Continuous Improvement ∞

Receipting and Accounts Receivable: Process Improvement

Division: Operations

Problem description

The receipting and accounts receivable process was inefficient and error-prone.

► Majority of payments received and processed by costly, often unreliable third-party service provider.

► Many customers received inaccurate notices of late payment.

Background

The program sought to:

► Automate processing, payment data and posting to customer accounts

► Reduce costs

► Shorten time between processing and posting

► Improve accuracy

► Reduce required adjustments and problem-solving

Baseline measurement

Initial payment receipt to posting:
► 34 days in 2010
► 41 days in 2011

Initial unit cost:
► about $10.00 per check

Results

With a new service provider and redesigned business process, current payment receipt to posting:

► One day process - to - post

► Lower cost per check

► Increased accuracy

Days to Post

Unit cost per check

Minnesota Pollution Control Agency