

**BACKGROUND**

ePay is UCR’s Online Payment Request application which was created to replace a paper based process (Form 5). ePay processes payment requests to single or multiple payee(s) and payments applicable to business meetings, entertainment and other occasions. ePay incorporates online business rules and improved policy controls, in due course, processing payments either by check or Electronic Funds Transfer (EFT). In FY 2013 ePay processed 13,239 requests for a total value of \$13M. The ePay Kaizen Team decided to limit the scope of the study to focus on processing payments for business meetings, entertainment and other occasions. This payment process was perceived as the most unfavorable by ePay customers.

Per communication with the customer, the team determined the “customer’s voice”. It was found that they:

- Want the ePay process to be completed within 2 weeks of submission of request;
- Perceived inconsistencies in approval levels, felt that the process is policy based and overly risk averse;
- Believe that approval requirements should be adjusted to accommodate low value and low risk requests;
- Perceived a high error rate within ePay (many soft/hard rejections);
- Are confused regarding what policies are dictated by UCOP as opposed to the Campus and/or their Organizations

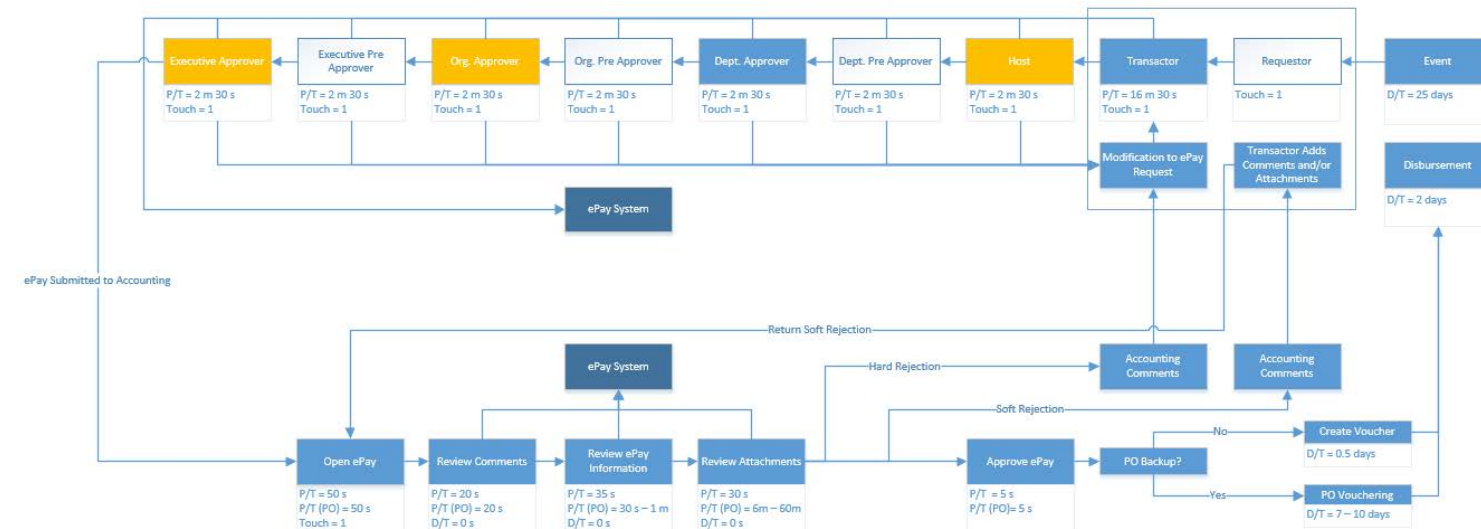
**ANALYSIS PROCESS**

For our analysis, we prepared a SIPOC diagram and top-down flowchart to better understand the process. This was followed by the creation of a cross-functional flowchart and value stream map to depict the current-state of the process. The team also used a minimum specifications exercise and critical-to-quality tree diagram to organize our Voice of the Customer data.

**ROOT-CAUSE ANALYSIS**

- Routing process creates delays; there is an inconsistency of policy across departments/organizations
- ePay implementation of policy creates multiple approval requirements regardless of dollar value
- Lack of proper training for system users, lack of training requirements
- Lack of “Best Practices” documentation for departments
- Lack of system enhancements and lack of feedback implementation – Need future enhancements
- Approvers are not quickly approving ePay requests
- ePay requests are not being promptly submitted following campus events
- Lack of data dashboard and/or other pertinent feedback causes ePay users to assume the fault for delays are caused by an inefficient ePay process or by Accounts Payable

**CURRENT CONDITION: VALUE STREAM MAP**



The ePay process for business meetings, entertainment and other occasions has a processing time ranging from approximately 18 to 96 minutes, depending on the event’s complexity, approval requirements, and if the ePay request is for a Purchase Order Backup. In most cases the total processing time will be under 30 minutes. On average, the delay time will be 13 days in the requesting department and 5 days in the Accounts Payable Department. Additionally, departments on average do not submit an ePay request until 25 days after the event has taken place. There are also delays relating to the creation of the voucher, PO vouchering, and the disbursement that are not caused by the ePay process directly.

**COUNTERMEASURES**

- Work to eliminate duplication in approval levels, some departments have redundancy in review process
- Establish “Best Practice” model for users/departments with feedback from Subject Matter Experts (SMEs)
- Encourage departments to reduce the total number of Transactors to reduce errors
- Reduce e-mail notification, move to a targeted email system for users/approvers
- Work to create a robust training material for ePay users

**FOLLOW UP (ACTIONS)**

- Update the value stream map with additional metrics that are currently unable to be determined without raw system data
- Work with Audit Services and/or CNC to assist in gathering missing metrics from system data
- Obtain rejection data to diagnose consistent problems and identify common reasons for known issues
- Draft “Best Practices” with help from Subject Matter Experts (SMEs)
- Work with Accounting department to develop ePay training material/program
- Identify opportunities to reduce staff administrative time associated with process
- Identify opportunities to cluster department functions with low volume ePay requests
- Work with departments (internal) processes to reduce number of touches
- Introduce Lean process improvement tools in system
- Seek advice/input from Audit & Advisory to better align processes (by way of workgroup involvement)

**SUMMARY OF CURRENT CONDITION (RESULTS)**

<b>Processing Time:</b>	P/T	= 18 m 30 s – 26 m 20 s
<b>Processing Time (PO Backup):</b>	P/T (PO)	= 24 m 40 s – 96 m 10 s
<b>Delay Time:</b>	D/T	= 18 days (average)*
<b>Lead Time:</b>	L/T	= 18 days (average)*
<b>Total Number of Touches:</b>	Touches	= 3 – 9

\*Between the event date and the creation date of the ePay request an average of 25 days elapse. If this was to be included in the delay time the average time for this process would increase to 43 days. After A/P approves the request, 2.5 days would be added for vouchering and disbursements unless this is a PO Backup, which would add between 9 and 11 days.

**FUTURE PROCESS IMPROVEMENTS AND SYSTEM IMPROVEMENTS**

- Enforce role specific mandatory training and development for all ePay users
- Enhance system to allow events with multi-payee requests to be completed in single request to eliminate delay time between multiple requests/approvals
- Enhance system to allow all users to soft reject ePay requests and to route to any prior approvers
- Enhance system to include features such as “copy as new” and “recall/retrieve submitted request”
- Enhance ePay to add a “system approve” criteria for ePay request not limited by policy
- Enhance ePay to provide “Reports” link to include business metrics and dashboard (Integrate with Business Intelligence System)
- Enhance system integration for payment look ups (UCRFS) and to authorize eBuy purchase orders