



<i>Title</i>	<i>Accounts Payable Process</i>		
Lead:	Jennifer Teal	Date:	April 2013
Department:	Finance	Status:	Complete

<b>Background/Problem Statement</b>
The City's Finance Department is responsible for the Accounts Payable process from the time a department submits the invoice for payment to cutting and mailing the check to the vendor. The AP process steps and instructions had been passed down from multiple former staff members. Many steps in the process appeared to be redundant or unnecessary in the current technological and staff environment.
<b>Current Condition</b>
The existing process was not optimized. It had numerous handoffs, rework loops, opportunities for manual error, and over processing.  A planned downsizing in the Finance Department was pending, with the expectation of significant impact to the time available to accomplish the AP task. It was critical to streamline and optimize the process to be able to fit within the reduced hours planned.
<b>Analysis</b>
Tools used included: <ul style="list-style-type: none"> <li>• Process Mapping</li> <li>• Identification of Waste (TIMUWOOD)</li> <li>• Root Cause Analysis</li> <li>• Brainstorming</li> <li>• Error-proofing</li> <li>• Impact/Control Matrix</li> </ul>

<b>Solution/Implementation Plan</b>						
<ul style="list-style-type: none"> <li>• Created a clean sheet redesign for AP process and implemented several changes in workflow</li> <li>• Tracked implementation through project follow-ups</li> <li>• Creation of improved training/instruction guides</li> </ul>						
<b>Results</b>						
Reduced process steps by 30% and reduced wait-times for local businesses to receive payments for services by up to three weeks.  The improvements to this process made it possible for a planned downsizing in the Finance department to take place without impacting the quality of AP processing.						
<table border="1"> <tr> <td><b>KPI</b></td> <td>Direct cost savings (annual)</td> </tr> <tr> <td><b>KPI Target</b></td> <td>n/a</td> </tr> <tr> <td><b>KPI Performance</b></td> <td>\$45,000</td> </tr> </table>	<b>KPI</b>	Direct cost savings (annual)	<b>KPI Target</b>	n/a	<b>KPI Performance</b>	\$45,000
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<b>Follow Up/Next Steps</b>						
By improving the AP process, the Finance staff identified and improved several other processes that had similar manual and error-prone workflows.						

