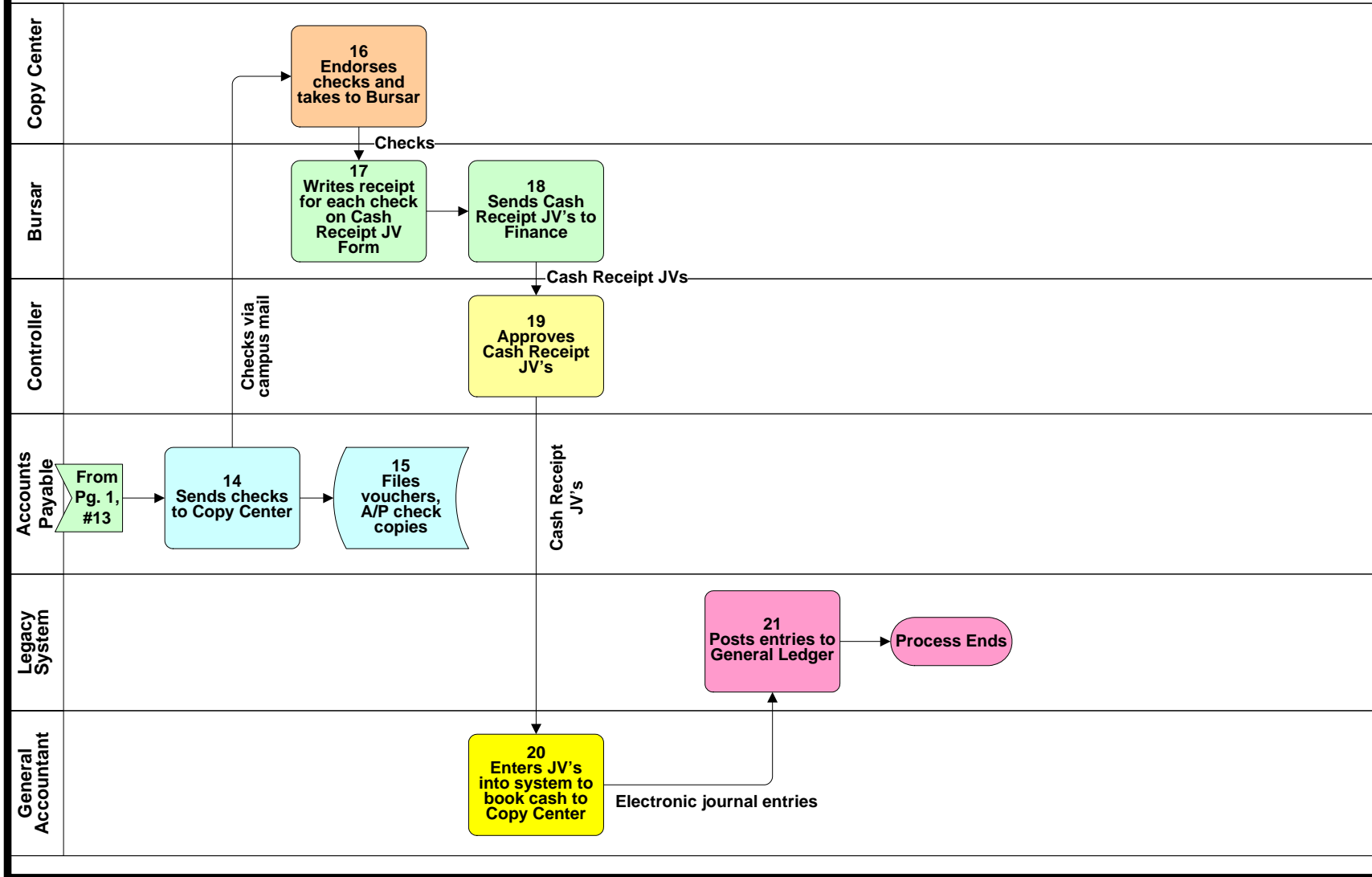


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Based on the model, this table describes the number of touchpoints associated with the current state process.

Who	What	Touch points
Copy Center	Prepares 50 Payment Request Vouchers	50
A/P	Keys 50 payment vouchers	50
A/P	Verifies 50 payment vouchers to batch	50
A/P	Produces and retrieves 50 A/P checks	50
Controller	Approves 50 payment vouchers	50
Controller	Approves 50 A/P checks	50
A/P	Mails 50 checks to Copy Center	50
A/P	Attaches 50 check copies to vouchers	50
A/P	Files 50 checks and voucher copies	50
Copy Center	Endorses 50 checks	50
Bursar	Deposits 50 checks	50
Bursar	Hand writes 50 cash receipt JV's	50
Controller	Approves 50 cash receipt JV's	50
General Accountant	Keys 50 cash receipt JVs into system	50
	Per Month	700
		x 12 Months
	Per Year	8400

Upon reviewing the model and applying the four techniques to the current state, what observations and recommendations would you make to create an 'optimized' state for this organization?

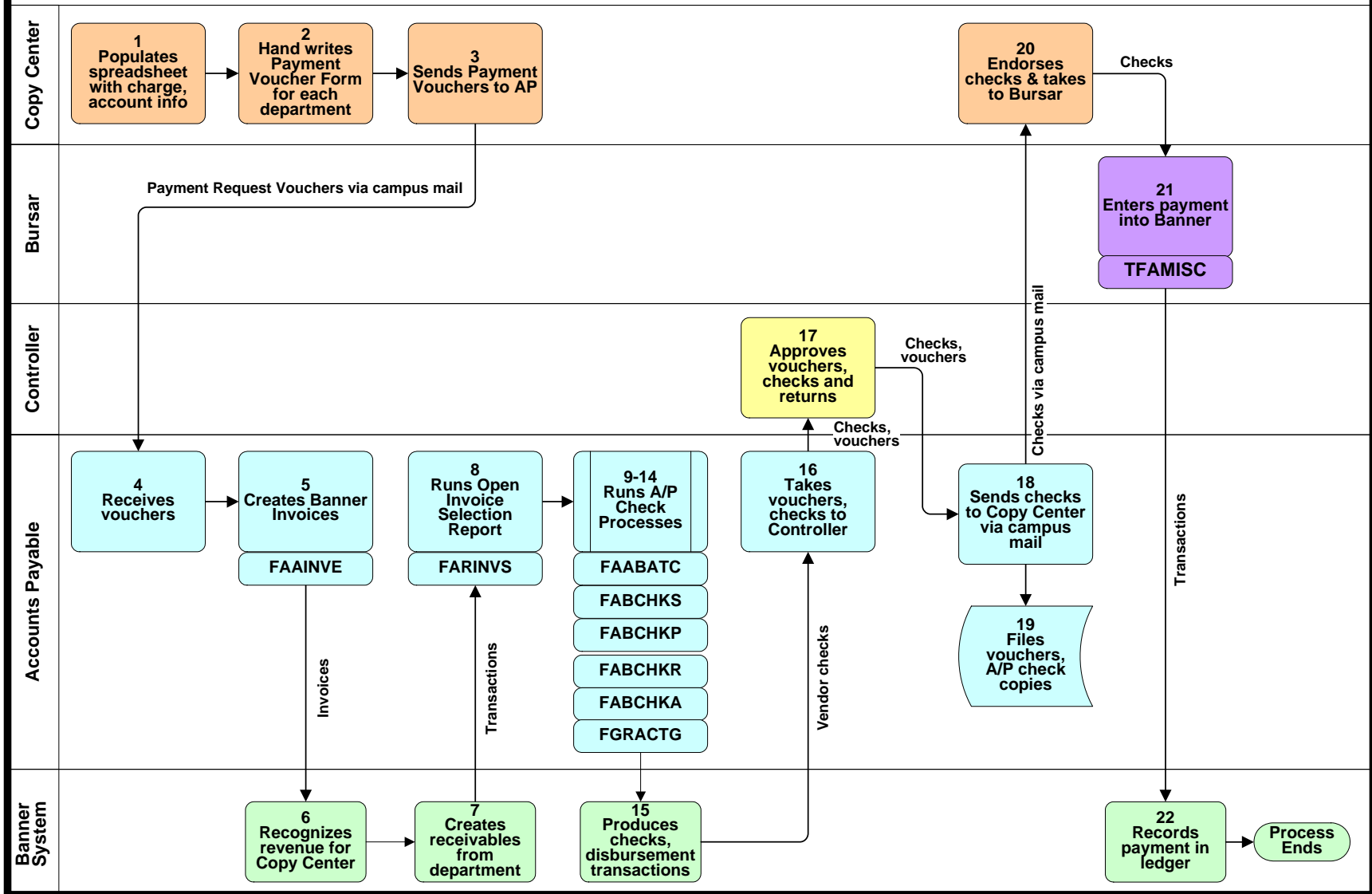
Review the model on the following page (p. 6) to see one approach to reducing the number of touchpoints. When you have completed your review, answer the question below.

What techniques were applied to streamline this process?

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 BPA Banner State



Begin: Billing Dept Populates template
 End: Banner FI Posts transactions to GL
 Effective: FY2008



On the following page (p. 8) is another design to create a Banner recommended state and reduce the touch points dramatically, as indicated in the table below.

Who	What	Touchpoints
Copy Center	Prepares and transmits 1 spreadsheet	1
Controller		0
A/P		0
Bursar		0
General Accountant	Runs 5 automatic processes	5
	Per Month	6
		x 12 Months
	Per Year	72

Review the Banner Recommended State model and answer the question below.

What additional changes affected the outcome here? _____

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BPA Banner Recommended State



Begin: Billing Dept Populates template

End: Banner FI Posts transactions to GL

Effective: FY2008

