**Sam Rogers May 8, 2019**

**Problem Definition Worksheet MBC 638**

**Deposit Log**

**Problem Statement:** Ownership of mineral rights for oil and gas wells produces revenue. By owning partial mineral rights to 1,300 oils wells, sourced from over 150 operators, we receive about 50 checks in the mail each month. Our accountant logs these checks in batches into a shared deposit log throughout the month. Some operators pay on an irregular basis or might be dormant due to issues with their wells. The engineers use this partially filled in deposit log as an indication to go out and search for the check stub detail from the respective operators. They then go back and fill in some of the data the accountant did not have access to.

The issue to solve is speeding up the deposit log process. It is taking too long for the engineers to learn which companies they need to collect data from. To speed things along, engineers sometimes enter the check data into the deposit log so they can start their process of processing the check. The accountant then fills in the missing data afterwards. In the shuffle there is sometimes duplicated and incomplete data in the deposit log.

**Business Impact:** This issue should be fixed because it takes 3 days out of every month for 3 people to complete this task. The data is rewritten and verified for correctness several times a month due to errors, duplications and a lack of trust in the process. Each quarter, we audit this information and fix overlooked errors. Fixing this problem is worth $7,200 per year. It would provide managers the ability to quickly see what money is coming in this month and shortens the wait time for the engineers to start processing the production details associated with the check stub. I would measure success of this project based on the correctness of data, elimination of duplication, and the reduction of time it takes for a received check to be put into the deposit log. The final output is correctness and reducing the wait time between check availability and deposit log recording of availability.

**Goals:** I want the check stub data to be entered as soon as the check becomes available, without any errors, duplication or missing data. There are physical and digital checks. The physical checks would need to be entered once they arrive in the mail. The digital ones could be more quickly entered by receiving an email from the bank when they reach our account.

**Project Scope**: The process begins by the checks leaving the operator accounting department, either physically or digitally. The final step is the last check dated for this month is completely documented in the deposit log. Excluded from the slope is the processing of the check stub data. This check stub has production quantities and prices which won’t be tracked, only the check amount. This process will cover all checks received from the operators in a given month period. The people monitored are the two reservoir engineers and the accountant.

**Team**: The process is completed by two reservoir engineers and an accountant. This process ultimately is a tool the two engineers use to keep track of which wells are producing oil and gas this month. It’s my job to manage the process and make sure it goes smoothly. As management I also use this tool to be aware of how much money is available in the accounts this month. The biggest difficulty will be convincing the accountant to change her process. The engineers are directly under my management.

**Project Plan**:

Define: 4/6/19

Measure: 4/9/19

Analyze: 4/15/19

Improve: 5/01/19

Control: 5/20/19

**Process Map:**

