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

Copy Center
1. Populates spreadsheet with charge, account info
2. Hand writes Payment Voucher Form for each dept
3. Sends Payment Vouchers

Bursar
Payment Request Vouchers via campus mail

Controller

Accounts Payable
4. Receives vouchers
5. Keys vouchers into A/P system
6. Generates Batch Report
7. Runs Open Invoice Selection Report
8. Posts batch
9. Selects vouchers for payment
10. Runs A/P Check Process
11. Produces checks
12. Takes vouchers, checks to Controller
13. Approves vouchers, checks and returns

Legacy System
6. Generates Batch Report

General Accountant

To Pg. 2, #14

Page 1 of 2
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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**Copy Center**

- **Check**
  - Endorses checks and takes to Bursar

**Bursar**

- **Checks**
  - Receives checks via campus mail
  - Writes receipt for each check on Cash Receipt JV Form
  - Sends Cash Receipt JV's to Finance

**Controller**

- **Cash Receipt JVs**
  - Approves Cash Receipt JV's

**Accounts Payable**

- **From Pg. 1, #13**
  - Sends checks to Copy Center
  - Files vouchers, A/P check copies

**Legacy System**

- **Cash Receipt JVs**
  - Approves Cash Receipt JV's

**General Accountant**

- **Electronic journal entries**
  - Enters JV's into system to book cash to Copy Center

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

<table>
<thead>
<tr>
<th>Who</th>
<th>What</th>
<th>Touch points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy Center</td>
<td>Prepares 50 Payment Request Vouchers</td>
<td>50</td>
</tr>
<tr>
<td>A/P</td>
<td>Keys 50 payment vouchers</td>
<td>50</td>
</tr>
<tr>
<td>A/P</td>
<td>Verifies 50 payment vouchers to batch</td>
<td>50</td>
</tr>
<tr>
<td>A/P</td>
<td>Produces and retrieves 50 A/P checks</td>
<td>50</td>
</tr>
<tr>
<td>Controller</td>
<td>Approves 50 payment vouchers</td>
<td>50</td>
</tr>
<tr>
<td>Controller</td>
<td>Approves 50 A/P checks</td>
<td>50</td>
</tr>
<tr>
<td>A/P</td>
<td>Mails 50 checks to Copy Center</td>
<td>50</td>
</tr>
<tr>
<td>A/P</td>
<td>Attaches 50 check copies to vouchers</td>
<td>50</td>
</tr>
<tr>
<td>A/P</td>
<td>Files 50 checks and voucher copies</td>
<td>50</td>
</tr>
<tr>
<td>Copy Center</td>
<td>Endorses 50 checks</td>
<td>50</td>
</tr>
<tr>
<td>Bursar</td>
<td>Deposits 50 checks</td>
<td>50</td>
</tr>
<tr>
<td>Bursar</td>
<td>Hand writes 50 cash receipt JV's</td>
<td>50</td>
</tr>
<tr>
<td>Controller</td>
<td>Approves 50 cash receipt JV's</td>
<td>50</td>
</tr>
<tr>
<td>General Accountant</td>
<td>Keys 50 cash receipt JV's into system</td>
<td>50</td>
</tr>
<tr>
<td>Per Month</td>
<td>Per Year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Per Year</td>
<td>8400</td>
</tr>
</tbody>
</table>

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?

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________
Last Century University - Processing Automated Journal Entries with New Fin System
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.

<table>
<thead>
<tr>
<th>Who</th>
<th>What</th>
<th>Touchpoints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy Center</td>
<td>Prepares and transmits 1 spreadsheet</td>
<td>1</td>
</tr>
<tr>
<td>Controller</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>A/P</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Bursar</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>General Accountant</td>
<td>Runs 5 automatic processes</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Per Month</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Per Year</td>
<td>72</td>
</tr>
</tbody>
</table>

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

What additional changes affected the outcome here?

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
Last Century University - Processing Automated Journal Entries
BPA Banner Recommended State
Begin: Billing Dept Populates template
End: Banner FI Posts transactions to GL
Effective: FY2008

1. Populates or corrects spreadsheet with charge, account info
2. Saves to Banner directory
3. Notifies Finance
4. Receives notification
5. Runs file upload for appropriate path & filename
6. Extracts
7. Creates Transaction File
8. Executes Finance Import Interface
10. Deletes temp. file in Banner Directory
11. Executes Transaction interface process
12. Puts in Approved Documents Table for processing
13. Approves transactions
14. Checks transactions for errors
15. Approves transactions
16. Posts approved entries to the ledgers

E-mail or workflow

Process Ends