**4 day Kaizen event(I2C)**

**Aim:** The purpose is not to see how to automate the entire cash transaction process but to find the defects in the sections that are already automated and find why the automation rate is 40 percent, see how to remove the defects and if the defects are removed then what will be the percentage of automation. The desired rate of automation should be atleast 70 %, only then the cost GE pays to acquire the license of Autobank will make sense to continue further.

Focus is on the Altais bank accounts serviced by GENPACT(90% of the bank accounts).

At present the automation rate is 100% in GL, 40% in SL and 20% in Account rec.

The purpose of the Kaizen event is to bring 100% automation at SL level .i.e all transaction in bank statement posted in SL should be automatic.(By posting I mean applying the payment to the invoice at SL level). Any manual posting in SL will be considered as defect.

**On first day** we formed the template, consisting of **type of defect(conversion table, bank statement extraction, remittance extraction, invoice clearance), the defect description, reason behind the defect, solution, ownership, impact, effort needed** among other columns.

We listed 2 defect which were related to **“Conversion table”,** understood the defect and the reason behind it, as well as how to solve the issue.

**On the next 2nd day** we listed the rest of the defects, understood what the defect is and reason.

**On the 3rd day** we listed the solution of all the listed defects, who will be responsible, who to take consultancy from.

**On the final day**, we listed down the time taken t solve each issue, the degree of impact of it after it is solved and degree of effort that needs to be put.

At the end it was understood that if in ideal case all actions to remove defects fall in place, then the rate of automation will shoot up to 70%, but that is in a perfect world; there will be actions, some will work as expected whereas some wont. So the time taken in true sense is more than 4 months .i.e beyond June.

**Gist of defects**

**Conversion table🡪**

Name to number conversion not available in conversion table. Customer identification not possible by autobank. The reason behind is that New customer or customer with different bank account or customer changed bank narration

**Bank statement extraction🡪**

1. VAT, GST, expenses not included in the bank description so payment cannot be applied automatically. Reason is that customer didn’t include in bank narration and bank doesn’t provide the info.
2. Incomplete bank statement or unreadable. Reason is:
   1. Incorrect invoice.
   2. Special characters.
   3. Chinese characters.
   4. Character limitation of 360.

Educate customers on the format.

1. Bank sends files to webcash which donot convert Chinese to English very well. Reason behind is that in china customers send remittance in Chinese which get converted to English in TRAX. This conversion is not perfect and customer identification possible in Chinese but not in english.
   1. Investigate Chinese character in altais and autobank.

**Remittance extraction🡪**

1. Remittance not provided or provided after payment is made. Reason is this that customers send remittance to wrong location, they donot know the format and location in which remittance needs to be send. Educate customers how to send remittance.
2. Incomplete remittance or unreadable. Reason is:
3. Special character.
4. Chinese character.
5. Abbreviation.
6. Incorrect invoice number.

Technical fixes in OCR will solve the issue.

1. OCR doesn’t recognise remittance to multiple invoice payment.

Total payment or net payment needs to be mentioned for the OCR to recognise.

1. Remittance information not followed by rule due to deduction of bank charge from total payment made. OCR recognises by total payment and not by customer name.

**Clearing invoice🡪**

1. Payment cannot be made to multiple bank account The customer name to number conversion only applicable to payment made to single account. In conversion table only 1 customer name to customer number linking is possible.
2. Autobank not able to read partial invoice number
3. Autobank doesn’t support under payment. All underpayment needs to be don’t manually.
4. Customer sending payment to wrong bank account. Bank account changed but not updated in system.
5. Invoice number has other number and characters within it due to which autobank cannot recognise invoice number.

**LINKS:**

[I2C workout template](file:///C:\Users\223018839\Desktop\excel\I2C%20Workout%20Template.xlsx)

[Report out Autobank](file:///C:\Users\223018839\Desktop\presentation\Report%20Out%20-%20Autobank.pptx)