

Operations Committee Meeting

June 9, 2010

VIII. Smart Process in Administrative Services

Chugach Electric Association, Inc.

Administrative Services
Smart Process

Quality Improvement Journey

- ▣ Contracting practices versus “best practices”
 - Sole source justifications
 - Consistent contract terms & conditions protect Chugach
 - “Post award” debriefing
 - Transparent reporting
- ▣ Procedures and Practices standardized
 - Contracts Manual
- ▣ Enhanced information systems
 - Updated BOD Contracts Status Report

Administrative Services

Smart process *“journey”*

- ▣ 2009, a vacancy occurs (Secretary position)
- ▣ Job Analysis for this and other positions in Admin. Services identified numerous opportunities for “smart process” improvements

Journey “headlines”

- ▣ Ownership and accountability is key.
- ▣ “Control” *often* equates to “inefficiency.”
- ▣ Redundancy *always* equates to “inefficiency.”
- ▣ Process improvements could be found in the following processes:
 - ✓ Receipt of Freight
 - ✓ Cell Phone Reconciliation and Payment
 - ✓ Credit Card Reconciliation and Payment
 - ✓ Contract Payment and Reconciliation

Receipt of Freight

- ▣ Team consisted of Purchasing Clerk, Couriers, Generation & Operations Warehouse.
- ▣ Team met to map out process, discuss ownership, and identify possible staff who are best fit to absorb duties.



Observations

- ▣ Admin. Services “owns” the process.
- ▣ Secretary position had been “receiving” freight; this resulted in pulling incumbent away from primary purpose for up to two hours per day
- ▣ Purchasing Clerk, while *temporarily* assuming these duties, should not be.
- ▣ Couriers had ultimate responsibility for delivery of freight.
- ▣ Couriers were identified as the proper “owner” of the activities.

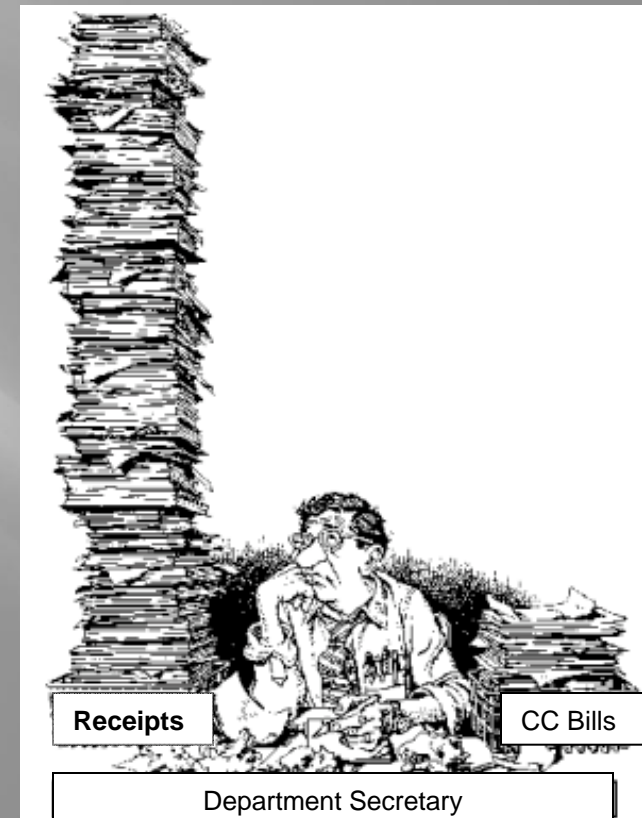
Cell Phone Reconciliation and Payment

- ▣ Multiple departments were processing payments.
- ▣ Management team met to determine ownership, technology and efficiency.
- ▣ Cell Phones, Internet and Smart phones will be re-bid this month under one contract.



Credit Card Reconciliation and Payment

- ▣ Team consisted of Accounts Payable Accountant, IT Admin & Operations Admin.
- ▣ Team met to map out process, discuss ownership, and identify any waste or redundancy.



Observations

- ▣ “Oversight,” not control, could be performed by Admin. Services if random/ % “audits” were performed.
- ▣ CC Users “own” this process.
- ▣ Efficiencies gained by educating department clerical staff on using the “on-line” reconciliation process.
- ▣ Departments could “prepare” reconciliations for accurate payment processing if clerical staff could “self-regulate” their work.

Wanda's Observations

What I "Did"

- ▣ Followed several steps and others' instructions
- ▣ Wasted my time and others' time
- ▣ Did not feel a part of the process

What I "Now Do"

- ▣ Own the process and the outcome
- ▣ Work smarter, not harder
- ▣ I am an integral part of a more efficient process

Contract Payment and Reconciliation

- ▣ Team consisted of Contracts Specialist, Purchasing Clerk, Lead Analyst Programmer, Project Clerk and Accounts Payable Accountant.
- ▣ Team met to map out process, discuss ownership, and identify any waste or redundancy.



Observations

- ▣ Project Managers/Department Directors “own” this process.
- ▣ Some department clerical staff were unable to determine “available funds” because of insufficient reporting capabilities from software.
- ▣ Admin. Services has been performing many of the duties on behalf of the departments; ownership should shift back to responsible party.
- ▣ Efficiencies can be found if IS creates and/or modifies a report.

Journey continues!

- ▣ Original improvement was about ownership
- ▣ Baby step.... Are we there yet?!?!
- ▣ IS person – planted seed about automating approval process
- ▣ Redesigned process based on idea
- ▣ Implementation plan to train and conduct a pilot

Conclusion?

- ▣ No, it is just beginning
- ▣ Smart Process and quality is becoming part of our culture