

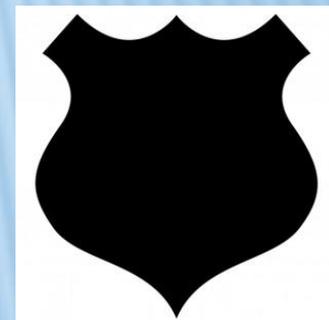
Green Belt Six Sigma Project Report Out
Tiffany Wilson
Ohio Shared Services
July 30, 2015



ENTERPRISE CONTENT MANAGEMENT(ECM) PROCESS STRUCTURE



OSS LEAN PATROL TEAM



Tiffany Wilson
Jessica Gravely

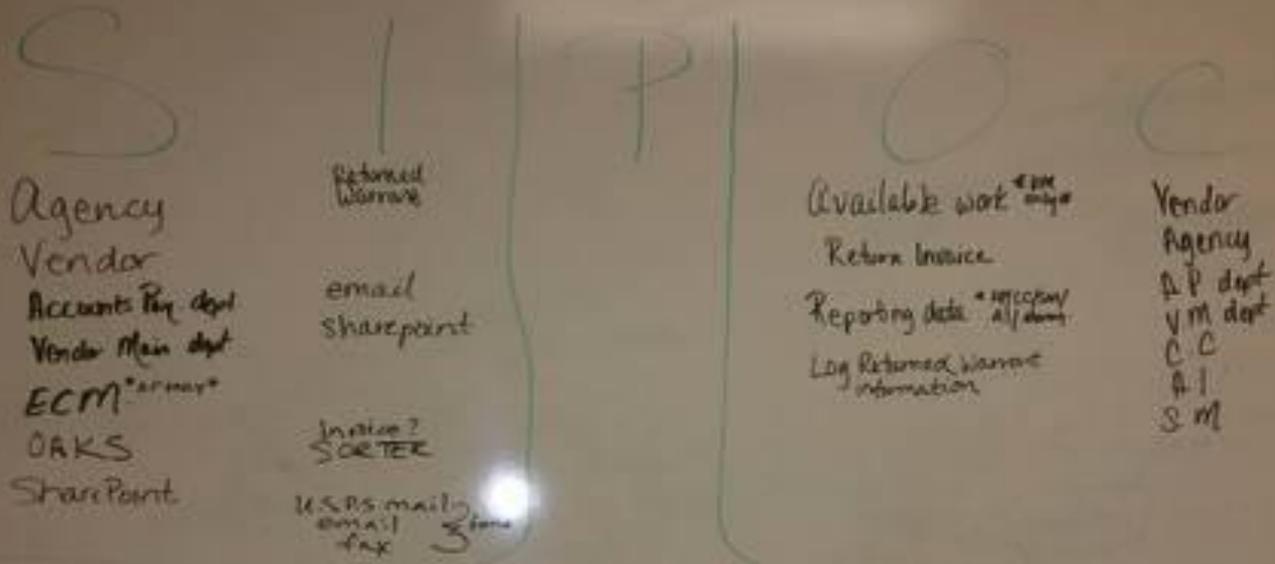
BACKGROUND- PROBLEM STATEMENT

- ❖ The process for returning improper invoices takes too long. It takes an average of 12.8 days to return an improper invoice to an agency/vendor. OAC 126-03-01 allows 15 days.
- ❖ At times, improper invoices are returned with an inaccurate or unclear explanation of the rejection and how to correct the issue.
- ❖ Both internal and external customers (agency/vendor) are negatively affected by the process.
- ❖ The problem was exposed by an OSS Associate through an OSS Continuous Improvement submission in December 2014.

PROJECT GOALS

- ❖ **Improve quality and accuracy of improper invoice communications**
- ❖ **Reduce lead time to return an improper invoice by 22 percent, from 12.8 to 10 days**
 - ❖ **Identify unnecessary process steps**
 - ❖ **Recommend process improvement and training opportunities**

HIGH LEVEL PROCESS - SIPOC



Simple for all processes impacted

Access Application/Repository
ORKS/SharePoint etc

Filter Pending Work to be completed

Review Documents
rec, and mark

Input rec: data in application repository

Save/Forward/Communicate

DI NOT TRAIT

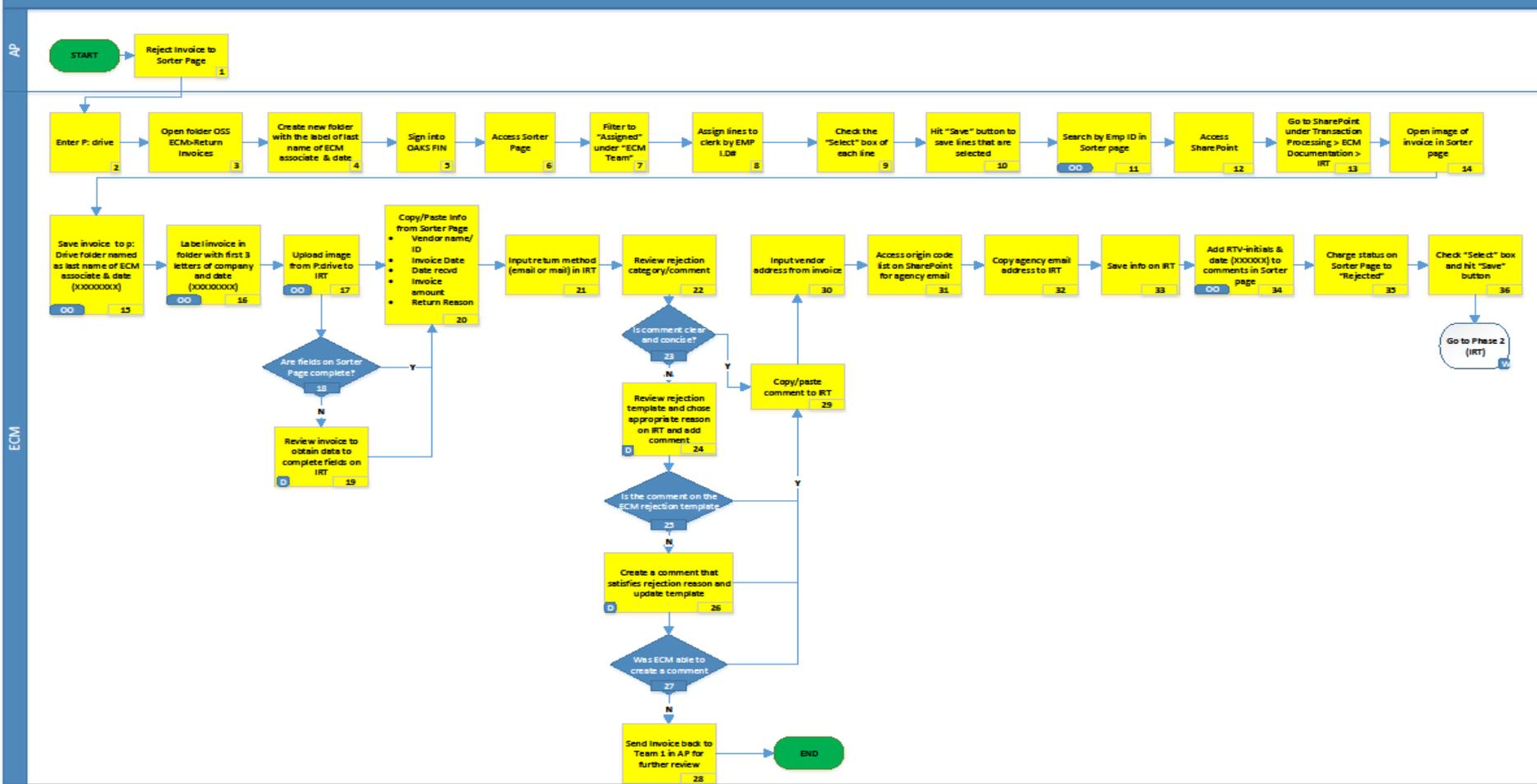
return warrant process den. logged
* Out of Scope *
* Renew communication to customer

PROJECT BENEFITS – TANGIBLE/INTANGIBLE

- ❖ Improved customer satisfaction (internal and external)
- ❖ Delivery of accurate communication to customer (internal and external)
- ❖ Job training of staff to assist with other OSS related processes
- ❖ Potential cost savings to State on interest charges
- ❖ Overall increased productivity

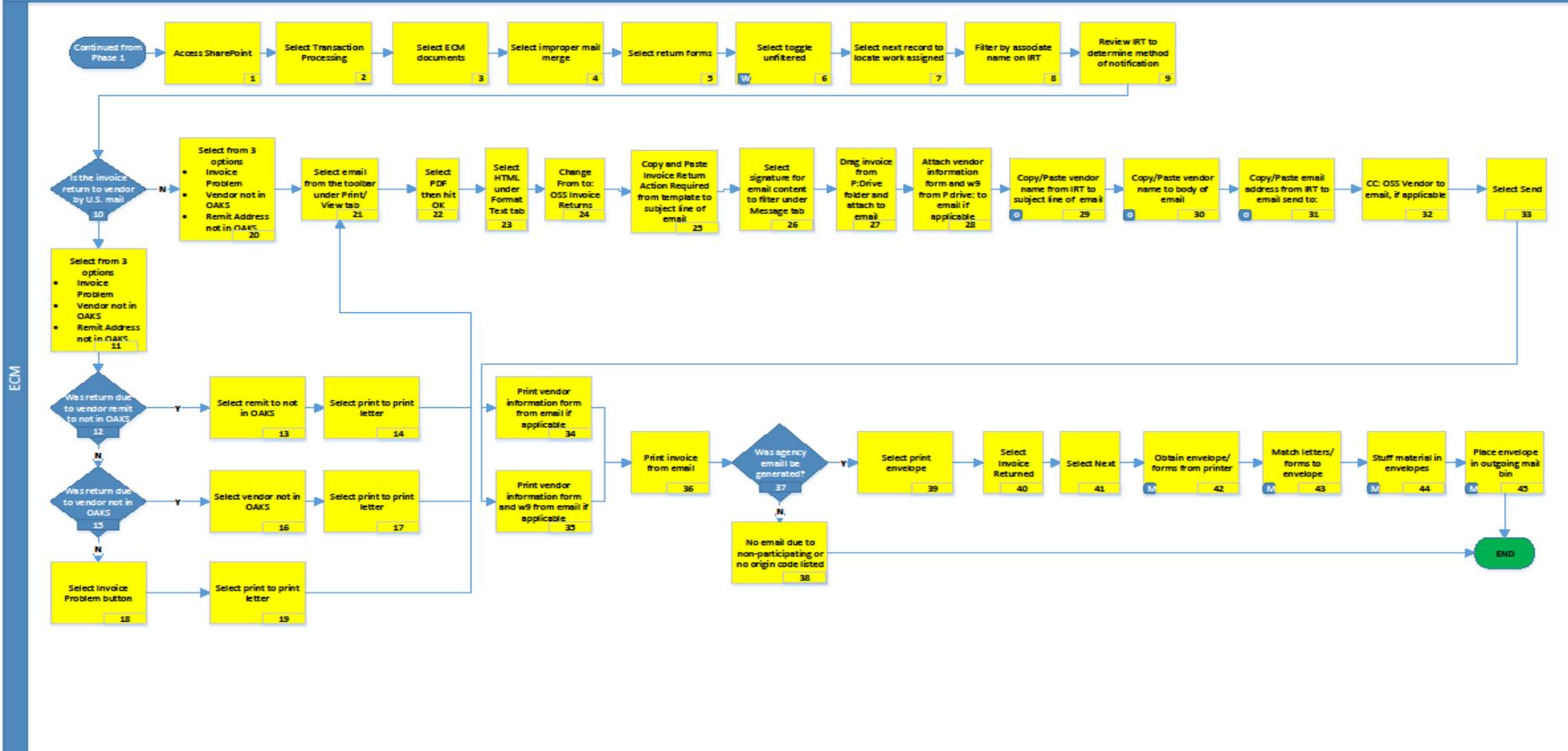
PHASE 1 PROCESS MAP INVOICE RETURN TRACKER

ENTERPRISE CONTENT MANAGEMENT (ECM) Invoice Return Tracker (IRT) – Phase 1



PHASE 2 PROCESS MAP INVOICE RETURN TRACKER

ENTERPRISE CONTENT MANAGEMENT (ECM) Invoice Return Tracker (IRT) – Phase 2



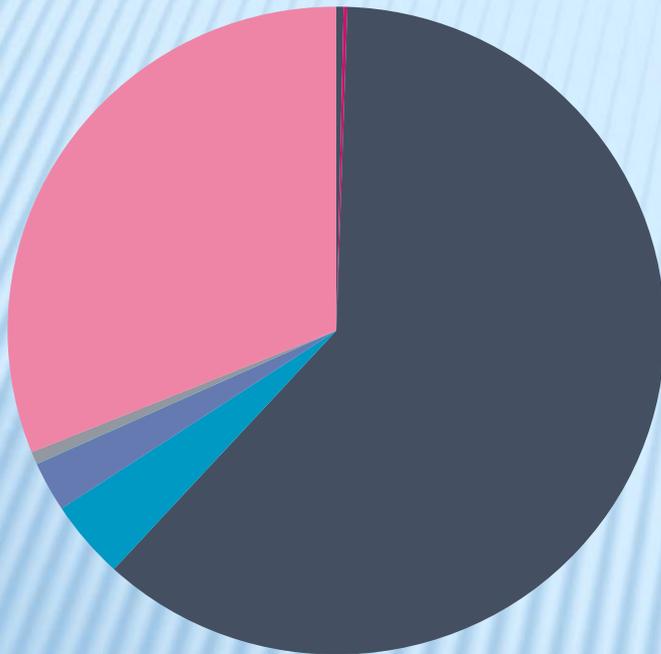
BASELINE DATA/ PROJECT METRICS

Average Process Time	Phase 1: 5:08
	Phase 2: 4:07
Average amount of days to complete Invoice Return process (AP to Customer)	12.8 Days
Number of Tasks	Phase 1: 32
	Phase 2: 41
Number of Decisions	Phase 1: 4
	Phase 2: 4
Number of Delays	Phase 1: 9
	Phase 2: 8

INVOICE RETURN DATA FISCAL YEAR 2014

	2014-7	2014-8	2014-9	2014-10	2014-11	2014-12	2015-1	2015-2	2015-3	2015-4	2015-5	2015-6	Total/Average
Total # of Invoice Returned	820	698	879	838	673	660	609	418	515	574	448	420	7552
Total days to return invoice (Date Received/Date Returned)	11368.3	11377.6	13603.5	11114.5	7506.2	9462.3	8149.3	4928.1	7125.6	6093.4	4300.6	4199.3	99228.8
Average days to return invoice (Date Received/Date Returned)	13.9	16.3	15.5	13.3	11.2	14.3	13.4	11.8	13.8	10.6	9.6	10.0	12.8
Accounts Payable SLA	5.2	6.4	5.6	2.4	1.2	1.3	1.6	2.1	2.3	2.6	2.6	3.4	

INTEREST DATA FISCAL YEAR 2014



- Adjutant General
\$44.71
- Attorney General
\$22.84 *
- Administrative Services
\$7696.45
- Mental Health & Addiction Services
\$492.67
- Transportation
\$312.02 *
- Public Safety \$2.15
- Rehabilitation & Correction \$77.73
- Education \$3909.32

Totaling \$12557.89

* Non-Participating Agency

OBM
Office of Budget and Management

Ohio.gov State Agencies | Online Services

HOME BONDS & INVESTORS BUDGET CONTROLLING BOARD INTERNAL AUDIT SHARED SERVICES STATE ACCOUNTING

Office of Budget and Management - State Accounting - VOUCHERREVIEW - CALCULATOR

LATE PAYMENT CALCULATOR

Billing/Received Date
The date a proper invoice is received or the product is accepted, whichever is later.

Check Date
The date a check was written for the proper invoice amount.

Vendor Payment Period
The number of days contractually allowed by the vendor for payment.

Invoice Amount
The amount which appears on the invoice.

Days Overdue
(Check Date) - (Billing/Received Date) - (Vendor Payment Period)

Total Interest Due
Interest is compounded every 30 days.
Interest less than \$10.00 per invoice is not paid.

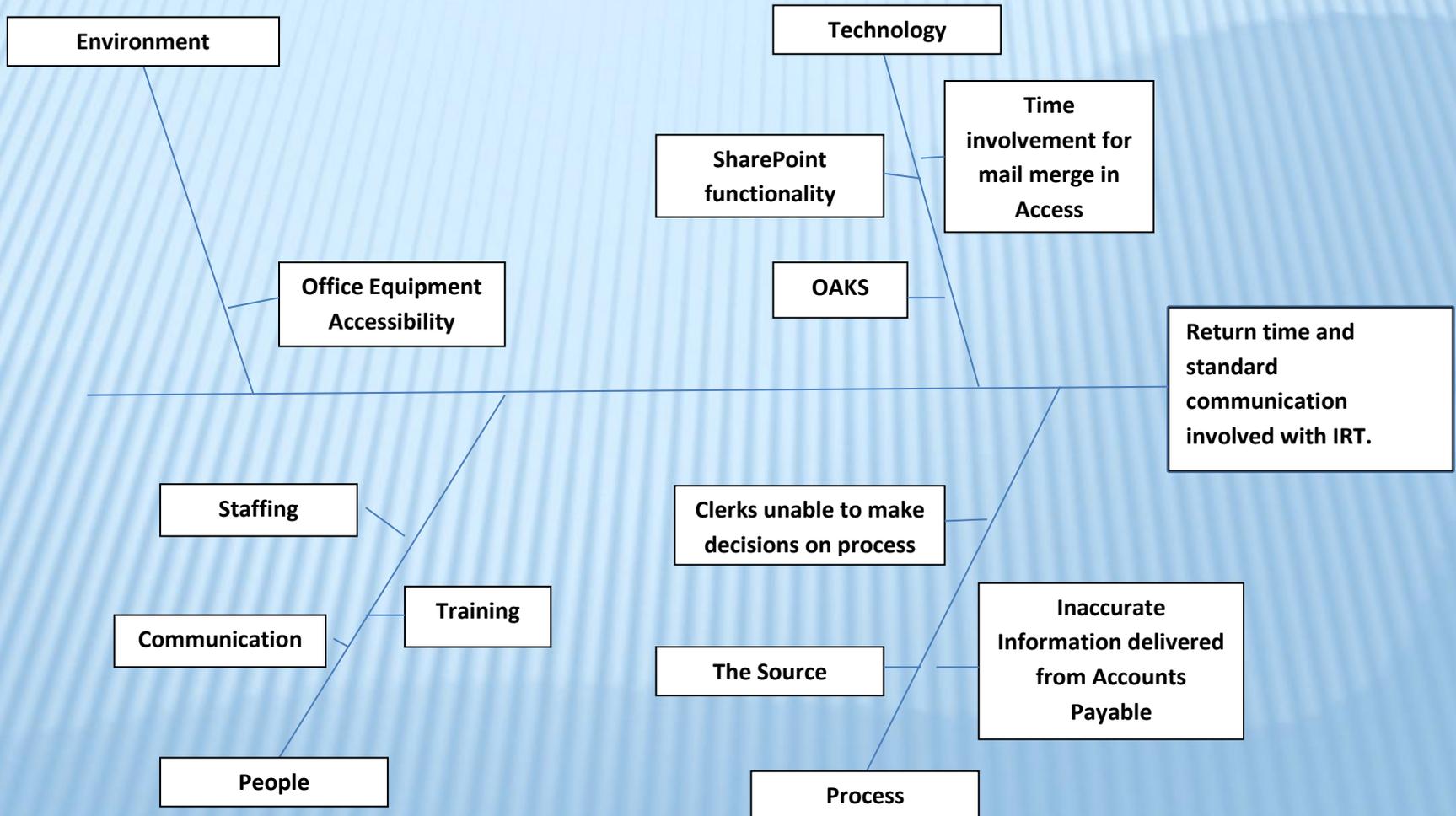
Total Amount Due
Invoice Amount + Interest

Interest Rate defined by Ohio Revised Code 5703.47

Ohio Office of Budget and Management 30 E. Broad Street, 34th Floor, Columbus, OH 43215, 614-466-6674

Home Page | Forms | Contact OBM
Equal Employment Opportunity Policy

FISHBONE DIAGRAM



5 WHY'S

5 Why's ?

1. Why are invoices returned w/ inaccurate reject reasons? - NO standard reject reasons, clerks unable to make decisions, more than one reject reason listed on sorter, AP not providing ^{specific} ^{detailed} reject reason.

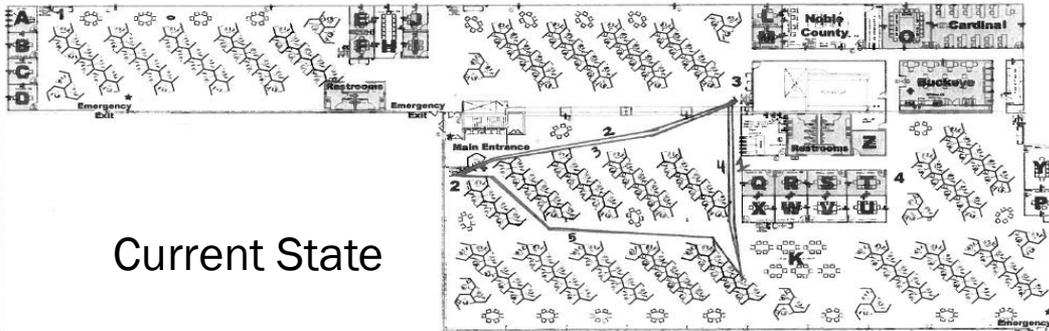
2. Why are there more than one comment listed on sorter for reject reason? - AP associate rejects - sends for review by another AP associate ~~and AP associate~~ who provides another reject reasons and sends to ECR if applicable.

3. Why is an invoice required for additional review, if associate already identified unable to process? - lack of knowledge, no true standard process, lack of trust

4. Why aren't all associates knowledgeable on the AP process? poor training; understanding of different invoice type

GEMBA WALK CURRENT AND FUTURE

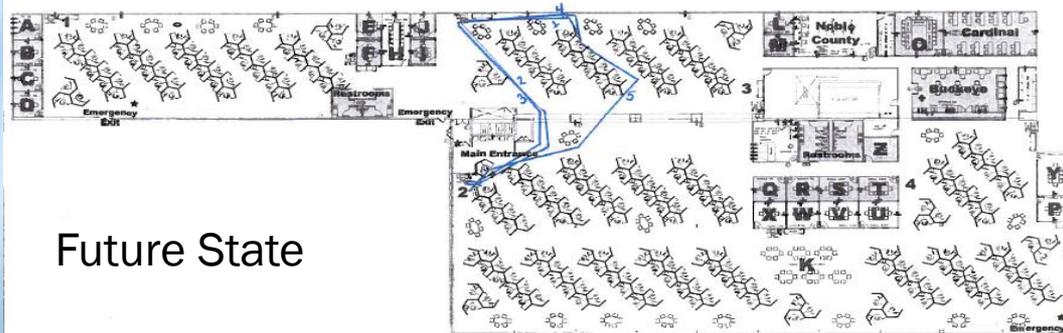
Ohio Shared Services Center - Floor Plan



Current State

1. Desk to 1st Printer - 31 steps
2. 1st Printer to 2nd Printer - 45 steps
3. 2nd Printer to 1st Printer - 45 steps
4. 1st Printer to Desk - 31 steps
5. Desk to Outgoing Mail - 51 steps

Ohio Shared Services Center - Floor Plan

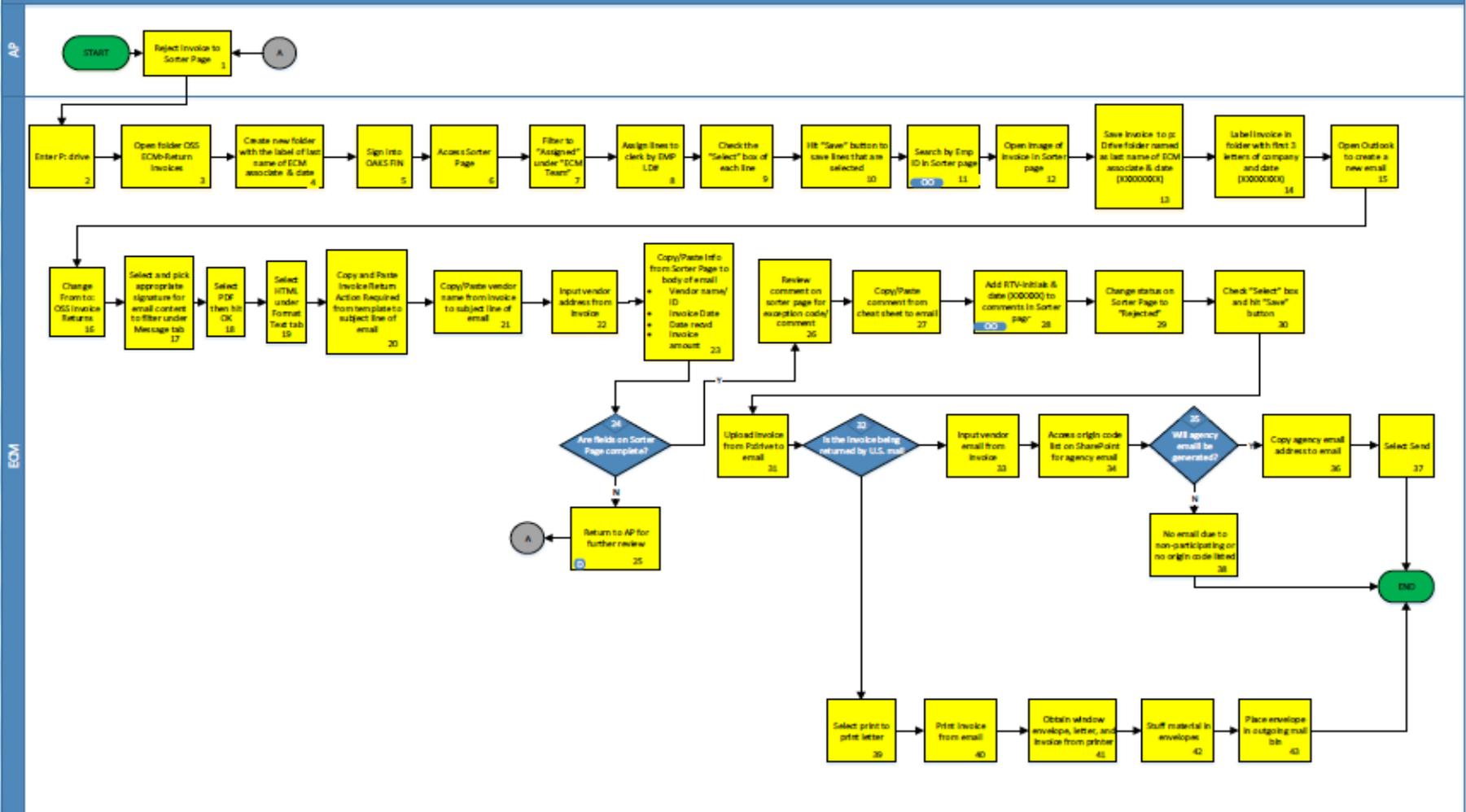


Future State

1. Desk to 1st Printer - 22 steps
2. 1st printer to 2nd Printer - 39 steps
3. 2nd Printer to 1st Printer - 39 steps
4. Printer to Desk - 22 steps
5. Desk to Outgoing Mail - 42

FUTURE STATE PROCESS MAP

ENTERPRISE CONTENT MANAGEMENT (ECM) Invoice Return Tracker (IRT) – Phase 1 Future State



PROCESS IMPROVEMENT DASHBOARD

	<i>Current</i>	<i>Future</i>	<i>% of Improvement</i>
<i>Process Tasks</i>	73	40	45%
<i>Process Decisions</i>	8	3	63%
<i>Process Delays</i>	17	3	82%
<i>Gemba Walk</i>	203	164	19%
<i>Projected Gemba Walk</i>	164	61	63%

RECOMMENDATIONS

Invoice Return Recommendations		
Problem Statement	Category	Recommendation
1. It has been reported by our customers (agency/vendor) that there has been a delay in communication which contains inaccurate information.	Process/People	Poka Yoke exception cheat sheet and standard comments for invoice returns
2. Inaccurate information is being communicated to the customer (agency/vendor).	Process/People	a. Train staff on use of new exception cheat sheet and standard comments
		b. New exception cheat sheet for AP Team 1 and CRM team for those exception codes impacted by project (5,7,12,13,16,22 and 23) OR Allow all AP staff to be self-directed and send directly to ECM unless exception 5 & 7 (Team 1 only)
		c. New exception cheat sheet for ECM
3. Delay with returns that vendors are receiving which can be resolved at agency level	Process/People & Technology	ECM only returns RTV's (codes 5,7,12,13,16,22 & 23)
4. Delays with returns that can be resolved on agency level. OAKS not being used to full functionality.	Process/People & Technology	AP completes all RTA's via OAKS sorter page

CONTINUED RECOMMENDATIONS

<p>5. Currently no tracking of delay of invoice return which is 12.8 days on average</p>	<p>People/Process & Technology</p>	<p>a. KPI to measure invoice return aging with goal of 10 days to stay in compliance with OAC 126-03-01</p> <p>b. Analysis of AP Service Level to determine impact to ECM's process to return invoices within OAC guidelines</p>
<p>6. Currently no tracking of delay of invoice return.</p>	<p>Technology</p>	<p>a. Create query within OAKS that allows dates to be pulled from comment section to reflect ECM assigned and completed work</p> <p>b. Add a date field to the IRT to reflect the date received and returned by ECM</p>
<p>7. It's unclear whether OSS's invoice return process leads to interest charges.</p>	<p>Process</p>	<p>Conduct further analysis on State interest payment and provide root cause and make recommendations</p>
<p>8. Time and waste involved with mail merge and maintaining IRT.</p>	<p>People/Process and Technology</p>	<p>a. Simplify mail merge process and use OAKS and P:drive as a repository for returns.</p> <p>b. Eliminate IRT</p>
<p>9. Waste with obtaining envelopes from multiple printers.</p>	<p>Process/Technology</p>	<p>a. Use window envelopes</p> <p>b. Format letter/email to appropriate margins to display vendor's address</p>

PROJECTED IMPLEMENTATION PLAN

Task	Who	When	Status
Poka Yoke exception cheat sheet and standard comments for invoice returns for all impacted staff	AP Captains	TBD	In-Progress
Train staff on use of new exception cheat sheet and standard comments	AP Captains	TBD	In-Progress
Desk moves	ECM Coach	6/29/15	Complete
ECM only returns RTV's (codes 5,7,12,13,16,22 & 23) and AP completes all RTA's via OAKS sorter page	ECM/AP Coach	TBD	In-Progress
KPI to measure invoice return aging with goal of 10 days to stay in compliance with OAC 126-03-01	Service Management	TBD	In-Progress
Analysis of AP Service Level to determine impact to ECM's process to return invoices within OAC guidelines	PMO	TBD	In-Progress
Conduct further analysis on State interest payment and provide root cause and make recommendations	PMO	TBD	In-Progress
Simplify mail merge process and use OAKS and P:drive as a repository for returns and eliminate IRT	Service Management	TBD	In-Progress
Format letter/email to appropriate margins to display vendor's address in order to use window envelopes	Service Management/VM Coach	7/27/2015	In-Progress

SPECIAL THANKS TO...

- ❖ Korrina Thomas – Sponsor
- ❖ Everett Ross – OSS Lead
- ❖ Jessica Gravely – Team Member/Mentor
- ❖ Heather Tomlinson – Vendor Maintenance/ECM Coach
- ❖ Tim Ogonek – OSS Project Manager
- ❖ Bryon Moore – Service Management Lead
- ❖ Anna Karousis – Lean Mentor
- ❖ Michael Croom – Subject Matter Expert
- ❖ AP Captains
- ❖ ECM Team

QUESTIONS/COMMENTS

