

To continually examine our processes to provide greater value to our customers without waste.

The Lean Line

The Bean Counters: Improving VSM's in Accounting



Our first group of Office VSM (Value Stream Map) Teams have been analyzing their current processes (value streams) to identify ways of eliminating waste and make improvements to those processes. We kicked off with a training session in early March and then broke into smaller teams which are tackling the various processes within the Accounting and Information Technology (IT) areas. We have some field and other department representatives on the teams to provide fresh ideas and different perspectives.

Most teams are meeting for 1½ hours every other week and on average, have met about 10 times so far this year. Each team has a different Team Leader, and our CFO is the Lean Team Mentor for all of the Accounting/IT teams.

Just a few examples of the improvements the teams have already accomplished or have in the works include:

- **Accounts Payable VSM** = (1) Informing vendors to include their Vendor # in our address to eliminate choosing the wrong vendor in our computer system; (2) Exploring means to streamline the invoice entry process to help error-proof and reduce amount of times paper & computer records are touched; (3) Updating and distributing standard invoice procedures to vendors; (4) Updating procedures for return to vendors of incorrectly billed invoices; (5) Examining invoice match to checks process to make more efficient.
- **Accounts Receivable VSM** = (1) Changing a code in the computer to show (1) only jobs that need back-up documents with their billings, thereby eliminating lots of excess copies and filing; (2) Creating Excel worksheet AIA/Schedule of Values for billings to eliminate hand-writing and duplicate entry of data; (3) Eliminating excess copies of billings (and also less filing) in AR files; (4) Changing the deposit filing process to be more efficient and reduce filing requirements.
- **General Accounting VSM** = (1) New electronic Green Sheet and training sessions to eliminate waste of incomplete data in the computer system for start-up of jobs; (2) Standardizing job files so data can be more easily filed & retrieved plus eliminating waste of excess file folder purchases; (3) Creating Green Sheet report instead of manual distribution for CFO and others review. Green sheet report to be used by others for additional info added to Green Sheet to error proof some billing and collection activities; (4) Changing insurance certificate process to reduce amount of copying and filing.
- **IT/Telecomm VSM** = (1) Enforcing use of IT Help Desk to eliminate duplication of work and document fixes for future reference if similar problem occurs elsewhere; (2) Utilizing simplified off-site storage system for back-ups to ensure computer data is secure and eliminate problems if server is interrupted; (3) Standardizing documentation and storage of various IT documentation (licenses, maintenance contracts, documentation, usage instructions, problem/resolution documentation) for faster and more efficient retrieval when needed; (4) General housekeeping --5S-- of IT storage areas to make location of IT supplies more efficient; (5) Kanban (inventory system) for IT supplies (ink/toner/paper).
- **Payroll/Human Resources VSM** = (1) Developing individual personnel files and training records documentation for faster retrieval of information; (2) Creating better computer reports to identify payroll exceptions so error proofing is more complete and accurate; (3) Use of Excel and FX for time sheets makes preparation by the employee and use by payroll more efficient.
- **Purchasing VSM** = (1) Pulling live Purchase Orders (PO's) instead of using PO logs by AP-Purchasing personnel taking calls, to error-proof PO entry and eliminate duplicate recording of data; (2) Taking a physical inventory of company assets to correct errors between actual equipment and computer records, and thereby speed up calls for repairs and reduce cross-reference time; (3) Standardizing input requirements and information required for all purchase entries into JDE; (4) Obtaining clock # besides employee name for all PO's to reduce errors and ensure quicker record entry.

Each of the Accounting/IT VSM teams has been charged to complete full written documentation of their procedures by the end of this calendar year. The documentation will help ensure people follow standard processes and best practices, as well as being an essential tool for training new or fill-in personnel. This is just the start of evaluating all of our office processes to ensure we can continue to provide greater value to our internal and external customers without waste.