

## **Adam's Office Furniture**

*Part 1 – Documenting “As-is” Process*

Group Number: W-13

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## **1. Introduction**

Adam's Office Furniture refurbish pre-owned high quality office furniture from Ontario and resell it at competitive prices. The internal business environments organizational structure consists of multiple departments, all reporting into the general manager. The accounting clerk and computer administrator both report directly into the General manager. The mailroom clerk and the sales consultants both report into the sales manager who then report in the general manager. Finally the production employees and shipping clerk report into the production supervisor who reports into the General manager. The company currently operates at 100% capacity, and does not have the ability to process any more than 20 orders per day. Each department is not directly in contact with each other, but there are the picking tickets that are sent through each department.

The processes of Adam's Office Furniture consists of the order entry process as well as the shipping process. The order entry process is where the customer account is made and the order is placed with a sales consultant. The shipping process is where the item's shipping label is printed and the item is shipped to the client.

## **2. Existing Business Process**

## 2.1. Business Project Description

The business process that are being examined are crucial to the organizational goals of Adams Office Furniture. The order entry and shipping processes allow Adams Furniture to receive and process orders which are their main source of income. The series of steps from when a customer initially calls to place an order to when the shipment of items actually leave the shipping warehouse is extremely important, if one department or one employee inputs or reads the wrong information, the whole order can be interpreted wrong and can in turn disrupt the whole order. One of Adam's Office Furniture's goals is to ship their items in a reasonable time frame, the order entry and shipping process is the main reason that the items can be shipped quickly, the faster the processing of the order, the faster the orders can be shipped and delivered to the customers. With an average order of \$1500 and 20 orders per day, these processes help generate an average of \$30000 per day in revenues. This Revenue would not be generated if not for the processing and order entry of Adams Office Furniture.

Order entry and shipping processes are central to the strategic advantage of Adams Office Furniture. Any company that ships their products out to their customers must have an extremely diligent and solid flowing order entry system that flows directly into their shipping department. It is extremely important because without a good order entry system the orders can cause disruption and confusion. Without a good shipping department the orders can be shipped to the wrong address or be extremely delayed, which would be a disadvantage to the company because their competitors might be able to ship at a faster rate. Having a fast order processing system can be an extremely important competitive advantage to companies because in today's society everyone wants their products as soon as possible and they would be willing to pay more for a faster delivery date, therefore if a company can deliver the products extremely fast without

charging them extra for the expedited delivery this would attract a huge customer base. In conclusion the Order entry and Shipping processes are central to the competitive advantage of Adams Office Furniture because it allows for fast delivery time and it allows the right products to go to the right customers which is crucial to keeping a loyal customer base as well as attracting new customers.

The output of Adam's Office furniture is the amount of pieces of furniture that the company can refurbish and put up for sale on their website. The output also depends on the amount of sales the company receives and how fast they can ship out these orders. The points of contact with the customer occurs at multiple points of the processes of the business. It first occurs at the Order Entry process when the customer calls to place an order with the sales consultant. At this stage the sales consultant either creates a new account for the customer or uses an existing one to place an order. If a new account needs to be created, the consultant takes the information about the new customer, inputs a credit card, and provides the customer with an account number. The next point of contact is when the mailroom clerk prints the customer acknowledgement and mails it to the customer for their order. The final point of contact is with the courier when their item is being delivered

The company's current market segment is targeted toward businesses and customers looking for various types of office furniture at a competitive price. Their current operations strategy is to operate at 100% capacity to try and maximize revenues. They currently cannot exceed their 20 orders per day, and overtime for employees are not permitted.

Based on the information system portion of the business process, below is an overview of typical business events and reports produced:

### **Customer calls to place order**

Customer calls, sales consultant answers the call.

If customer has account:

1.1 Sales consultant enters account number

1.2 Inputs requested items,

1.3 The computer compares the total amount of the order to the available credit to ensure that the purchase does not exceed the credit amount limit

If customer does not have an account:

1.1 Sales consultant collects the required information of the customer

1.2 Verifies their credit

1.3 Establishes an account and provides the customer with their account number

### **Customers order is entered**

2.1 Customers request is entered into the sales event data store

### **Confirming the order**

At the end of the day:

3.1 Sales event data is reviewed by the sales manager

3.2 Sales order is created in the master data store

3.3 Inventory is allocated to the sales order number

### **Acknowledging the order to customer**

The next day:

4.1 A mailroom clerk prints customer acknowledgement and mails it to the customer

## **Production**

- 5.1 Picking ticket (with order details) is printed in production department
- 5.2 After production (completed) picking ticket and requested items are forwarded to the shipping department

## **Shipping**

- 6.1 Shipping clerk keys in the items being shipped
- 6.2 Computer displays the shipment data
- 6.3 Shipping clerk accepts input

## **Computer updates are made**

- 7.1 Computer updates the sales order
- 7.2 Computer updates inventory master data
- 7.3 Computer creates a record for billing in the “billing-due” data store
- 7.4 Computer creates prints a packing slip
- 7.5 Computer prints bill of lading on a printer in the shipping department

## **Product leaves facility**

- 8.1 Shipping documents and the goods are given to carrier for shipment to the customer

There is typically 5 business events recorded every day with each order coming in, these events include: updating sales order, updating inventory master data, creating a record for “billing due”, printing a packing slip and printing the bill of lading

Based on the above business process, the company is operated 240 days during the year from 9am to 5pm. The company processes on average 20 orders per day, each order totaling approximately \$1500. Of the \$1500, 60% is costs of goods sold, leaving approximately \$600 per order of revenue, giving an average of  $(600*20) = \$12,000/\text{day}$ .

In order to have complete and successful operation every working day throughout the year, Adams Furniture, needs to have employees working throughout the year on a salary based income, which is shown in the chart below:

General Manager	120,000
Accounting Clerk*	70,000
Sales Manager*	100,000
Production Supervisor*	100,000
3 Sales Consultant**	50,000 * 3
Mailroom Clerk**	30,000
3 Production Employee***	60,000 * 3
Shipping/ Receiving Clerk***	60,000
Computer Admin*	80,000

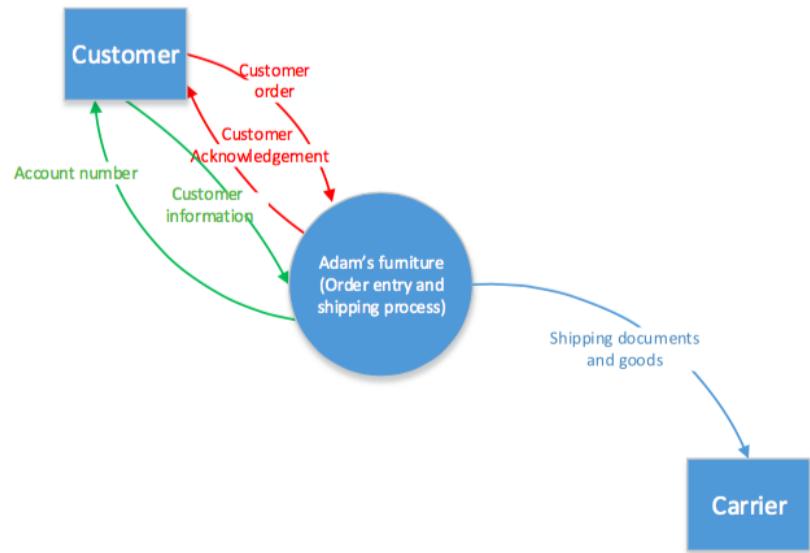
## 2.2. Diagrams and Flowchart

Prepare a documentation that describes the client company and the business process under review.

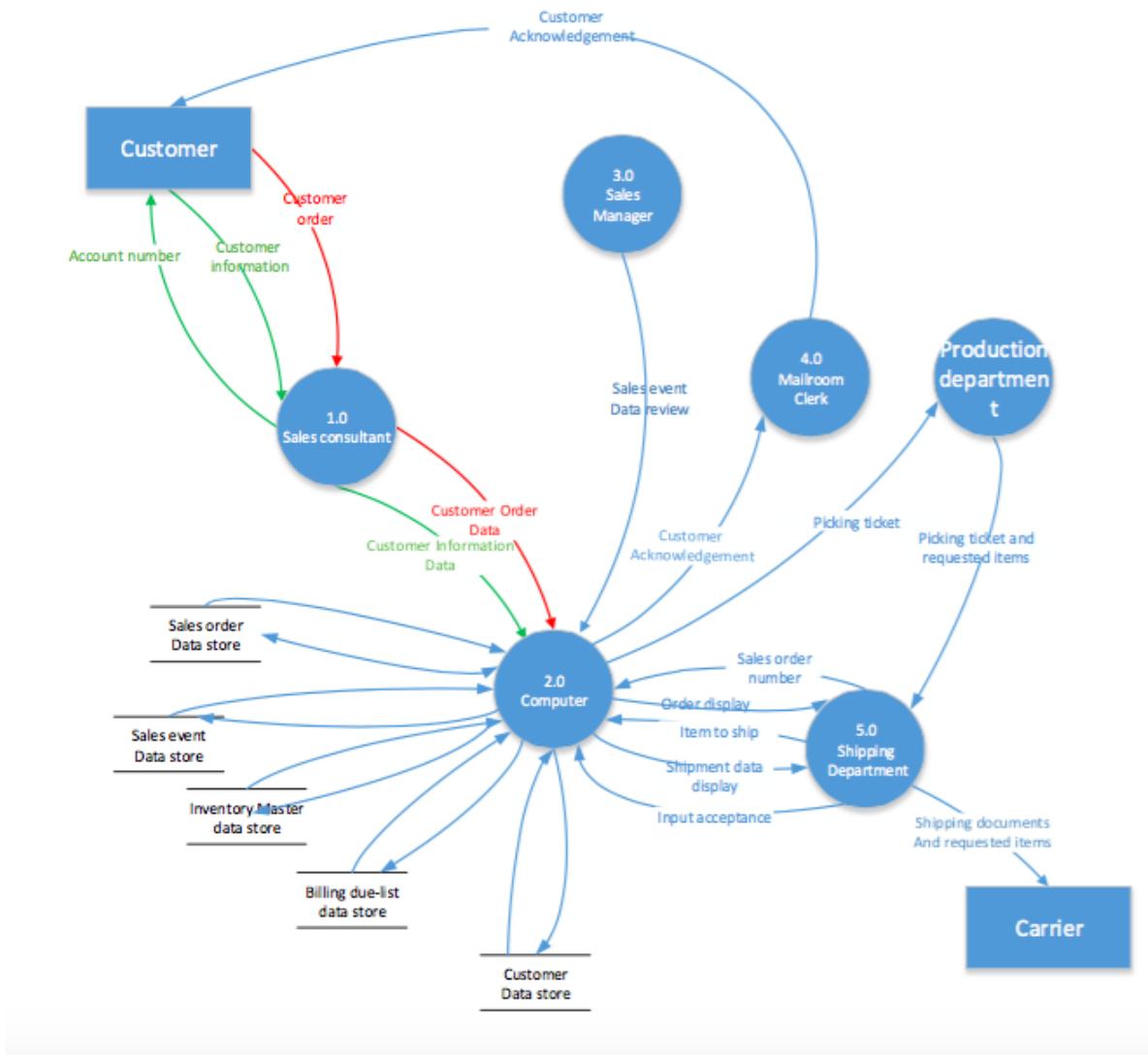
### 2.2.1. Data Flow Diagrams

Prepare Context and Physical DFD.

### Adam's Furniture Context DFD



### Adam's Furniture Physical DFD



## 2.2.2. Flowchart

