

### **Assignment 3 - Zuha Aqib 26106**

Ford BPR Class Assignment

1. Please read the document.
2. Please take the As-Is process, map it according to the data flows for each stage. Then define the data on the basis of which the payment is made.
3. Please take the To-Be process, map it according to the data flows with the new process, Then define the data on the basis of which payment is made.
4. Then write a paragraph on what the technology introduction did, the process reengineering as a consequence.

**APOLOGIES FOR THE ORDERING. I FIRST DID AS-IS BUT THEN WORD WOULDN'T LET ME INSERT ANYTHING AFTER THE FLOWCHART. SO, I HAD TO MAKE TO-BE BEFORE THE AS-IS AND THEN WORD WOULDN'T LET ME WRITE THE PARAGRAPH AFTER THE TO-BE FLOWCHART SO I HAD TO WRITE THE PARAGRAPH BEFORE THE TO-BE FLOWCHART. APOLOGIES.**

## PARAGRAPH

The introduction of technology completely transformed Ford's accounts payable process. In the old system, clerks had to manually match three separate documents - the purchase order, receiving report, and vendor invoice - which was slow, error-prone, and required hundreds of staff. By reengineering the process, Ford removed the invoice step and built a centralized database that automatically cross-checks purchase orders with receiving data. This eliminated redundant work, reduced headcount, and sped up payments. In short, technology did not just automate the existing steps, it forced a redesign of the process itself, making it faster, simpler, and more accurate.

TO-BE

## Purchasing Department → Creates Purchase Order (PO)

Issue a single source of truth (digital PO) that initiates the entire transaction and feeds into the database.

Data in PO:

- PO number (unique identifier)
- Vendor details (ID, name, address, contact)
- Item details (codes, descriptions, quantities, unit prices)
- Delivery terms (date, location, carrier instructions)
- Payment terms (net period, discount if applicable)
- Authorized buyer details
- Status field (open, fulfilled, closed)

Purchase Order

## Vendor → Ships Goods

Deliver products to Ford and tie shipment data directly to the PO in the database (no separate invoice needed).

Data included with Goods shipment:

- Shipment ID
- Packing slip referencing PO number
- List of items delivered (codes, quantities, descriptions)
- Delivery date and carrier details
- Vendor confirmation of dispatch

Goods

## Receiving Department → Logs Receipt into Database

Validate actual delivery and update the database in real-time.

Data captured electronically in the system:

- Receiving report number (auto-generated)
- Date/time of receipt
- PO reference number (from database)
- Items received (codes, quantities, condition)
- Exceptions logged (damaged/missing goods)
- Receiver's ID/user entry
- Vendor confirmation of dispatch

## Database → Central Source of Truth

Eliminate invoices and manual 3-way matching by letting the database automatically reconcile PO + Receiving data.

Data maintained in database (integrated PO, receiving, and vendor info):

- Original PO details
- Linked receiving data
- Outstanding balances or discrepancies
- Payment eligibility status (auto-calculated once goods received = goods ordered)

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## Payment Sent to Vendor

Complete the transaction quickly, accurately, and with minimal manual intervention.

Data in payment (electronic transfer or check):

- Vendor name/account
- Payment amount
- Reference to PO and shipment
- Authorization timestamp

Purchase Order

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↑ Payment

## Accounts Payable → Authorizes Payment

Accounts Payable no longer matches documents; instead, it simply executes payment once the system shows a valid match.

Data accessed by Accounts Payable:

- PO and receiving records (digitally matched)
- System-generated “OK to Pay” status
- Vendor banking/payment details

Payment data:

- Vendor ID and bank account info
- Payment reference (PO number, receiving confirmation)
- Amount due (calculated automatically: quantity received × unit price from PO)
- Payment date and method

**AS-IS**

## Purchasing Department → Creates Purchase Order (PO)

Formal request to vendor to supply goods under specified terms. Sends PO to Accounts Payable as well.

Data in PO:

- PO Number (unique identifier)
- Date of order
- Vendor details (name, address, contact)
- Item details (product codes, descriptions, quantities, unit price)
- Delivery terms (location, expected delivery date, shipping method)
- Payment terms (net 30, early payment discount, etc.)
- Authorized buyer name and signature

Purchase Order

## Vendor → Sends Goods + Invoice

Vendor supplies goods and requests payment for them.

Data in Goods Shipment:

- Packing slip / delivery note
- Shipment ID
- List of items delivered (codes, descriptions, quantities)
- Delivery date and carrier details

Data in Invoice:

- Invoice number (unique)
- Vendor details (same as PO)
- Customer (Ford) billing address
- PO reference number
- Item details (product codes, quantities, unit price, total price)
- Taxes, freight charges, discounts if any
- Payment terms and due date

## Receiving Department → Creates Receiving Document

Confirms that goods were delivered and logs their condition/quantity.

Data contained in Receiving Document:

- Receiving report number
- Date and time of receipt
- PO reference number
- List of items received (codes, descriptions, quantities, condition)
- Discrepancies (e.g., missing or damaged goods)
- Receiver's name and signature

Goods

Purchase Order

Receiving Documents

Invoice

## Accounts Payable → Performs 3-Way Match

Validate that goods ordered = goods received = goods invoiced before releasing payment.

Data handled by Accounts Payable:

- Copy of PO (from Purchasing)
- Receiving document (from Receiving)
- Vendor invoice (from Vendor)

Matching process:

- Compare quantities: ordered vs received vs billed
- Compare prices: PO vs Invoice
- Confirm vendor and PO numbers match
- Check delivery date compliance

## Payment Issued

Final step: vendor is compensated once all documents align.

Data in Payment (check or bank transfer):

- Payee/vendor name
- Invoice number(s) being paid
- Payment amount
- Date of payment
- Payment method (check, ACH, wire transfer)
- Authorization signatures