

### The View of the MD

Our MD recently 'sat in' at the (recently acquired) call centre. These were her observations as recorded (verbatim) by me at a meeting the next day:

"Control of orders is lousy, John. This must be affecting our business. Orders should be the key mechanism for tracking how we are doing - never mind for making sure our customers get what they want. For goodness sake man, orders should be subject to tracking from the point that they're confirmed. And we've got to have the MI if we want to keep growing. Let's get this sorted, and quick.

Control of customers and products is just as bad. We have masses of duplicated customer records, and products on different systems - it's a wonder we survive.

Thank goodness for that call-centre manager - she's worth her weight in Remote Controls. It's only because of her staff that we keep our existing customers and attract new ones. Our OTACE (On Time and Above Customer Expectation) policy really works at the centre. But I still think we could do with a loyalty scheme for our corporate customers. How about a 'SkyCash scheme'? Our customers earn money as they order.

Oh, and I dropped in at the warehouse, the other day - it was awful.

Let's start on this now. We'll make this a key target for your OTE bonus, shall we John?"

### Taped Interviews from Key Stakeholders

#### John Mann Meeting

My objective is easy. I've got to work up the business case for re-engineering the Media Merchandise LLC processes. To do that I need some independent input to tell me what we are doing, what the problems are, and how we might approach fixing them. That's why I have asked you to take part in this study – I want an un-jaundiced, professional view of our business, I want it quickly and I want it as a UML model that we can use as the basis for our future work. Naturally, we will look favourably at consultancy teams that cut the mustard and they are the ones who will be partnering with us to carry out the re-engineering.

I would like your team to look at the core processes in Media Merchandise LLC - Customer Orders and Inventory. Other teams will be looking at Accounts, HR, Marketing, Field sales etc.

Please feel free to talk to other stakeholders and best of luck. I'll be seeing you from time to time during your study to walkthrough your findings.

#### Chris Corder Interview

I am one of the 3 Customer Order Managers and my job is to oversee customer order fulfilment from when the customer places an order by phone or mail to when the order is marked as paid. Note that we don't take money from the customers until they have received the goods and then they have 30 days to pay. All orders must be paid for in full by a single payment.

Our registered customers order products from the Media Merchandise LLC catalogue. When they contact our new call centre, the sales people will ask for the customer's account number in order to pull up their record and amend it if there have been any changes to the customer's details. If the customer is new, we create a new record for them and assign an account number and the default credit limit. Unfortunately, many customers cannot remember their account number and the system can't search on anything other than account number or last name. If the last name is Smith, this can be a nightmare as the system will return hundreds of records. I suspect that sales just create a new account instead and this has led to a lot of duplicated records.

Once the customer's record is located or created, the sales person can create the order. Unfortunately, the sales person can't see how many of an item we have in stock, since that's held on the back office system but we usually have plenty of everything in stock so it's not a huge problem. Once confirmed, the order is printed out and sent to the warehouse by internal post. The warehouse is on the other side of town, and the posties are all getting on a bit, so it can sometimes take a day or two for the warehouse to receive the orders.

In the warehouse, the orders are picked, packaged and despatched via courier. When the courier rings in to confirm delivery, despatch stamps the order as 'delivered' and sends it to the Back Office for processing.

Back office enter the order (and, if necessary, the customer) details onto the back office system and the stock levels are adjusted accordingly. They then send the paper order to accounts, who are responsible for the recovery of payments from the customers. Accounts have their own system which is, I understand from John, outside the scope of your study. Every Friday, accounts sends the back office a list of the orders that have been paid for during the week and another list of all of the orders that should have been paid for by now but have not.

Back office bring up the relevant orders to mark them as paid or overdue. They print off a 'defaulters list' from the system and send it to the call centre who should mark the offending customers as 'on-hold' and therefore unable to order until payment has been received for the outstanding order(s). Back office also print out a 'now paid' list for customers who were 'on hold' but have now paid. Again this is sent to the call

centre so that they can adjust the customer records. I suspect that this mechanism is not being used properly as it is in the sales people's interest to place orders anyway (they are commission based) and the call centre system cannot automatically stop orders being placed against on-hold customers.

I know, it's not a very joined up system is it?

### Ben Back Interview

I have worked for Media Merchandise LLC man and boy and I am looking forward to having the time to smarten up my rockery when I retire in 3 years time. I love my job but my back is starting to go now and I can't lift some of the larger items. Good job that Lazenby "James Bond" garden gnome is not shifting so much nowadays – it's twice the size of the other gnomes and really heavy. Still, musn't grumble. As I always say, "Gnomes always was the lifeblood of this company; look after them and they'll look after us".

What do I do? Well, as I say, I can't lift much nowadays so I spend a lot of my time supervising the younger lads and helping prepare the ceramics for customers who want to position them outdoors. You'd be surprised how many do Ceramic rubbing cream does wonders for any garden gnome or such like and protects them from anything. It's our second best seller after the gnomes themselves. For the best finish, we apply a gnome primer before creaming them. It's more expensive and it takes 2 day's for the primer to seep in but when it's ready, it right takes your breath away. Only the other day.....

What do the other warehouse operatives do? Well they take the orders from the 'Orders-In' box on the 'Orders-In' table by the door over there. They take about half a dozen orders at a time (we have a saying here – "seven's too many and five's not enough") and pick the products from the shelves onto the motorised palette. It takes a long time because of the distance between the shelves and having to trek backwards and forwards across the warehouse all the time. Once they've picked all 6 orders, the take them to the geographical palettes and put the items from each order onto the right palette. They drop a loop over each order and place the tear off part of the order under an item to keep it from blowing away. They then pass the order to despatch who call up the couriers when there's enough to send to an area.

Problems? No, not really. Well it is a bit dark in here since they put them new-fangled, energy-saving lights in and it does get a bit dirty at times. They could do with putting a better seal on them main doors – it blows a gale through them sometimes. No wonder the orders sometimes get blown about. Oh, and those shelf stock number markers, they're always getting dirty so's you can't read them properly and then we get the blame when we get the orders wrong. And another thing, when you've been creaming up gnomes, your hands are all greasy and dirty so it's no wonder that the orders get smudged, sometimes. Last week, Albert slipped on some cream on the floor and went up in the air like a doll. It were funny but we lost a very expensive Madonna Gnome and Albert hasn't come back to work yet. Must ring him up and see if he wants me to put a bet on for him.

What if we can't fulfil an order? Well it's not usually a problem because we keep so much stock in, just in case. But if we can't find an item, we stamp the order as unfulfilled, tick the items we couldn't find enough of and send it to the back office. I think they talk to the customer and ask them if they want to place another order.

I've just thought! We could use brass labels for the shelves. They'd never smudge and we could keep them really shiny. That'd boost morale a bit.

### AI Stock Interview

I run the inventory process and it's rubbish. How can you have a system that doesn't let you bring up a list of items that have fallen below their re-order level? This system doesn't even have an item re-order level, for goodness sake. You have to go through all of the product records on the back office system to find ones that have a low 'on-hand' level and then create purchase orders for them!!

OK, I'll calm down now. Marketing tell us when to create new stock lines and when to make existing lines obsolete. For new lines, we create a new product record and place it against at least 2 suppliers who can source it. We would normally order these straight away. We don't re-order items marked as obsolete we just allow them to run down until they become discontinued when there's none left or they are written off.

For new stock lines or existing items we want to replenish, we create POs. Each PO is created against a single supplier. When it is sent to the supplier, we expect a response within 3 working days and we then agree the delivery date. If the supplier doesn't respond, we try to remember to chase them up. If we want, we can cancel the PO and create a new one against another supplier.

We send a paper copy of the PO to the warehouse who use it to check against the delivery. If the delivery doesn't come by the agreed date, the warehouse should ring us up and tell us but that doesn't always happen. We contact the supplier to re-arrange the delivery date or cancel the PO.

When the delivery arrives it is checked against the PO and, assuming all is OK, placed onto the shelves. The PO is stamped as delivered and sent to the back office. They enter the PO number onto the back office system and the stock levels are adjusted accordingly.

If the delivery is not OK, it is rejected in total (we don't accept partial deliveries of a PO). The PO is stamped rejected and sent to the back office who contact the supplier to arrange another delivery date or to cancel the PO.