

Adam's Office Furniture

Part 2 & Part 3

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Part 2 - Developing “To-Be” Process

1. Review of the Existing Business Process

1.1. Assessment of existing process effectiveness, security of information/ resources and validity/completeness/accuracy of information.

Goals of The Order Entry / Sales Process

GOALS		Levels of Achievement
1	Timely acknowledgement of the sales order	Although the existing system achieves this goal by a certain degree, it still takes anywhere from 1-8 hours before the sales order can be reviewed and created in the database before the production tasks can begin. This delays the shipment considerably.
2	Assurance of customer creditworthiness	Customer’s credit limit is checked when the customer calls in to place the order. This makes sure that the order price falls under the preauthorized credit limit. However, the credit limits are not up to date. This is caused by the lack of synchronization throughout the system; Customers history is not updated instantly, and therefore customer could be granted credit based only on information that excludes recent behaviour
3	Timely shipment	Shipment data is entered in shipment department, which makes the shipment timelier. However, it takes a long time before the items can be arrived at the shipping department.

EXISTING & MISSING CONTROL PLANS (Refer to annotated flowchart on next page)

EXISTING

P-1 – Enter data close to the location to where customer order is prepared

Effectiveness goals A and C: Sales consultants key in the order into the computer while they are on the phone with the customer. This ensures that customers receive timely acknowledgement that their order has been recorded into the database.

Sales order input completeness and input accuracy: Direct order entry with the customer on the phone provides both completeness (by decreasing the chances of the orders getting lost) and accuracy (by making sure that the inputs are correct by verifying with the customer instantly)

P-2 – Populate input screens with master data

Efficient employment of resources: using the master data to populate the input fields means less data entry for the consultant. This means data on the databases are automatically filled, and there are less errors to be made and time is also saved

Sales order input accuracy: Fewer inputs by consultants improves the accuracy of data entry

Sales order input validity: Only orders for existing customers can be recorded into the database. This alleviates the risk of placing orders for unauthorized customers.

P-3 – Compare input data with master data

Security of resources and sales order input validity: Sales consultant compares the customer number and name given to the computer display, which ensures that the orders are placed only for customers that exist within the organization.

Customer credit check: Customer's credit limit is checked on the customer master data. By only providing credits to customers that have maintained a good credit history, the company reduces the chances of not receiving payment from these customers

Security of resources: Terminating the process of order placement for not having enough credit ensures that the organization protects its resources by dealing only with customers who have demonstrated an ability to satisfy their liabilities.

Sales order input validity: Only orders that satisfy the credit check and fall within the credit limit are authorized. This contributes to order input validity.

P-5 – Enter shipment data in shipping

Efficient employment of resources: By entering the shipment data in shipping, resources are more efficiently used than they would be if office warehouse, Inc. sent the shipping notices to a separate data entry function

Sales order input validity: The entry of the shipment is undertaken by shipping clerks who, presumable, are in possession of goods that will actually be shipped.

Sales order notification input completeness and input accuracy: By entering the shipment data in shipping, the shipment data should not be lost (completeness) and should be accurately input by personnel familiar with the event who can correct any input errors on the spot

P-6 – Independent shipping authorization

Security of resources: to provide security over merchandise inventory, the shipping department has an independent authorization – the record on the sales order master data to ship inventory to a customer

Sales order notification input validity – to ensure the validity of shipping notices, the shipping department has an independent authorization – the record on the sales order master data to record shipment

P-7 – Confirm input acceptance

Sales order notification input completeness: the computer informs the user that the input has been accepted and recorded

Sales order master data update completeness: We also have an entry in the UC column of the control matrix for the shipment data input because the clerk is informed of the acceptance after recording of the input and update of the master data, which occur concurrently

MISSING

M-1 – One-for-one checking of goods, picking ticket, and sales order notification

Security of resources:

Sales order notification input validity and input accuracy:

M-3 – One-for-one checking of the packing slip and the goods

Sales order notification input validity, input completeness, input accuracy:

Sales order master data update completeness, update accuracy:

1.2. Assessment of existing process efficiency.

Next annotate the existing flowchart and prepare the following table:

[CHART]

