

Order to Cash (O2C) Business Process Analysis

Requirements Specification

- Watch [Order to Cash \(Celonis Process Mining\)](#), to see a basic walkthroughs for O2C business process model in the Celonis platform.

Watched Order To Cash (Celonis Process Mining) video on YouTube to understand the basic walkthrough of the business process in Celonis platform.

- **Login to the Celonis Cloud.**

Logged in Successfully on Celonis Cloud Platform. Attaching below screenshot:

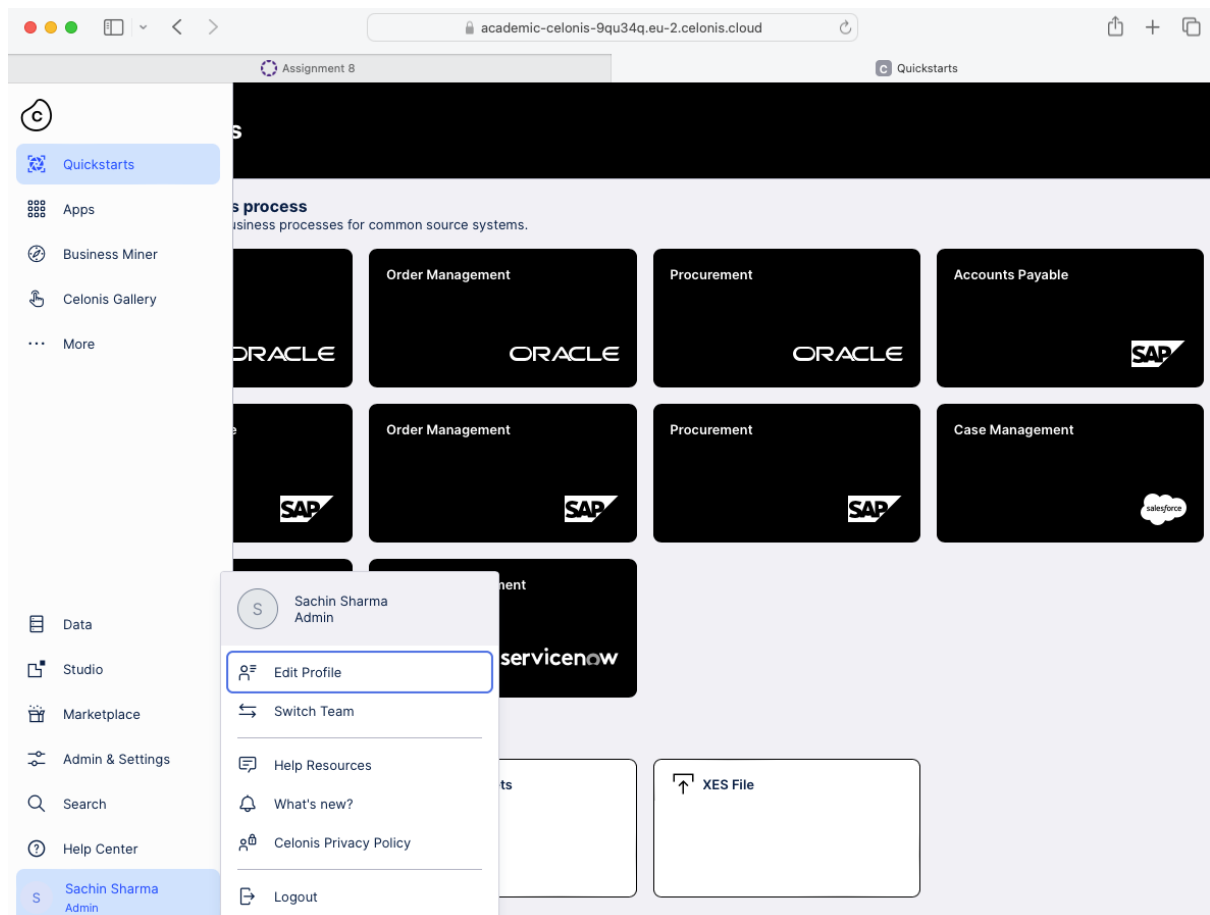


Fig 1- Celonis Platform Screenshot after successful login

- **Select Order-to-Cash from the Business Views tab.**

Selected Order-to-Cash Demo -EN (USD) Process Analysis. Attaching Screenshot below:

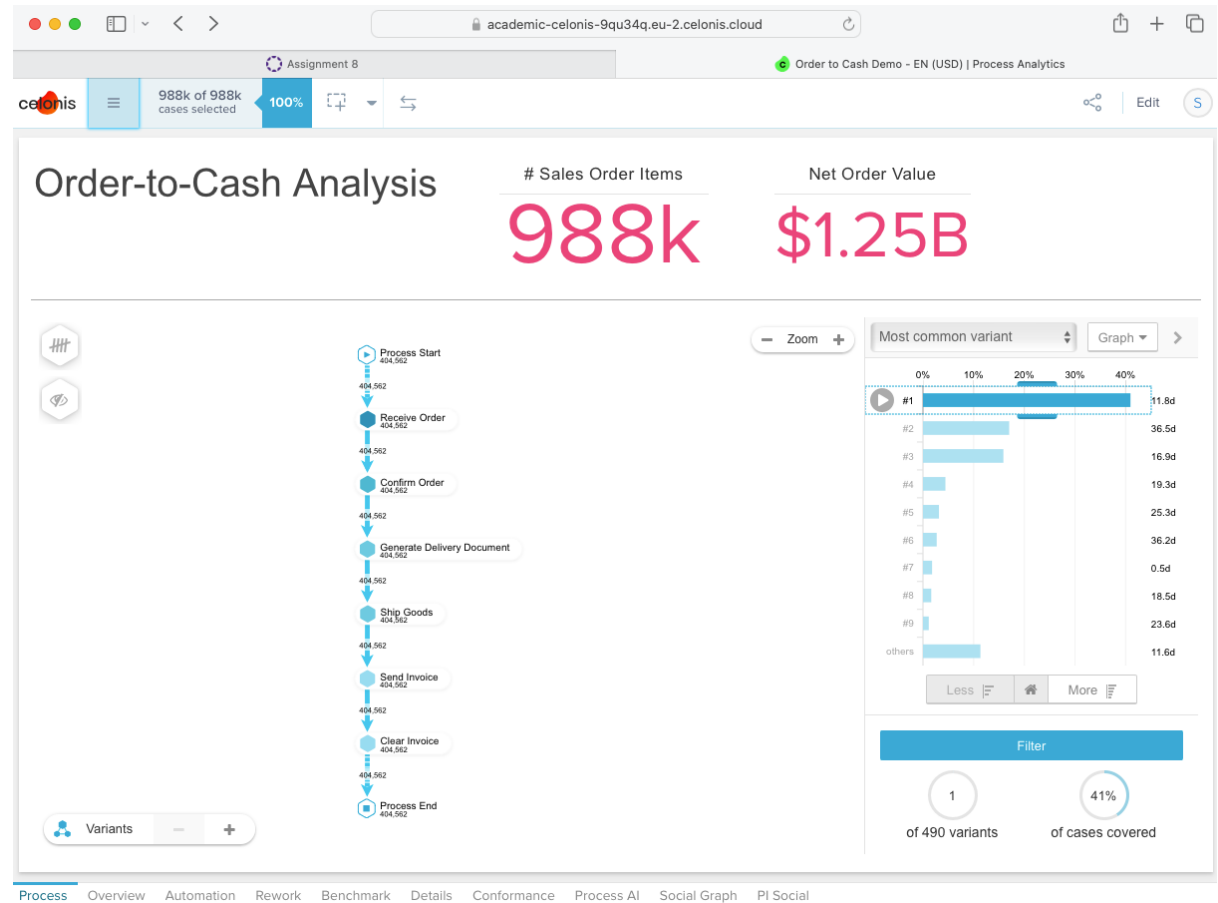


Fig 2- Order-to-Cash Demo -EN (USD) Process Analysis Flow

- **Select the Conformance tab and inspect the BPMN process model for the O2C process.**

Reviewed the BPMN Process Model for the Order-to-Cash Process in Conformance tab.

Attaching below Screenshot for the same:

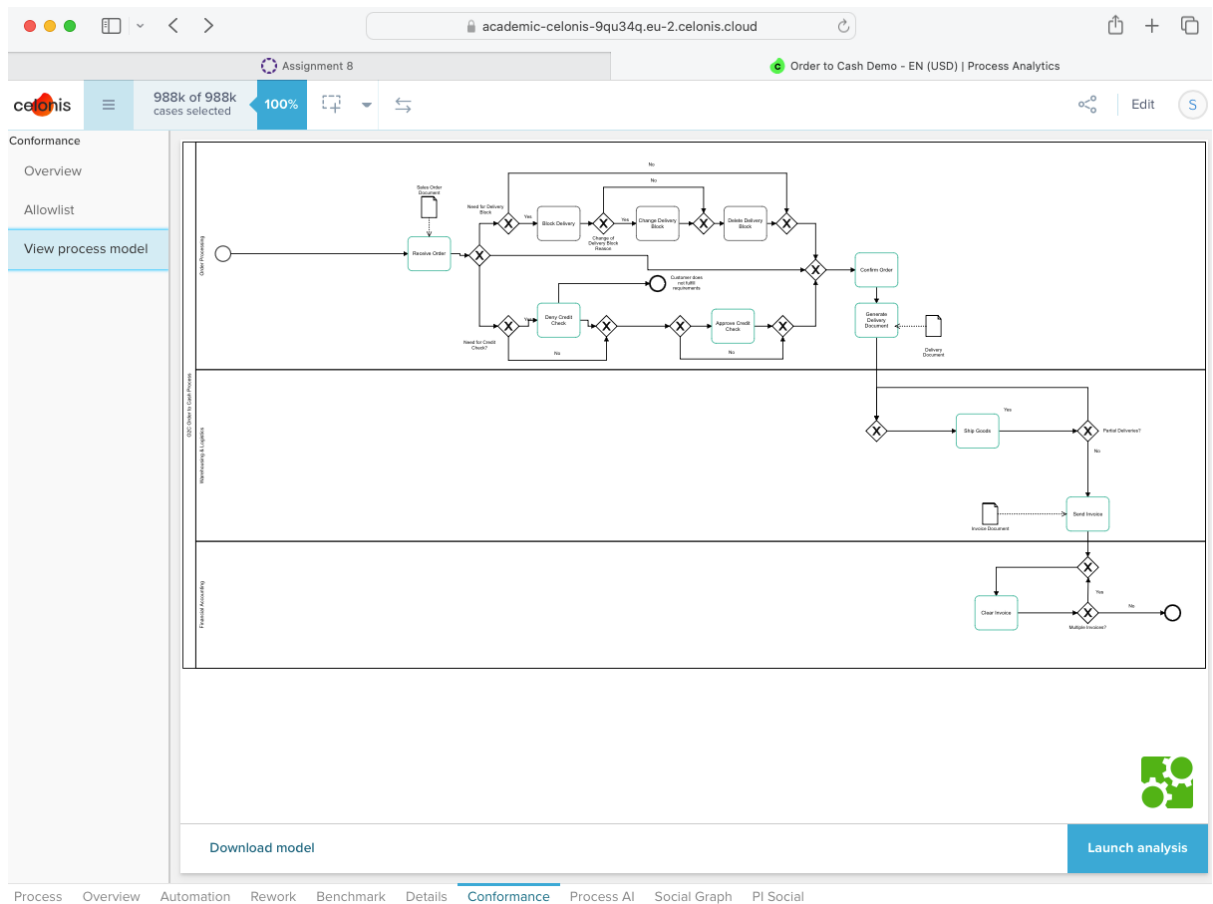


Fig 3- BPMN Process Model for the Order-to-Cash Process

- **Go back to the Process tab, filter on the throughput time, and count the number of activities and the throughput time.**

There are exactly 6 Activities in the process explorer with Throughput Time (AVG) filter while keeping the Variant as 1 (Most common variant).

The total throughput time for the overall process is 16 days and 11.8 days (Median for 1 Variant). We can also see the maximum time around 12 days are being consumed between Send Invoice to Clean Invoice. Attaching the screenshot for reference:

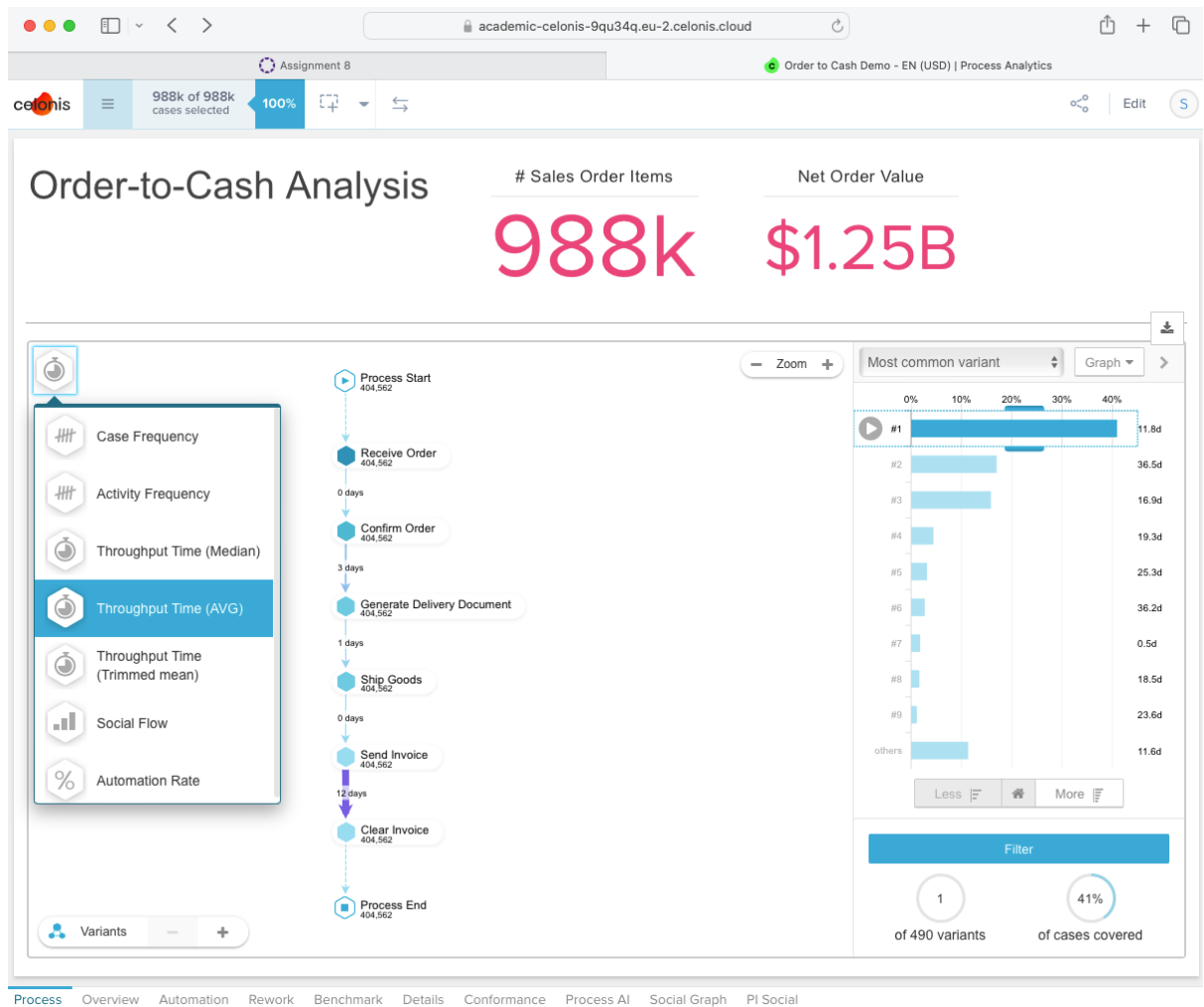


Fig 4- Filter on throughput time

- **How many cases are associated with the Extend Confirmed Delivery Date activity?**

When we select 2 Variants in process explorer we can see the new Activity Extend

Confirmed Deliver Date Activity adds in the process. It has exactly 168,038 cases.

Attaching the below screenshot for reference:

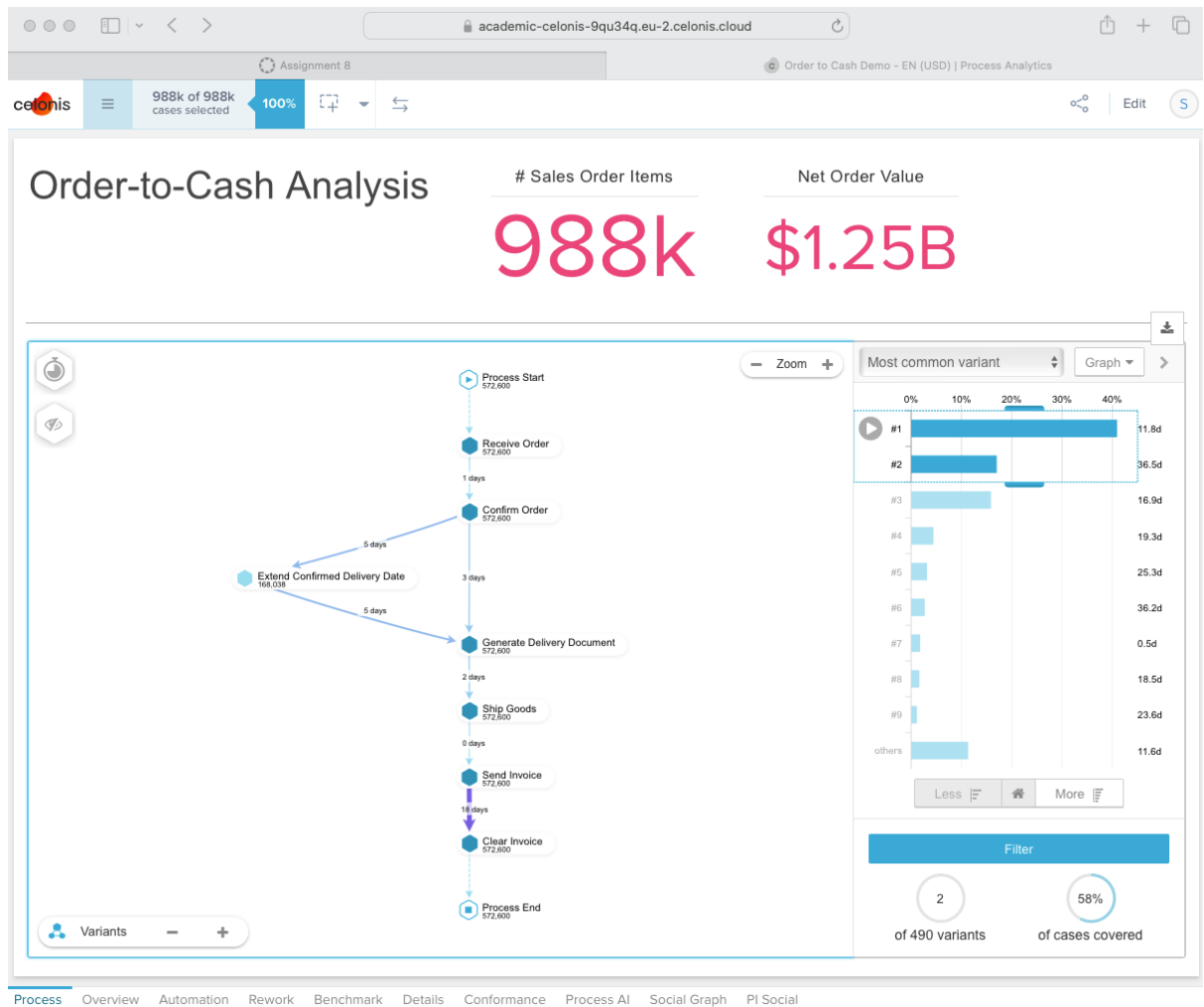


Fig 5: Extend Confirmed Delivery Date activity

- **How many days on average does the process take with the Extend Confirmed Delivery Date activity?**

We can see that the Average throughput time with Extend Confirmed Delivery is 34 days and 36.5 Days (Median) including 1st and 2nd Variant. We can also see that it is increased by 7 days on average (removing 3 days difference) between Confirm Order – Extend Confirmed Deliver Date – Generate Delivery Document. With 2 variants we have covered 58% of the total cases in Order-to-Cash Analysis. Attaching the below screenshot for reference:

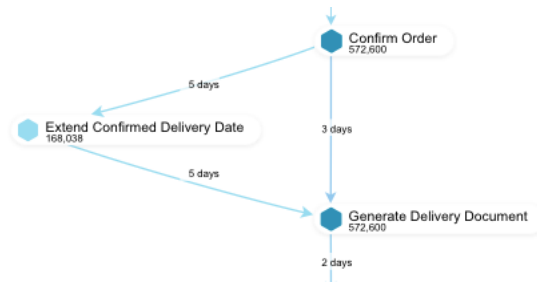


Fig 6: Average Days with Extend Confirmed Delivery Date

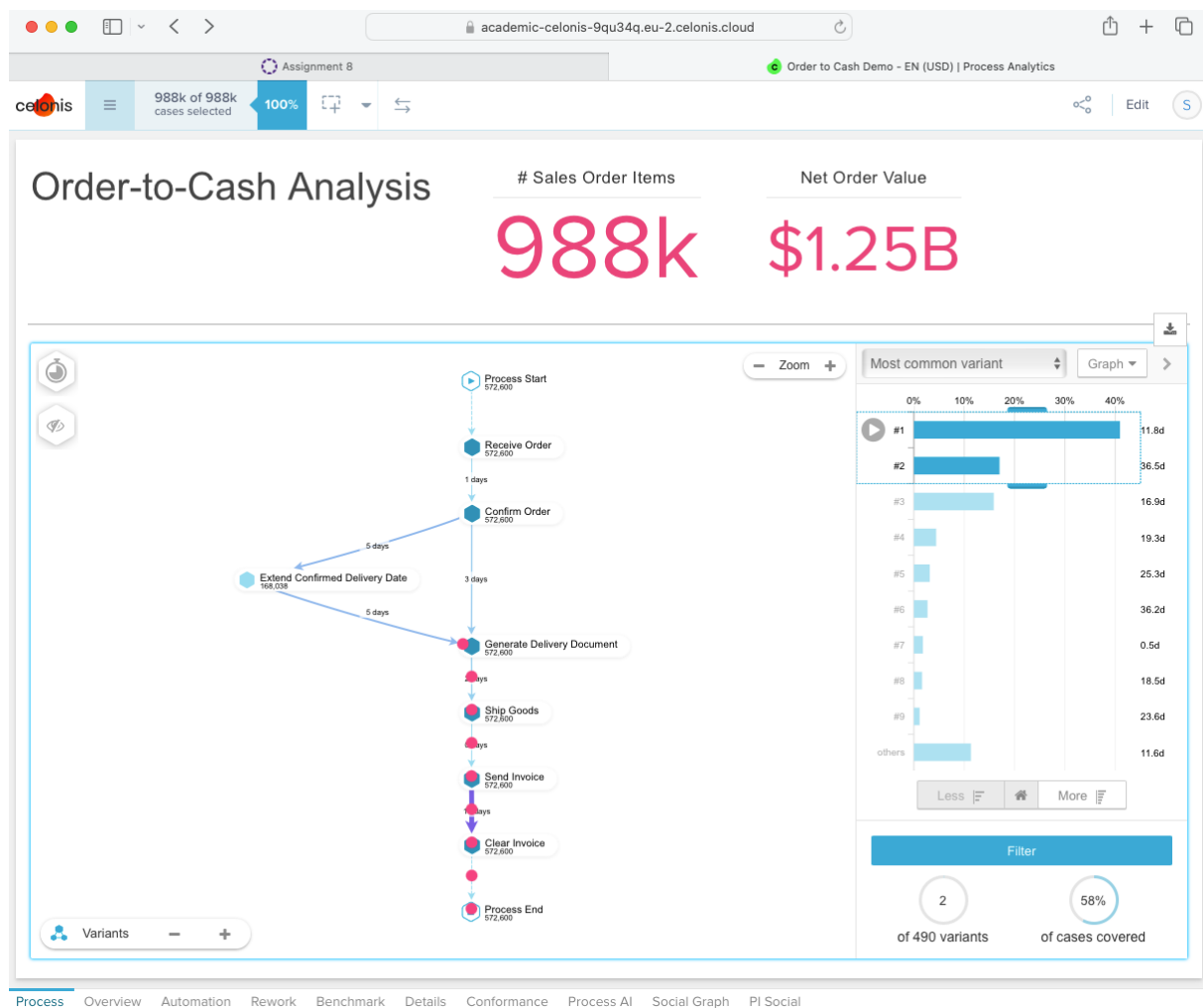


Fig 7: Order-to-Cash Process with Extend Confirmed Delivery Date

- How many days on average does the process take without the Extend Confirmed Delivery Date activity?

When we selected the cases which does not flow through the Extend Confirmed Delivery Date, we can see on an average the process takes 22 days total and it takes around 16.9 Days (Median) with 1st and 2nd Variant. Around 5 days are increased between Receive Order – Approve Credit Check – Confirm Order activities. Attaching below screenshot for the same:

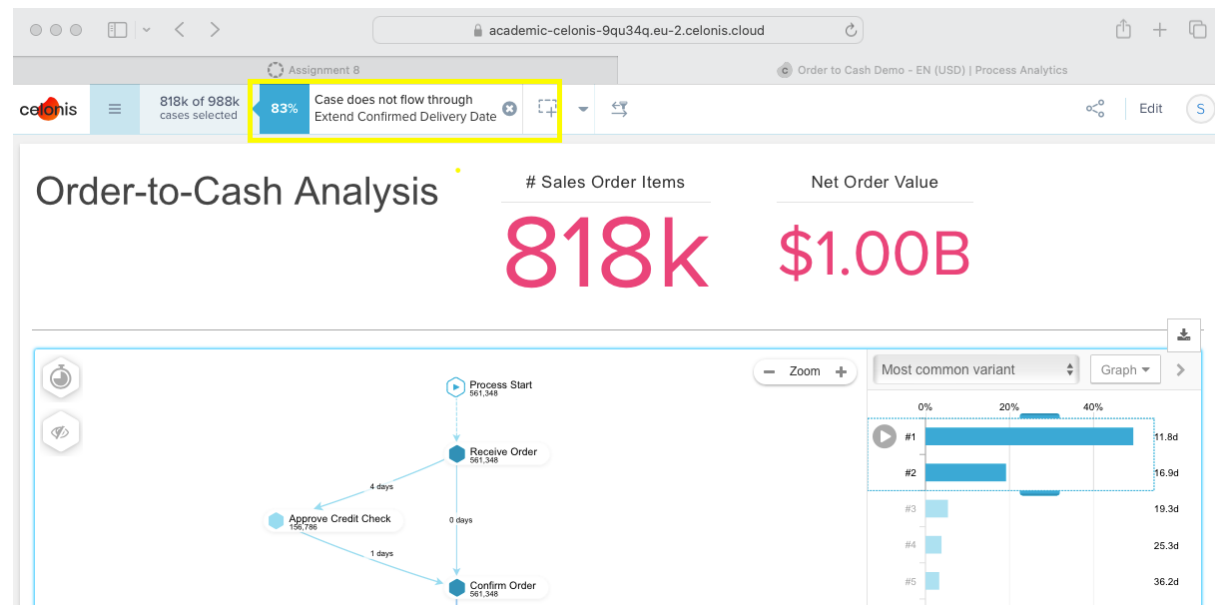


Fig 8: Extend Confirmed Delivery Date activity case filter

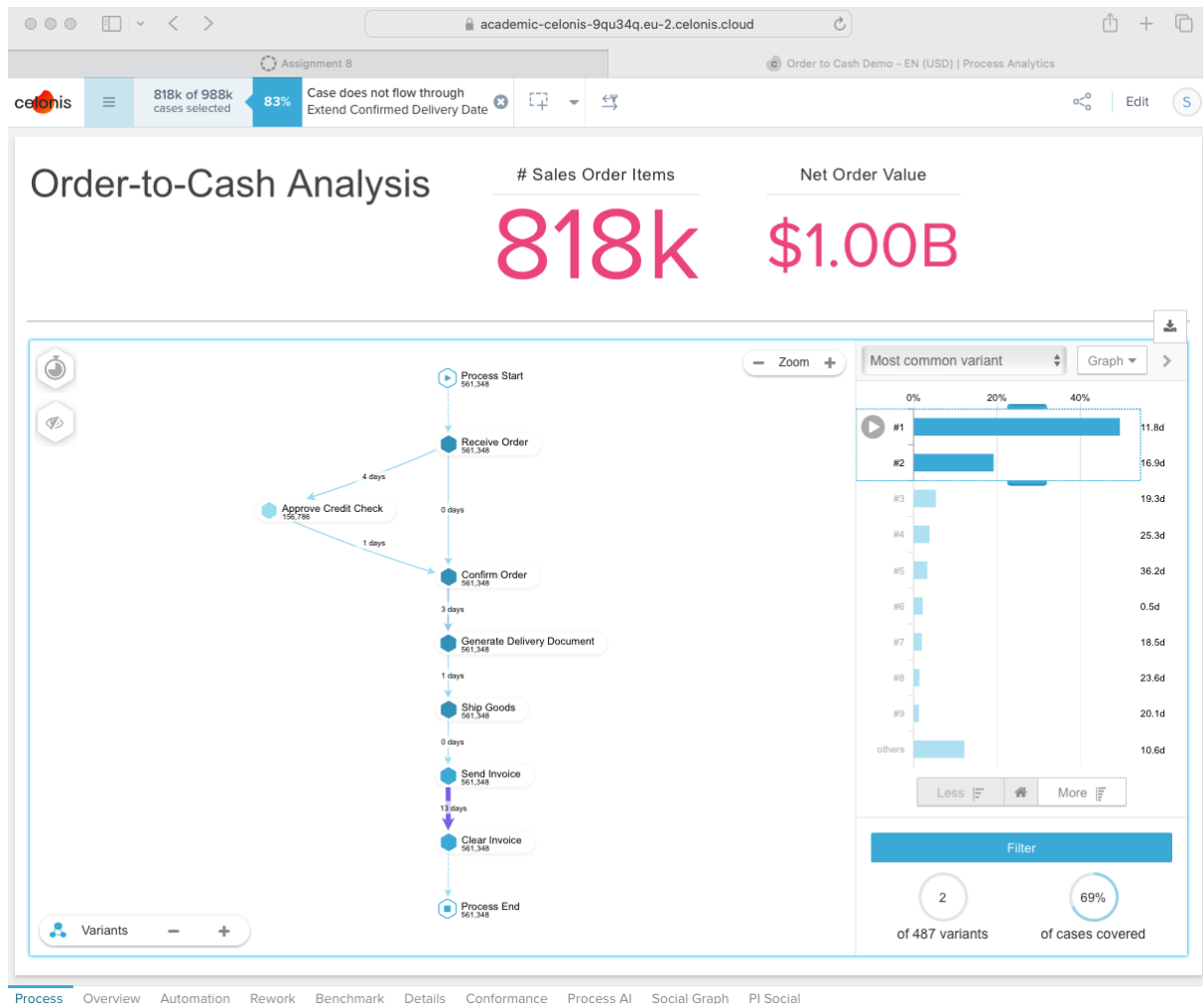


Fig 9: Process without taking Extend Confirmed Delivery Date

- When performing process analysis, we need to identify the activities that are classified as rework activities. An example of a rework activity is changing the details of a purchase order after it has been created. Rework activities might indicate inefficiencies or bottlenecks in the process. What are the activities in the O2C that you think are rework activities?

Identifying rework activities within the O2C (Order to Cash) process requires deeper context analysis, but based on the information provided, several potential candidates stand out:

1. **Correcting Incorrect Payment Terms:** If payment terms are frequently incorrect, it could indicate issues with order processing or communication breakdowns.
2. **Revising Billing Documents:** Frequent revisions to billing documents might suggest errors in initial documentation or challenges in aligning with customer requirements.
3. **Revising Sales Orders:** Multiple revisions to sales orders may signify misunderstandings or changes in customer demands not adequately captured initially.
4. **Revising Deliveries:** If deliveries often need adjustments, it could indicate challenges in inventory management, logistics, or order fulfilment accuracy.
5. **Correcting Customer Master Data:** Frequent corrections to customer data might imply issues with data entry, verification processes, or updates not being properly integrated.

Further investigation into these activities, their frequency, and the reasons behind them would provide clearer insights into potential inefficiencies or bottlenecks within the O2C process.

We can also find the list of Rework Activities in Celonis by going to Rework Tab.

Attaching the below screenshot where I have highlighted the Defined Rework Activities:

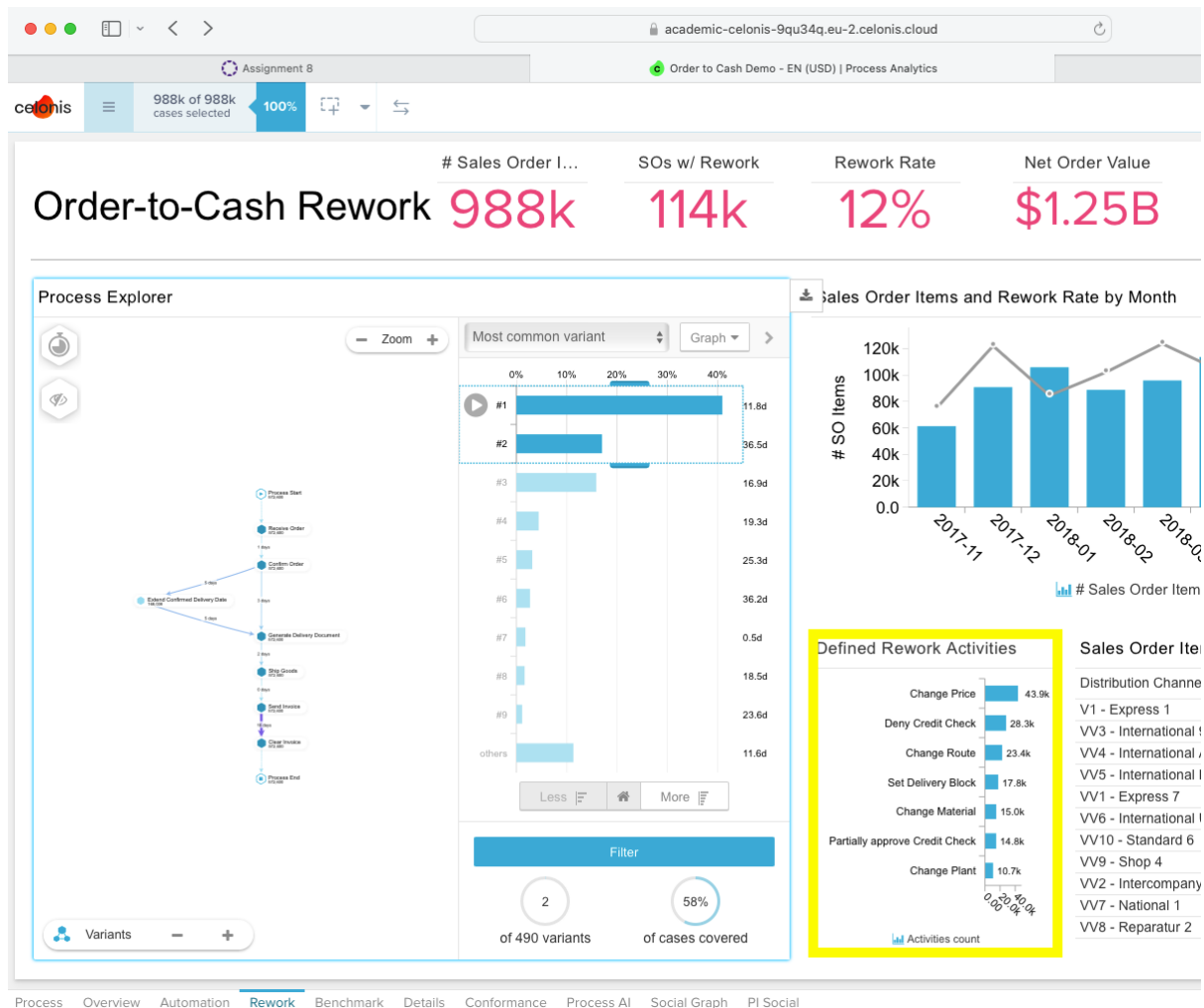


Fig 10: Rework Tab for Order-to-Cash Process

- **Discuss how credit check is performed according to the process variants generated from the provided process log. Are there any inefficiencies or bottlenecks in the credit check?**

To address this issue comprehensively, we'll conduct an analysis of the process variations derived from the supplied process log. Specifically, we'll focus on the "Check Credit" within the process model.

Upon examining the process variations, it becomes evident that the credit check activity occurs at different points in the process flow, depending on the version. In some instances, it occurs subsequent to the "Create Sales Order" action, while in others, it

follows the "Check Availability" activity. This variability suggests a lack of standardized procedure for conducting credit checks within the O2C process.

Furthermore, certain versions exhibit significantly longer durations for the credit check activity, indicating potential inefficiencies or bottlenecks. For instance, in one iteration, the credit check takes 19.5 days, far exceeding the typical processing time. This discrepancy highlights possible obstacles or procedural issues that demand prompt resolution.

In essence, a thorough analysis of process variations is imperative to identify and address any inefficiencies or bottlenecks associated with the credit check process. By enhancing the effectiveness and efficiency of the O2C process, we can optimize overall operations.