

Aged Receivable Reduction

- Green Belt Six Sigma Project Report Out
- Ken Henault
- Department of Administrative Services
- Report out date: July 13, 2017.

Background- Scope

- Identified a need to develop and document a formal, standard, process for reducing aged receivables.
 - Fragmented or no process existed.
 - No standardization between business offices.
- Scope:

First Step: A receivable ages over 30 days.

Last Step: Receivable is paid or certified to AGO/OBM for collection.

Project Goals

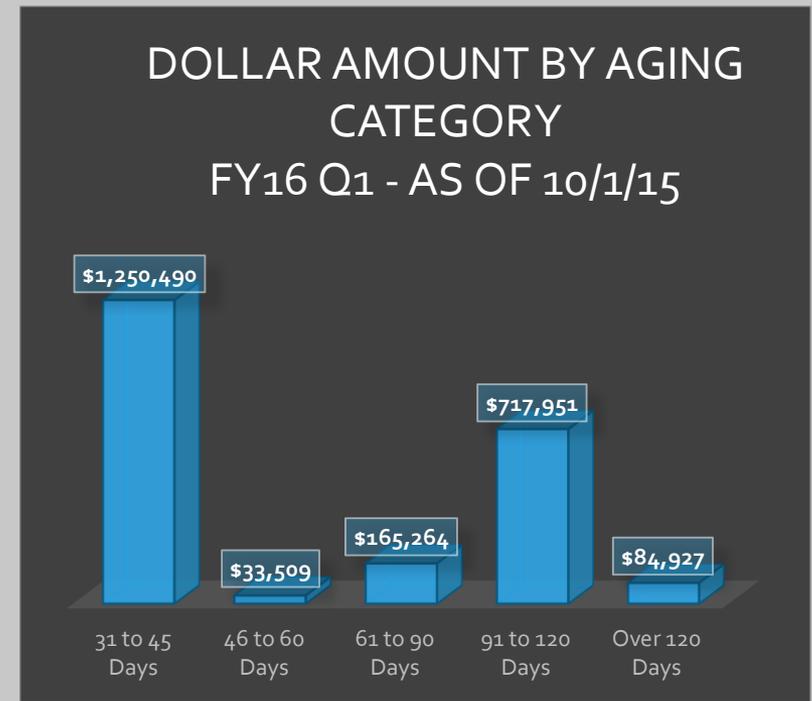
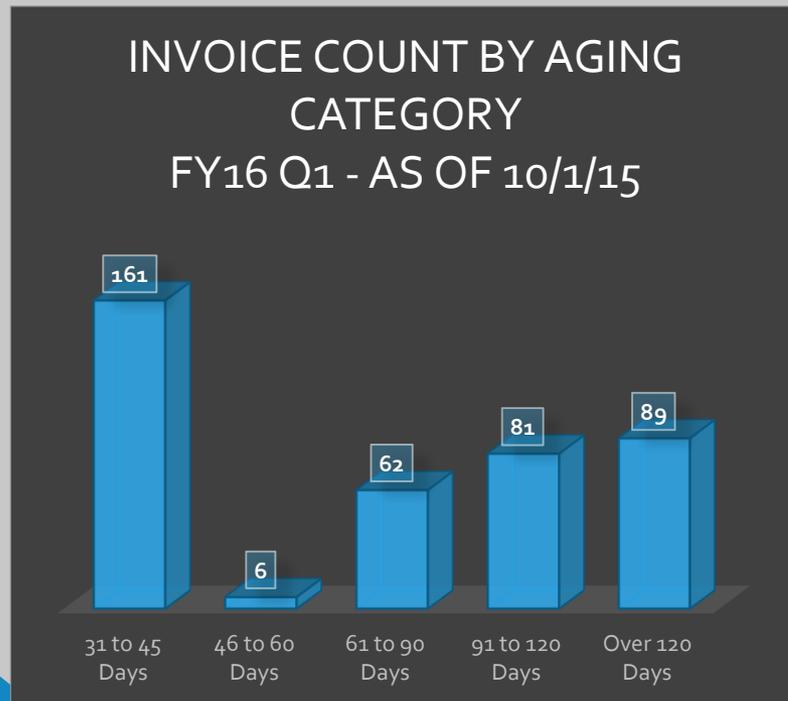
Provide staff with clear expectations and a well documented process to follow.

Meet the Key Performance Indicator (KPI) laid out in the FY2017 Strategic Plan for the agency.

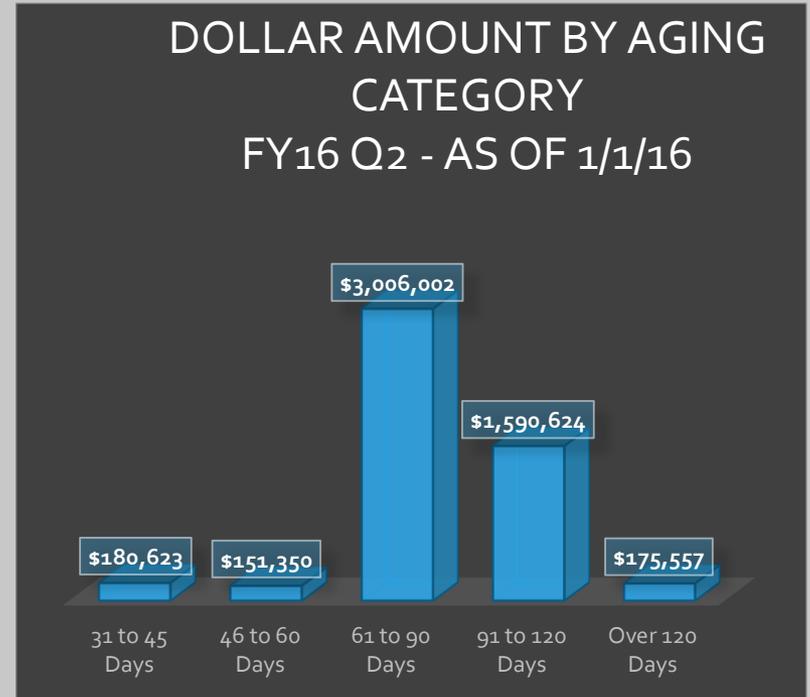
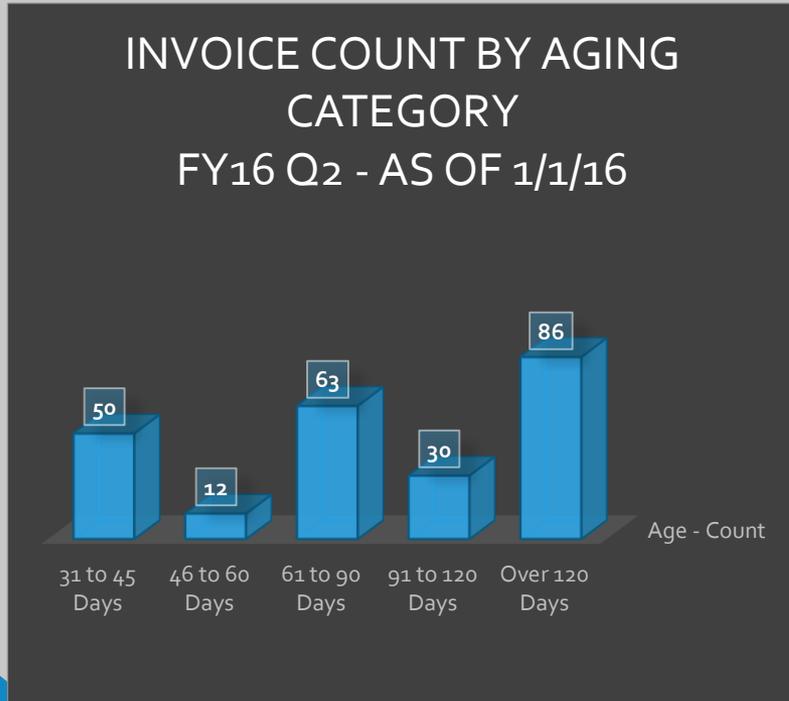
Baseline data

- Data from FY16 at specific points in time
- FY16 Q1 ending overdue invoice count – 399
- FY16 Q1 ending overdue dollar amount - \$2.25M
- FY16 Q2 ending overdue invoice count - 165
- FY16 Q2 ending overdue dollar amount - \$3.77M

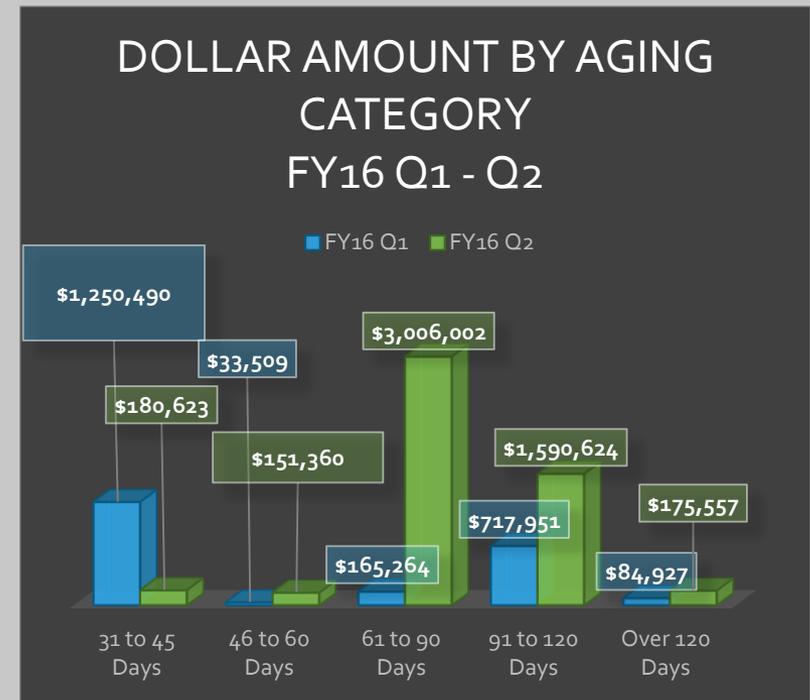
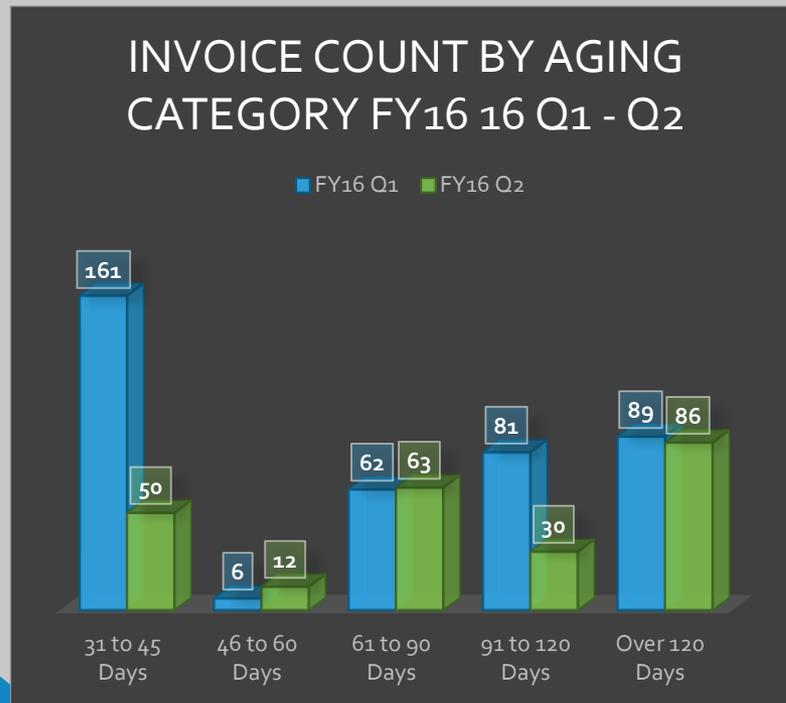
Baseline Data – FY16 Q1



Baseline Data – FY16 Q2



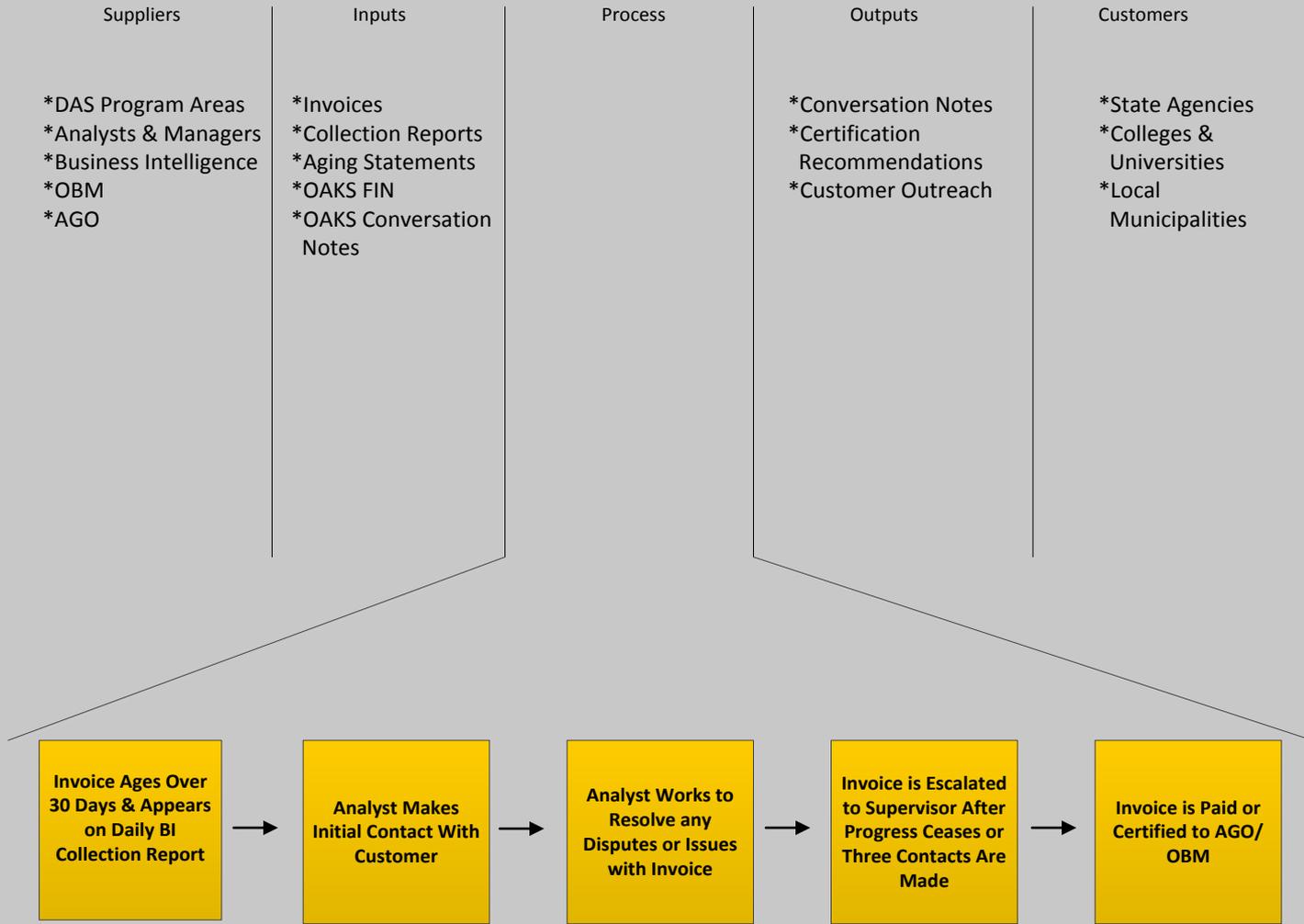
Baseline FY16 Q1-Q2



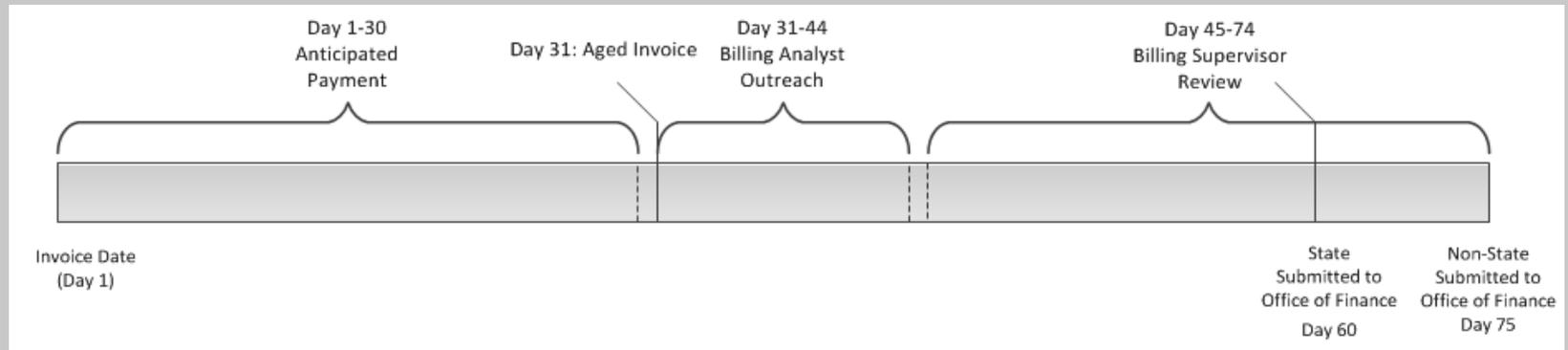
Data Collection Plan

Measure	Definition	Data Source & Location	Who collects?	How will data be collected?	When will data be collected?
Aged receivable dollar amount & number of aged receivables not certified to OBM/AGO for collection.	Aged receivable is any item with an unpaid balance over 30 days old. Certified items are excluded.	AR Aging Report (BI Report). Aging Detail by Unit Rpt (OAKS FIN). DAS AR Items (Query OAKS FIN).	Fiscal Services Manager collects the Fiscal Services data on non-IT items. OIT Billing Manager for IT items.	Using common data source run to show aged items as of a defined date.	Data will be collected and reported quarterly and annually, based on the State fiscal year calendar.

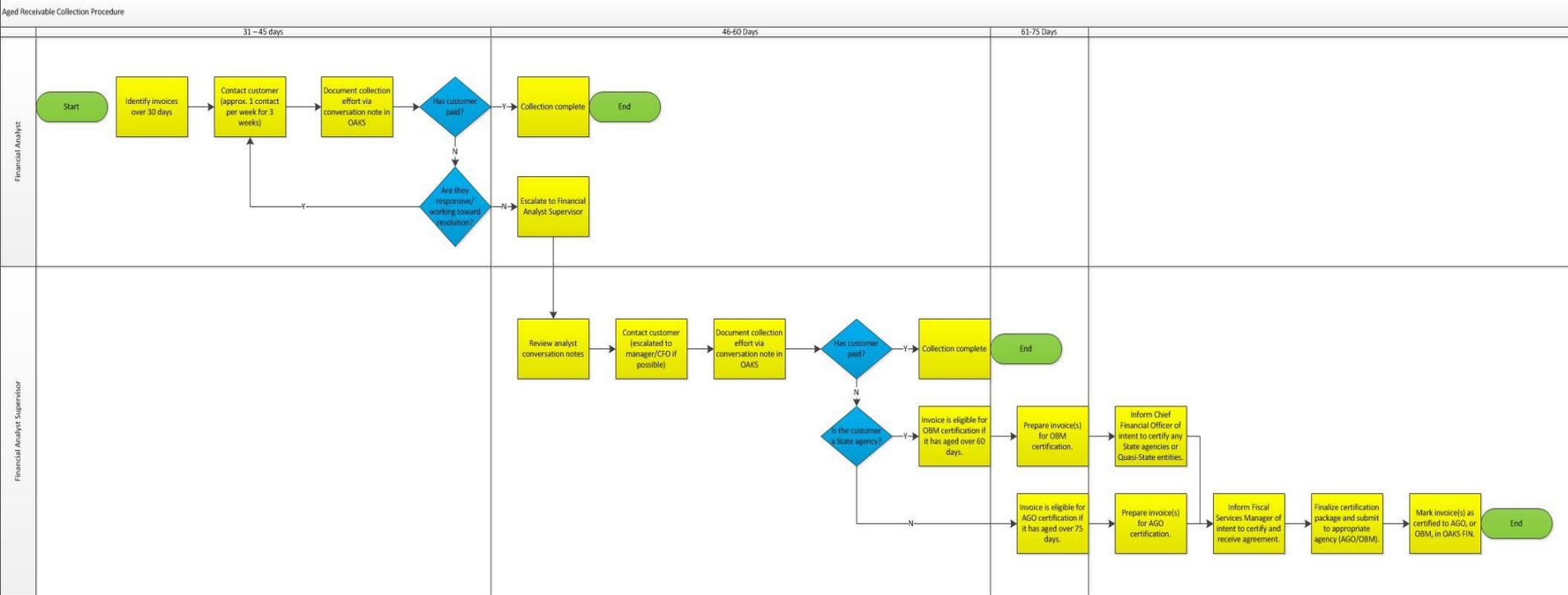
High Level Process - SIPOC



Future State - Timeline



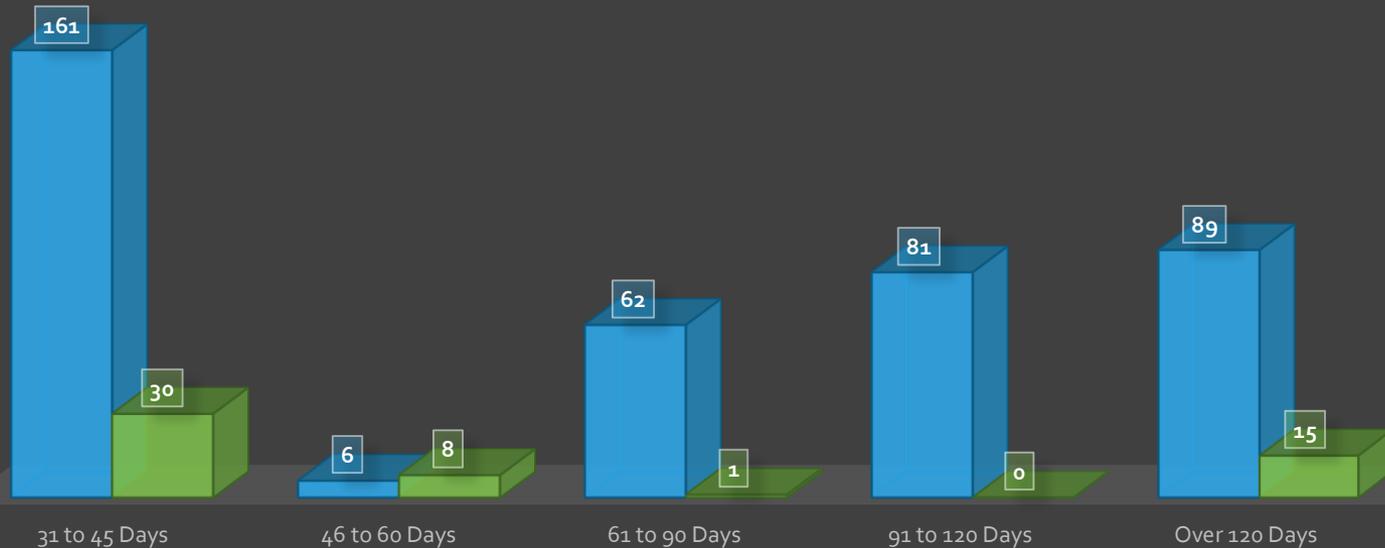
Current Process



As A Result FY16 Q1 vs. FY17 Q1

INVOICE COUNT BY AGING CATEGORY

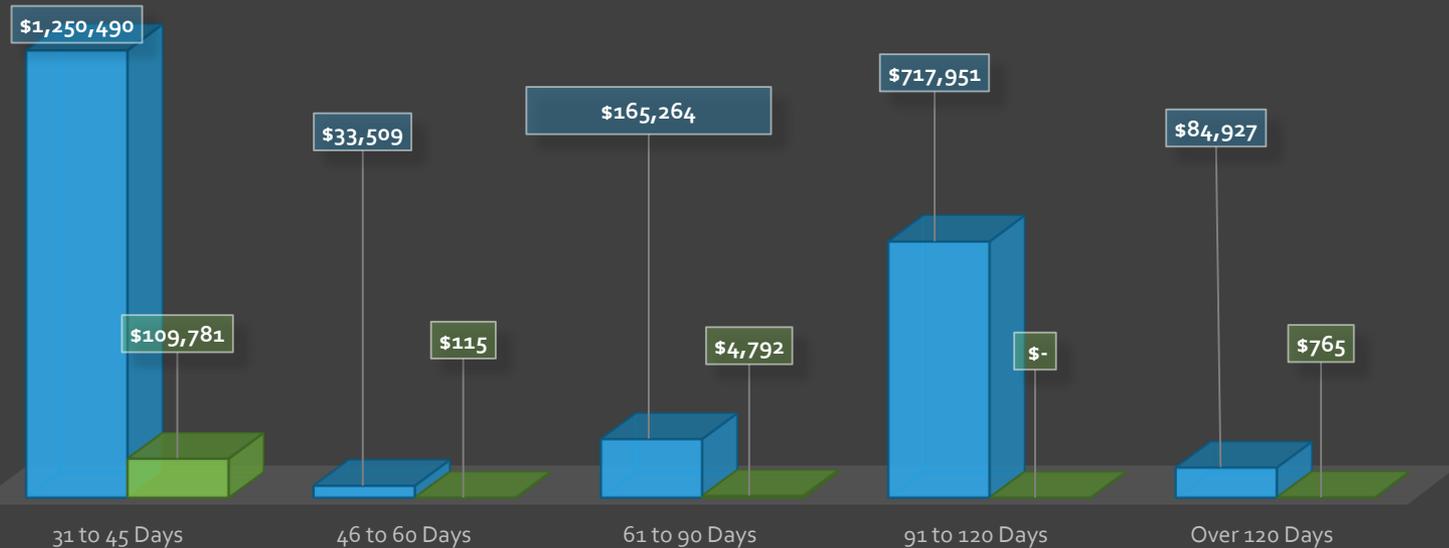
FY16 Q1 FY17 Q1



As A Result FY16 Q1 vs. FY17 Q1

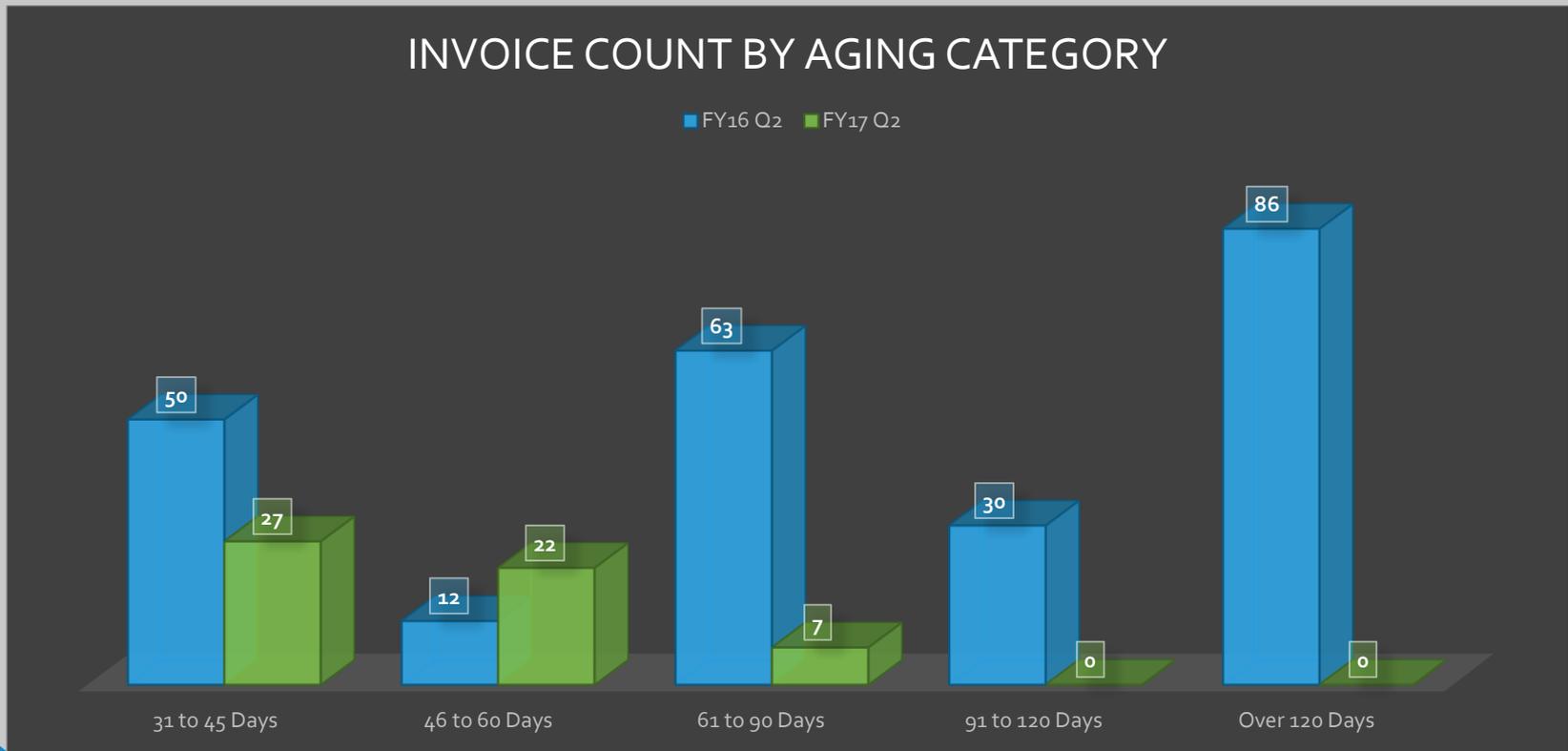
DOLLAR AMOUNT BY AGING CATEGORY

■ FY16 Q1 ■ FY17 Q1



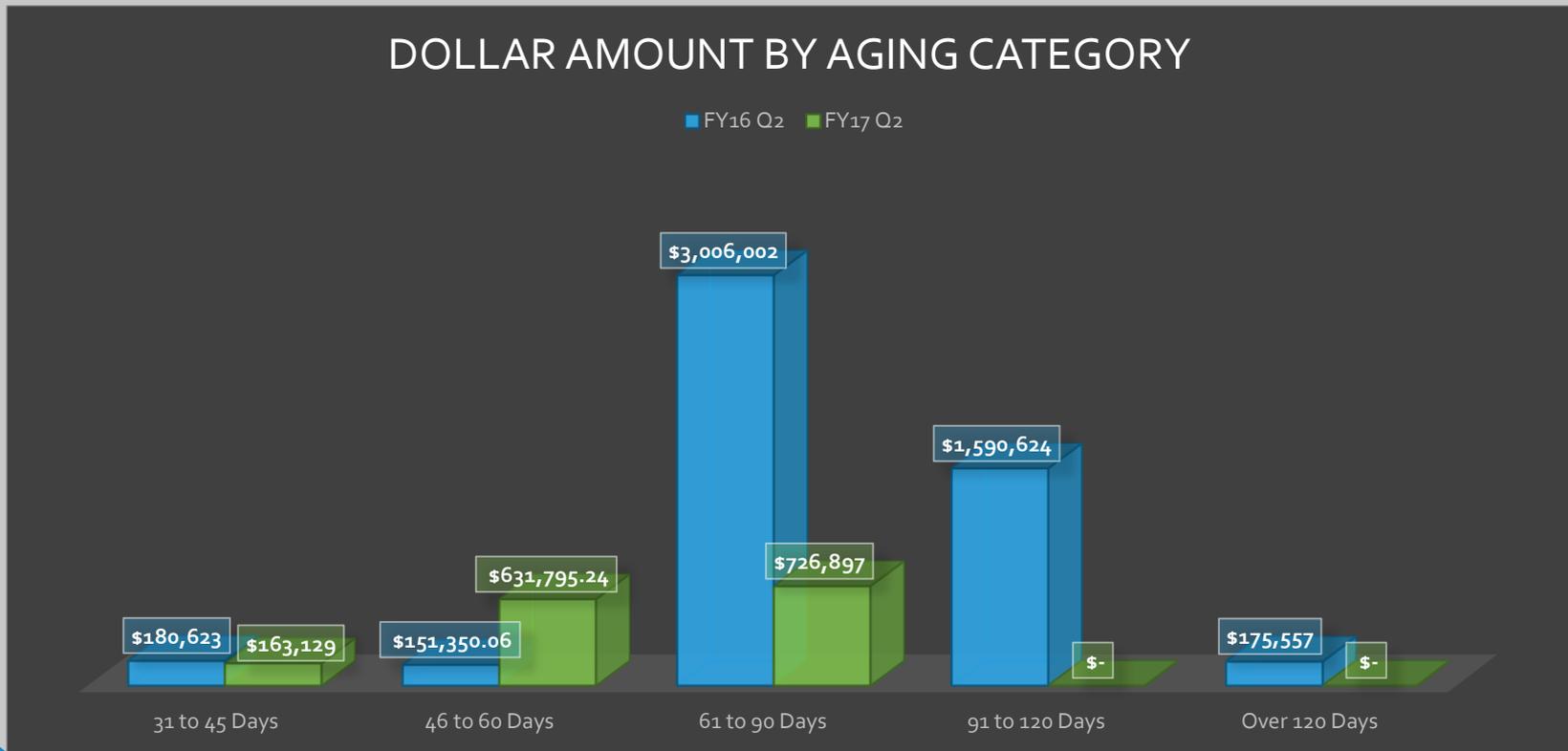
As A Result

FY16 Q2 vs. FY17 Q2



As A Result FY16 Q2 vs. FY17 Q2

DOLLAR AMOUNT BY AGING CATEGORY



Special *thanks* to...

Subject Matter Experts:

Mary Sen

Evan Hood

Senior Leadership:

Director Blair

Jennifer Leymaster

Questions/comments

