



PRESENTATION OF FINDINGS

PROCESS REVIEW

PREPARED FOR

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June 2021

Summary and Software

The overarching theme is a need for standardization of data, status, and communication. There is opportunity for efficiency gains without changing the underlying software such as establishing more accurate and meaningful job progress criteria and tracking, as well as defining roles and responsibilities. Many of the recommended actions need to occur in preparation for either choosing software to assist operations, or in implementing the software.

The most critically important activity for the business is efficiently and accurately shepherding the budget and estimates from job start through job finish and review. With the current number of employees and jobs it will be difficult creating and maintaining the necessary standardization, notification structure, status tracking, and financial reporting that the company requires using the existing software setup.

An ultra-sophisticated ERP system is not warranted. A straightforward accounting software solution that includes workflow and reporting would address all department needs (excluding niche software such as police incident notification). A combination of QuickBooks and Microsoft Power Platform could address a majority of operational needs, but a thorough review of QuickBooks functionality would need to be performed to understand if there are requirement gaps remaining. If those gaps are significant a more efficient and cost-effective solution would be a Dynamics 365 accounting solution.

Findings

Lack of Process and Role Clarity

There is conflicting understanding of how the process does work (including how it should work), and what role is responsible for certain actions. This results in a significant increase in communications to determine who is doing what and when, as well as introducing needless friction between employees. It increases the risk that vital actions are missed or delayed. In general, employees seem conscientious and desiring of doing their job well, which mitigates some of the risk, but this is an unnecessary and stressful burden on them.

Notifications and Status

It is unclear if employees are always using the same set of software tools, however their proficiency and method of use varies significantly. The main communication of status, job information, and document transfer tool is email, which is ill suited for that purpose. The result is that information is not in one place and easily accessible by anyone associated with a particular job but instead logged in various repositories within individuals email and folder structure.

Job status is not logged in one place where all involved parties including management and leadership can see the same information at any given time and understand status, pending items, issues, and who is assigned to them. There is a lot of uncertainty about when people should expect certain actions to be performed and have been notified that it's complete.

Information must frequently be requested versus being pushed to recipients as a notification or a status update, and these requests frequently require multiple follow-ups. In many cases this information is critical for an employee to do their job in a timely and accurate manner.

Document Management

Key documents that are referenced by most employees are not compiled, updated, communicated, and/or stored consistently. In some cases, they can be referred to by different names and there is not a version control system in place. This creates confusion about who has received a document, if it is the most recent version, who to go to if they have questions, and where it should be stored.

Data Integrity and Availability

There is significant variation in how people fill out forms and what information and they think is valuable downstream, where frequently those employees are not receiving the full scope of information that they need. There is a lack of standardization and repetitiveness around what data is needed, in what form it is required, when it is needed, and where it is logged.

Job progress

Currently tracking job progress frequently provides inaccurate results due to the methodology and it lacks the phase specificity required by leadership. This can result in faulty decision-making using that information as well as required employees and leadership to spend time digging into job details and sending mails to determine the correct information.

Budgets and Estimates

Currently there are multiple versions of estimates, scope, and budgets. Some of these are designated as “official” and others are created by individuals for their own needs. There is a lack of standardization and criteria that determine costs. Expectations and data meaning differ between Accounting and the rest of the organization. All of this creates a general inconsistency in the information individuals utilize and how they interpret it.

Culture

There is significant noted tension in how employees interact in two situations: communicating issues between employees, and general communication between the accountant and other employees. While some healthy tension is welcomed as it helps ensure good checks and balances within the process, the noted items are generating frustration and negatively impacting business operations.

Recommendations

Prioritization of steps in this section:

1. Define what has to be done.
2. Define how it has to be done.

3. Identify who has to do it.

Process Improvement

Once the key document, information, and data requirements are understood, an ideal process should be built outlining the activities necessary to compiling, tracking, storing, and reporting that information. This should be done irrespective of current or future systems considerations so that systems are ultimately used to support the process that allows the company to run effectively versus conforming the process to system(s) configuration. It is unnecessary to document each performed task; rather a gridded outline (swim lanes) of roles, information movement, and key activities that transform or gather information would be sufficient.

To address this the following steps should be taken:

1. Streamline and rearrange the “choreographs” on the map included in this project. Remove duplications and add missed steps.
2. Add noncommunication activities e.g., site walks, to the process. The interview notes in the Appendix can be utilized to identify the majority of these.

Define Roles and Responsibilities

Once a final process is created with a swim lane for each role, a clear role description should be created that removes overlap with other roles and arranges activities in a logical grouping that minimizes hand-offs, bottlenecks, and creates equal load-balancing between roles. Particular attention should be made to remove ambiguity in defining responsibilities and removing the need for employees to determine who owns a particular activity. Tasks can be used as examples in the role description, but care should be taken to describe it in terms of ownership of specific outcomes versus a detailed task list. The latter cannot address every task that could come up. Instead, creating verbiage that describes accountability will allow employees to consistently understand their area of ownership.

To address this the following steps should be taken:

1. Utilize the newly created activities in each role’s swim lane to summarize an accountability outcome. This could be in terms of documentation created, new project growth, budget/schedule variance, status publication, etc.
2. Use the same activities list to describe specific actions needed by the role as well as expectations of how they are to be performed.

Automated Notifications and Status

Having a centralized, published status for each job will allow everyone to work off the same information and greatly reduce the need to find this information by emailing various people on an uncertain schedule. This should include risks, issues, pending items, and flags for where leadership is needed to assist, and should always be up to date before weekly meetings to discuss job status. This will also help ensure that people are using standardized methods of evaluating job status.

To address this the following steps should be taken:

1. Establish a list of milestones that are necessary to track. Note that it's not necessary to set up notifications to everyone at every change in these milestones. It can be let out to the user to set up when and how they want to be notified for those items.
2. For each item and identify the owner.
3. The above items should be said in an automated system that allows four dependency connections between the items and the ability to automatically notify individuals of changes in status.
4. Ideally biz system should also include the ability to capture notes and documents pertaining to the job that need to be shared amongst individuals. This includes the ability to add notes to a status, milestone, questions posed by another employee.

Standardized Document Management

This is the core area around which all other recommendations should be implemented. The information in these documents allow the company to determine profitability and make business decisions; they guide the company in day-to-day operations. Without clarity in this area, those operations and decisions are either compromised or employees must take repetitive and/or unnecessary actions to remediate.

To address this the following steps should be taken:

1. Compile full list of key documents (see map)
2. Identify one owner for each document who is responsible for creating, updating, storing, and notifying all stakeholders of updates.
3. Ensure documents are always stored on the server and any reference made to them in email uses links vs attachments.
4. Use a consistent method of identifying versions, e.g., a naming convention for saving copies. Not all documents need to be saved as versions; example the contact and insurance information can just be updated and any need to view prior versions can use Microsoft Office document history function.

Standardized Data

This section is connected to the document management section above – which addresses how to manage completed and in-process document – and therefore standardized data is core to improving business function.

To address this the following steps should be taken:

1. A financial focused deep dive into the components of each critical document should be performed, including new job modeling.
2. Standardized assumptions and criteria should be established that is used for all documents.

The goals would be to enhance leadership's ability to make informed business decisions, reduce the number of iterations for each document, eliminate duplicate entry, and remove the need for accounting to manipulate the data for posting.

Accounting

Ideally all data that drives financial journal entries should reside within the Accounting Software System. The additional data that is used for reporting that drives management decisions is best recorded in a dedicated database with reporting tools that can compile accounting and management data together.

To address this QuickBooks must be assessed to understand if it has the capabilities to address the company's requirements.

Culture

The importance of item on the overall success of an organization cannot be understated.

"Culture eats strategy for breakfast."

~Peter Drucker

COMPANY VALUES

Establishing company values and priorities helps guide employee decision-making and understanding appropriate behavior little when working with each other, partners, and customers.

ISSUE COMMUNICATION

Addressing the lack of clarity in roles, responsibilities, and process as mentioned above will reduce tension when communicating issues by increasing the ability to act proactively while reducing the randomness and personalization that can lead to defensiveness.

In addition, employees could benefit from improving their ability to describe a difficult situation or ask for action in a less emotionally charged way. It is critical to remove judgement from tone and body language.

ACCOUNTANT

Applying people management skills, performing personnel evaluations, and the above role clarity efforts may improve the situation, however this appears to be a pervasive, long-standing, and significant issue. Before significant effort is made to address the inter-department behavior, an inventory should be made of what output is expected of this role by leadership and where it is currently being met and where it falls short.