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MSU Business Process Review Business Case: Accounts Receivable Team

Accounts Receivable – Recommendations: Non-Student Receivables

The Accounts Receivable Team recommends modifying the Non-Student Receivables by implementing X-Feeds. MSU Bozeman already uses X-Feeds and MSU Northern began using X-Feeds in October 2006. The training needed for X-Feeds is minimal and can be achieved by using email or telephone. With X-Feeds, information is fed directly into Banner, which reduces labor hours and errors in data entry and moves information into Banner faster than manual entry.

The Accounts Receivable Team feels strongly that X-Feeds will increase the efficiency of the Non-Student Receivables process.

A. Introduction

1. MSU Business Process Review

The four campuses of MSU were invited to participate in a business process review of all administrative and financial business processes across the four campuses.

There were several strategic objectives:

- develop a single process to be used by the four campuses,
- have a consistent set of definitions for all data elements, and
- improve institutional and system efficiencies and effectiveness.

Each of the processes will be:

- Redesigned,
- Modified, or
- Remain unchanged.

Each process will have a business case and cost benefit analysis to support the final recommendations.

The investigation and development phases (Phases I and II) occurred during 2006. Implementation of approved recommendations will occur during 2006 and 2007 in alignment with business cycles and resource availability.

Non-Student Receivables Process Review

X-Feeds is the process of directly sending Non-Student Receivables to the Banner system, via the SAIS website with a .CSV file. The X-Feed process has already been implemented at the Bozeman and Havre campuses.

a. Summary of Accounts Receivable Processes to be Redesigned or Modified

Process Title	June 28th 2006 Recommendations
Cashiering (Web Payment)	Redesign
Student Fee Billing	Redesign
Refunding	Modify
Non-Student Rec.	Modify

b. Business Process Review Objectives

President Geoff Gamble's letter to the MSU campuses focused on six major desired outcomes of the BPR project:

1. A strategic effort to enhance all of the University's business processes that fall under the general umbrella of Administration and Finance operations.
2. Establish a University wide information system based upon a set of common, standardized data elements and business processes used by all campuses and agencies.
3. The BPR teams will review all processes and develop a standardized design for all data elements and business processes, which will be selected for President Gamble's final approval.

4. The BPR outcomes will be a visible example of a more operationally consistent Montana State University.
5. MSU will enjoy a higher level of efficiency and effectiveness throughout our administrative operations and information systems.
6. MSU's commitment to the Board of Regents in support of their Strategic Goal III – Improving institutional and system efficiency and effectiveness.

These six major strategies can be translated into six subordinate strategies or tactics that can be identified and measured for many of the individual processes to demonstrate achievement and accountability:

- Improved institutional and systems efficiencies and effectiveness:
 - Single process across four campuses,
 - Data consistency,
 - Quality process,
 - High level of customer service, and
 - Timeliness of product or service delivery.
- Reduction of paper based transactions.
- Improved records management.
- Improved technical functionality.
- Development of Business Continuity Plan.

Non-Student Receivables Process Objectives

- Save Labor Hours
- Reduce errors
- Improve efficiency of non-student receivables
- Expedite information into Banner
- Develop common practice between campuses

c. Scope of This Case

As proposed by President Gamble, the BPR project will review all administrative and financial processes across all four MSU campuses. During 2006, BPR Teams collected and analyzed data as part of the assessment and recommendation periods, being Phase I and II respectively. Implementation will occur during 2007.

It was assumed that since the BPR project could only make recommendations pertaining to administration and finance policies and procedures, any investigation would be contained to within central administration and finance departments. Cost benefit

analysis will include estimates for the whole organization based on detailed analysis in central administration and finance, and extrapolated analysis of other departments.

Recommendations pertaining to other Divisions, for example, Student Administration, or Office of Sponsored Programs, could be made based on the Administration and Finance Division data collection and analysis. The implementation of such recommendations would be determined by the Executive of these other Divisions.

Non-Student Receivables Scope

X-Feeds will improve the accuracy and timeliness of Non-Student Receivables and provide a more efficient form of entering information into the Banner System.

2. Business Process Review Business Case Purpose

This business case is to provide an overall project perspective and high level recommendations to the Oversight Committee, and in turn, President Gamble, to seek approval for Phase II recommendations, and development and approval of Phase II implementation plans and timeframes.

Non-Student Receivables Purpose

X-Feeds are the utilization of technology provided to increase the time spent and the accuracy of entering Non-Student Receivables into the Banner System. This process will primarily reduce staff time and the errors in data entry.

3. Background

At a very high level, the background to the MSU Business Process review is based on:

- a commitment by President Gamble to the Board of Regents to improve the institutional and system efficiency and effectiveness of MSU, and
- addressing issues that were identified by the Pappas Consultants being:
 - decision-making lacks a system wide perspective,
 - inefficient business processes,
 - suboptimal use of technology, and
 - operational information, expertise and best practices are not systematically identified and shared across MSU Administration and finance organizations.

Non-Student Receivables Background

Traditionally, Non-Student Receivables were prepared via a JRC or JE16. They were then approved and sent to the data entry clerk to be entered into the Banner System. Once entered, they were reviewed by a second person for accuracy and then finalized. The implementation of X-Feeds on all four campuses will greatly reduce the amount of staff time utilized by the traditional Non-Student Receivables. X-Feeds will also reduce the number of data entry errors. The lag time that it takes to get the information into the Banner System will be reduced.

a. Problems and/or Opportunities Addressed by Business Process Review

- Opportunities presented by BPR to address problems identified through the Pappas Review process include:
 - Single process across four campuses to promote efficiency, succession planning, training, and improved ability to meet peak demands.
 - Data consistency to improve the reliability of management reports both from an individual campus perspective and a comparative cross campus perspective.
 - Quality process to improve quality, reduce error rates and improve the targeting of training and reference materials,
 - Improved timeliness of product or service delivery thus improving ongoing process efficiency.

Non-Student Receivables

- X-Feeds will reduce the time that it takes to get the information entered into the Banner System and the number of errors. Redundancy of manual data entry will be reduced.
- Improved technical function by implementing X-feed functionality that Montana State University already owns.

b. Connections to other Projects/Products or Programs

The BPR project has ongoing links with:

- Business Continuity Planning
- Disaster Recovery Planning
- Pre-Disaster Mitigation Planning
- National Industry Benchmarking
- BPR Student Administration (future)

c. Current Problems or Limitations

Current problems or limitations include:

- Financial constraints on:
 - No constraints - Accounts Receivable already has everything needed to implement X-Feeds.

B. Methods and Assumptions

Data compilation for the Non-Student Receivables began in Phase I with a high-level review of data using surveys, focus groups and work distribution charts. Tangible documentation was processed through flowcharts, using Process Model software. Upon completion of this data analysis, a recommendation to modify the Non-Student Receivables process was made to the Oversight Committee. The committee granted the Accounts Receivable Team approval to move forward and begin a comprehensive review of this process.

During Phase II, a Cost Benefit Analysis was created to exhibit specific data collected regarding Non-Student Receivables. All data was reviewed and verified by the Accounts Receivable Team.

1. Financial Metrics

Many of the BPR initiatives are targeting improved efficiencies and effectiveness which are quite complex to calculate. In addition, these benefits are not directly cost driven. Improved client service is an important objective and recommendations that improve client service are likely to be implemented even if the improvement comes at an apparent cost to the organization.

2. Business Case Scope and Boundaries

The Accounts Receivable Team collected salary and processing costs from each of the four campuses.

a. The Analysis Period

The Accounts Receivable analysis period included a review of the costs associated with the current process of handling Non-Student Receivables as well as time saved by implementing X-Feeds.

b. Geography or Location

The Accounts Receivable Team recommends implementation of X-Feeds on all four campuses in order to streamline and reduce the efficiency of the Non-Student Receivables process. Currently, Bozeman and Havre campuses utilize the X-feed process.

c. Organizations

The organizations covered by this business case include the administrative and finance processes across the following:

Montana State University

- Billings campus
- Bozeman campus
- Great Falls campus
- Northern campus

d. Functions and Positions

The analysis covered the data entry time spent entering Non-Student Receivables into the Banner System. The review focused specifically on the process of entering Non-Student Receivables into the Banner System.

e. Technology

X-Feeds are processed through the SAIS website with a .CSV file. Bozeman and Havre campuses have already completed training and are currently using X-Feeds.

3. Scenario Design

An analysis of a more consistent, cost efficient form of Non-Student Receivables was completed. The recommendation towards X-Feeds for all four campuses provides a more streamlined and inexpensive approach to the process of entering Non-Student Receivables into Banner.

Accounts Receivable representatives from Bozeman and Havre have already implemented the X-feed process, therefore there should be no need for a phased-in approach to X-Feeds. The Bozeman campus developed X-Feeds and trained the Havre staff in October 2006. Havre spent approximately 30 minutes implementing the process and have used it ever since. Therefore, further communication with those campus communities will be limited. The other two campuses will need to develop a communication strategy to disseminate the information about X-Feeds to their campus communities.

4. The Cost Model

The current Non-Student Receivable process requires several actions – creating a JRC or JE16, entering the form into Banner, double-checking the data entry and completing the document.

The Accounts Receivable Team collected the time spent completing all actions mentioned above, specific to Non-Student Receivables. This timesavings, using X-Feeds, does not have a specific dollar amount but would free up time for the individual to complete other tasks.

5. The Benefits Rationale

- Increased efficiency
- Less errors in data entry
- Information is entered into Banner sooner
- Saves on staffing time

6. Data Structure

Costs of previous Non-Student Receivables methods only included staffing time. This would not save in staffing dollars but would free up time for them to complete other tasks.

7. Data Sources and Methods

All data was collected using work distribution charts, surveys, focus groups, data collection templates, cost of quality analysis and Process Model data.

8. Assumptions

The Bozeman and Havre campuses are already utilizing X-Feeds. However, Great Falls and Billings will benefit greatly from this resource.

C. Business Impacts

The Accounts Receivable Team recognizes these business impacts:

- Reduction in staffing time for Non-Student Receivables
- Reduction in the errors associated with data entry.
- Information will be entered into Banner sooner

1. Analysis of Results

Using the X-Feed process on the Bozeman campus has decreased the amount of staff time needed to input data into Banner and has decreased the amount of errors. Prior to using the X-Feed process a staff person would process paperwork for entry into Banner, get that paperwork approved, data enter the information into Banner, verify and approve the information and then finalize the process.

2. Non-financial and Non-quantified results

- Reduction in staffing time for Non-Student Receivables
- Reduction in the errors associated with data entry
- Information will be entered into Banner sooner

D. Conclusions and Recommendations

1. Conclusions

Implementing X-Feeds on all four campuses would significantly reduce the time associated with entering Non-Student Receivables into the Banner system and decrease the amount of data entry errors.

2. Recommendations

The Accounts Receivable Team recommends all four campuses implement X-Feeds to free up staff time for other tasks.