Simplified Delivery – Risk, Quality and Costs in context

Preamble: The article "*The Big Idea – The Rise of the Supertemp*" noted in part: "Daniel Lee, a Pfizer Vice President, runs a group that leads operational improvement initiatives across the drug giant's far flung global divisions. He first tapped independent talent a year ago, to get an extra pair of experienced hands on an ad hoc basis. His colleagues soon realised that they could use such talent more strategically. They say that an experienced senior professional is sometimes easier to bring in than the traditional consulting team of a partner supported by junior associates who do much of the actual work. Lee and his team now consider including independent professionals in most project-planning conversations. 'Once you see the talent out there,' he explains ' it's almost a no no-brainer that you would try and tap into."

The Challenge: A plethora of products (*Access*, *Excel* sheets, *Macros*, *VB* objects) are used to compliment the organisation's set of core systems – be they SAP, Peoplesoft, etc. These increase the potential risk and exposure to the continuity of business should any of these products fail or require support. More often than not, they are not even listed in the BCP or DRP. Whilst these have been built to bridge functional or data deficiencies, they have also introduced inefficiencies and data integrity risks. To mitigate this risk, an approach has been formulated which allows the replacement of these with a more simplified, integrated and automated range of processes.

The Answer - Technique: A rapid paced technique known as *Algomatics™* was deployed. This technique draws upon the principles used by profilers and forensic analysts to ascertain *requirements*. It then uses algorithms and mathematical techniques to *design* and *build* the new process. At all times, data (used by the current process to be replaced) is the *working capital* for building the solution.

A special feature of this technique is the inbuilt ***five-way*** integrity checks alerting you to issues ***before*** you get to publish or post your report / process / analytics. It has inbuilt data integrity checks, inbuilt process integrity checks and input format integrity checks. It also has a self-diagnostic panel advising you of any issues, type of issue and a guide as to where you may find these.

The Answer - Delivery Vehicle: *Excel* was chosen as the vehicle of delivery**. Why *Excel*?** It does not have to be – it can be anything else. However, most people will profess some literacy, level of conversancy and competency in the use of *Excel*. It's cheap, accessible, universal, portable and is easy to maintain. Hence processes were built in *Excel - macro* free. There is one more benefit. The product built can serve as a spec to IT – it is in essence a true production pilot!

The Outcome – In Summary

1.	***Investment***	1 person deployed spending 158 Days in reviewing and building 36 processes
2.	***Productivity***	Annual workload reduction of 1923 Days + backlog workload reduction of 9 months
3.	***Returns***	For every $ spent - $6.09 is 'received' in perpetuity with a ROI of 2 Months.
4.	***Reduced Support Risk***	No need for resources skilled in supporting Access or macro based Excel products
5.	***Reduced Failure Risk***	Significantly reducing the number of products relied on ➔ *diversity* of product
6.	***Data Integrity Checks***	Via inbuilt processes reconciling and accounting for *Source* against *Processed*
7.	***Input Integrity Checks***	Via inbuilt checks that alerts if *Input* formats have changed
8.	***Source Integrity Checks***	Via inbuilt checks that checks for 'data corruption' and anomalies at *source level*
9.	***Process Integrity Checks***	Via inbuilt checks that alerts if processes are compromised or out of synchronisation
10.	***Self-Diagnostics***	Integral to product advising of process failures, reasons and where to find these
11.	***Change Management***	A dynamic *BCP / Change Management* library was compiled to track these changes

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The Outcome – In Context

1. Business Intelligence	**10** products built. These products consist of: *Profilers, Forensics, Analytics* and *What-If* Details in ***Process Re-alignment / Intrusive Analytics*** paper (refer below)
2. Process Improvement	**36** processes built. These products straddle 16 functional areas across 4 different industries Details in ***Process Re-alignment / Intrusive Analytics*** paper (refer below)
3. Simplification	**4** platforms (*Access*, *VB, Macros, Excel*) were consolidated to **1** platform *(Excel)*
4. Consolidation	**150+** products were consolidated and integrated into 36 products
5. Change Management	A ***Change Management / Process / Risk Register*** was created (refer below)
6. Scope and Coverage	**4** Businesses covered (Supermarkets, Liquor, Logistics, Charity Organisation) **16** Functional areas covered **29** Process improvements (Simplification, Integration, Consolidation, Automation) **7** New processes built to mitigate the deployment of additional staff
6. Documentation Produced	Provides a narrative of the processes built as noted above All narratives (savings) are by users of the processes and/or the process owners Managerial / executive involvement was limited - savings claimed were proclaimed by staff
7. Impact Statement	***Before*** **the process was rebuilt, each user was asked to fill out a template:** **A)** Listing each task – a brief 'one liner' **B)** How long each task listed above used to take – could be independently verified ***After*** **the new process was built, each user was asked to fill out a template:** **C)** Listing the tasks under the new process **D)** How long each task now takes take **E)** Savings in hours **F)** The % reduction in work load **G)** The annualised savings of the process ***The author / engineer*** **then recorded** **H)** How much time it took to build the new process **I)** The ROI

Processes that were rebuilt spanned functional areas in Retail, Hospitality, Property, Finance and Charity. Specifically addressing:

HR Operations Training
HR Talent Quest
Industrial Relations - EBAs (Distribution Centres)
Rebates
Fixed Assets
Stock Accounting
Retail Accounts Receivable
Retail Accounts Payable
Hospitality Accounts Payable
Hospitality Staff Roster Costing
Customs / Excise
Foreign Currency Hedging
Financial Reporting
Finance and Business Planning
Logistics (Transport)
Retail Operations (Store Trade Profiling)

Process Re-alignment / Intrusive Analytics

More detailed descriptions are noted in the '***Summary - BACKGROUND***' report - where the numbers in column B correlate to the number in column B of that same report

More process improvement details are listed in the '***Summary - IMPACT***' report. The name and enumeration of the processes below are identical with that same report

Process Automation	Frequency	Reduction	Used to Take	Now Takes
Rebates				
1 1. Rebates Accrual Process	Period	86%	5.5 Hours	0.8 Hours
Stock Accounting				
2 2. Overs & Unders Journal Creation	Period	73%	3.8 Hours	1 Hours
3 3. Identification of cost issues with resulting SAP Journal automated	Period	71%	2.8 Hours	0.8 Hours
4 4. Identification of qty issues with resulting SAP Journal automated	Period	73%	4.1 Hours	1.1 Hours
5 5. Identification of stock issues with resulting SAP Journal automated	Period	73%	4.1 Hours	1.1 Hours
6 7. Overs & Unders Heat Maps	Period	85%	3.4 Hours	0.5 Hours
7 8. DC SLA	Period	81%	3.1 Hours	0.6 Hours
8 9. GR write off	Period	51%	4.9 Hours	2.4 Hours
Finance & IS				
9 10.Generation of asset registers by departments	Period	67%	0.1 Hours	0 Hours
10 11.Marketing Accrual Process	Period	71%	7 Hours	2 Hours
Accounts Payable				
11 14.Beer Supplier Data Invoice Matching	Daily	94%	2.1 Hours	0.1 Hours
12 15.Unmatched Beer Report	Daily	60%	1.8 Hours	0.7 Hours
13 17.Preparing the day's Invoice investigation work load - sourcing data from M-AX	Daily	87%	0.5 Hours	0.1 Hours
Hotel Payables				
14 19.Stock Accural Journalisation Process	Period	100%	2.6 Hours	0 Hours
15 20.General Expense Journalisation Process(Expenses)	Period	43%	5.8 Hours	3.3 Hours
16 21.General Expense Journalisation Process (Liquor & Expense)	Period	54%	7.1 Hours	3.3 Hours
Hotel Roster Costings				
17 18. Costing Rosters	Weekly	100%	1 Hours	0 Hours
Property				
18 22.Asset Retirements and Transfer	Period	79%	3.1 Hours	0.6 Hours
19 23.Audit Reports (automating external audit enquiries)	Half Yearly	77%	31.8 Hours	7.3 Hours
20 24.Automation of Budgeting and Forecasting process	Quarterly	87%	20.3 Hours	2.7 Hours
Customs / Excise				
21 25.Automation of Bond matching and reporting	Period	33%	7.5 Hours	5 Hours
22 27.Automating Prime Revenue	Weekly	74%	5.8 Hours	1.5 Hours
23 26.Automating FTE and Headcount Movement	Period	82%	0.7 Hours	0.1 Hours
Training and Talent Quest				
24 28.National Training Credit Reimbursement	Weekly	90%	4 Hours	0.4 Hours
25 29.Talent Program - Identifification of who to 'fast path'	Fortnightly	76%	0.6 Hours	0.2 Hours
Charity Work - SecondBite				
26 30.Food collection of deemed wasted products (Supermarkets audience)	Period	86%	21.6 Hours	3 Hours
27 31.Food collection of deemed wasted products (Secondbite audience)	Period	89%	41.2 Hours	4.7 Hours
Logistics - Transport Finance				
28 32.Processing the TMS raw 'Accruals' file and then journalising these for SAP	Period	88%	6.3 Hours	0.8 Hours
29 33.SAP <==> TMS Reconciliation Process (Tracking irregularities)	Period	76%	6.3 Hours	1.5 Hours

New Processes - Defray deployment of additional resource	Function	Function	Estimated	Now Takes
Accounts Payable				
30 16.Matching Invoices CONVERGA <=> AX <=> SAP	Daily	82%	1.2 Hours	0.2 Hours
Accounts Receivable				
31 12.Customer accounts error corrections - Period	Period	99%	82 Hours	1 Hours
32 13.Customer accounts error corrections - Backlog	One-Off	100%	2450.4 Hours	0.1 Hours

New Processes - Profiling Analytics	Function	Function	Used to Take	Now Takes
Supermarkets Property				
33 Forecast .vs. Actual Movement (By each asset)	Monthly	*Not done before*	*Not done before*	60 minutes
34 Forecast .vs. Actual Movement (By CWIP)	Monthly	*Not done before*	*Not done before*	10 minutes
35 Store Trading Profiler	Monthly	*Not done before*	*Not done before*	2 minutes
DC Earned Gross				
36 6. Perormance Statistics for Inventory Control	Period	81%	3.1 Hours	0.6 Hours

Change Management / Process / Risk Register

	Product	Source Located	Complexity	How widely used	Resource Impact	Mitigation	Risk_
Accounts Payable							
1.	Imaging Matching Process	Location 1	Medium	7people – 1 hour /Day	Saves 1 hour/person/Day	None. IT Request to build	M
2.	Beer Supplier Data Invoice Matching	Location 2	Medium	4people – 2 hour /Day	Saves 1 hour/person/Day	None. IT Request to build	M
3.	Unmatched Beer Report	Location 3	Medium	4people – 1 hour /Day	Saves 1 hour/person/Day	None. IT Request to build	M
4.	Preparing Invoices for investigation	Location 3A	Medium	1person – ½ hour /Day	Saves 25 minutes/Day	None. Revert to Manual	L
Accounts Receivable							
5.	Customer accounts error corrections – Backlog	Location 4	Medium	1person	Saved 6+ months of work	Retired	-
6.	Customer accounts error corrections – Period	Location 5	Medium	1person	Saves 10 days/Period	Use Excel. IT Request	M
Stock Accounting							
7.	Overs & Unders Journal Creation	Location 6	Medium	1person	No longer used	Retired	-
8.	Overs & Unders Heat Maps	Location 7	Medium	1person	No longer used	Retired	-
9.	DC SLA	Location 8	Medium	1person – ½ hour/Period	Saves 3 hours/Period	Use Excel. IT Request	M
10.	XX write off		Medium	1person	No longer used	Retired	-
11.	XX Process – Cost adjustments	Location 9	Medium	1 person – 1 hour/Period	Saves 2 hours/Period		L
12.	XX Process – Quantity adjustments	Location 10	Medium	1 person – 1 hour/Period	Saves 3 hours/Period		L
13.	XX Process – Stocktake adjustments	Location 11	Medium	1 person – 2 hour/Period	Saves 1 ½ days/Period		L
DC Earned Gross							
14.	DC Earned Gross	Location 12	Medium	1 person – 1 hour /Period	Saves 3 hours/Period	Excel. IT Request	M
Rebates							
15.	Rebates Accrual Process	Location 13	Basic	1person – ¾ hour/Period	Saves 4 ¾ hours/Period	Excel. IT Request to build	M
16.	Data Filtering preparation for Rebates	Location 14	Basic	1person – ¼ hour /Period	Saves 1hour/Period	Excel. IT Request to build	M
17.	File splitting programme	Location 15	Basic	1person – ¼ hour /Day	Saves ½ hour/Period	Utility. IT Request to build	M
Financial Reporting							
18.	Marketing Accrual Process	Location 16	Medium	2people – 2 hour/Period	Saves 10 hours for 2 people	Use Excel. IT Request	M
19.	Creation of Asset Register by Department	Location 17	Low	1person – TBA/Period	Saves 0.1 hours for 1 person	Use Excel. IT Request	M
Hotels							
20.	Hospitality Roster Costing	Location 18	High	92people – ¼ hour/Week	Saves 92 hours/Week	Use Excel. IT Request	H
HR Operations Training							
21.	National Training Credit Reimbursement		High	1person –4 hours/Week	Saves 3 1/2 hours/Week	Use Excel. IT Request	M
22.	Talent Program - Identification of who to 'fast path'		Medium	1person – ¼ hour/F'night	Saves 1/2 hour/F'night	Excel	L

Product / Process / Risk Register

Product	Source Located	Complexity	How widely used	Resource Impact	Mitigation	Risk_
Hospitality Payable						
23. Hotel Payable - Stock Accrual	Location 19	Medium	1person – Period	Saves 2½ hours/Period	Use Excel. IT Request	M
24. Hotel Payable - Expense Account	Location 20	Medium	1people – 3¼ hours/Period	Saves 2½ hours/Period	Use Excel. IT Request	M
Customs / Excise						
25. Automation of Bond matching and reporting	Location 21	Medium	1person – 5 hours/Period	Saves 2½/Period	Use old *Access* product	L
Finance and Business Planning						
26. Automating Prime Revenue	Location 22	Medium	1person - 1½hours/Week	Saves 4 ¼ hours/Week	Manual Process	L
27. Automating FTE and Headcount Movement	Location 23	Basic	1person - <10 minutes/Period	Saves ½ hour/Period	Manual Process	L
Logistics Transport Accounts						
28. SAP <==> TMS Reconciliation Process (Tracking irregularities)		High	1person - 1½hours/Week	Saves 4¾ hours/Period	Manual/Excel. IT Request	M
29. Processing the TMS raw 'Accruals' file and then journalising these for SAP		Medium	1person –¾ hour/Period	Saves 5½ hours/Period	Manual/Excel. IT Request	M
Property						
30. Forecast .vs. Actual Movement (By each Asset)		High	1person –1 hour/Period	Never possible before	IT Request to build	H
31. Forecast .vs. Actual Movement (By CWIP)		High	1person – ¼ hour/Period	Never possible before	IT Request to build	H
32. Audit Reports (automating external audit enquiries)		Medium	1person – 7¾ hour/Half	Saves 24½ hours/Half	Use Excel. IT Request	L
33. Asset Retirements and Transfer		Basic	1person –¾ hour/Period	Saves 2½ hours/Period	Use Excel. IT Request	L
34. Budget & Forecast Process		High	1person –2¾ hours/Quarter	Saves 17¾ hours/Quarter	Excel. IT Request to build	H
Store Operations						
35. Store Trading Profiler		High	X people – <5 minutes	Never done before	IT Request to build	M
***Secondbite* / Supermarkets**						
36. SLT Procedure		High	1 person – 3 Hours/Period	Saves 2½ days/Period	Manual / IT Request	L
37. RM Procedure		High	1 person – 4 Hours/Period	Saves 4½ days/Period	Manual / IT Request	L