



## NSW Credit Card Purchase Request Process

### Introduction

When it comes to keeping mission critical assets operational and on the battlefield, the Naval Special Warfare Command (NSWC) makes every effort to keep material lead-time down and readiness at top speed. In the past, this meant lots of spare parts at the ready and lots of muscle to plow through any obstacle. Today's fast pace of mission operations, global reach and fiscal (budget) downsizing does not allow for stockpiles of spare assemblies. NSWC recognized the need to streamline its work flow and reduce the procurement lead-time. Nowhere is this more prevalent than at Naval Special Warfare Group 4 (NSWG4), where specialized boats and equipment are deployed around the world combating terrorism. The main question logisticians and supply people face every day is, "Where's my stuff?"

Fast paced operations lead to more frequent maintenance and repair actions on NSWG4's various types of boats and watercraft. Keeping up with critical demand for spare engines, navigation equipment and other parts depends on accurate information and a smooth flow of information from the wrench turner to the parts warehouse to the buyers to the vendors and back to the warehouse; your basic supply chain model. But, what happens when a parts requisition stalls in the approval process? Well, unless you know soon enough, the worst of all scenarios—a critical boat is out of commission...and readiness is compromised.

We all know the fastest method to make a purchase today is the credit card. Ask yourself, "In your everyday life, when do you not use a credit (or debit) card?" Boat maintainers, technicians and operators rely on quick response when parts are needed. They fill out the request, give it to their boss and think the parts are already on order. But, there's another group of key individuals that are involved in the requisition process.

NSWG4's financial managers, credit card holders, technical editors, and ultimately, the customers experienced several challenges and hurdles during the purchase requests for goods and services through the use of their credit card purchase process. The major challenges NSWG4 experienced with the credit card purchase process was due to the lack of visibility, standardization, a "forcing function" and accountability which ultimately impacted customer service and potentially the mission of the organization.

Within a 6 month time-frame, RF Logistics LLC (RFL), in concert with the HandySoft Corporation, designed, developed and delivered into production the BizFlow software application. BizFlow is the Handysoft Corporation's automated business process workflow solution. BizFlow was the solution to streamlining the NSWG4 credit card purchase request process. BizFlow also addressed deficiencies identified during NSWC's Lean Six Sigma and Kaizen process improvement events. RF Logistics translated the deficiencies into a business requirements document which served as the blue-print to configure the BizFlow application, now called the Special Warfare Information Fast Tracker (SWIFT).



## Challenges

The first challenge was the lack of visibility with a credit card purchase request. Often, the customer did not know the status of their purchase requisition. This “unknown” variable included not knowing where the purchase request was in the approval chain; whether or not the request was actually approved; if the purchase request was approved; and what was the anticipated receipt date of the goods and services. The end result was a great number of phone calls and emails to the credit card holders and other “approvers” who themselves often did not know where in the approval chain the purchase request(s) resided.

A second challenge encountered by the NSWG4 staff with the credit card process centered around the lack of standardization and adherence to checklists. This deficiency translated into format inconsistencies and partially complete purchase requests. Without upfront checks or edits during the initial submission of the purchase request, required justifications and attachments and vendor quotes and/or training vouchers which should be included by the requestor, were frequently missing. The absence of standardization throughout the process resulted in delays, mounting frustrations, poor customer service, and potential impact to the operational capability of the organization.

A third challenge faced by the participants in the credit card purchase process was the lack of a “forcing-function” to galvanize and instill a sense of urgency within all parties to take the appropriate action within an allotted amount of time based on their role and responsibility in the process. As often is the case, with a paper-based process, documents are routed and couriered from office-to-office, date and time stamped, recorded into a tracking log and then physically placed into an approver’s in-box for review and processing. The obvious impediments for this process consist of not only the manual steps involved, but time and knowledge processing gaps primary staff are out of the office.

A fourth challenge compounding this manual process was the lack of a process scheduler as well as some benchmark processing time expectations to approve credit card purchase requests. This lack of established metrics resulted in varying degrees of purchase request completion time-frames.

The fifth challenge was a lack of accountability during the approval and sign-off activities throughout the purchase request process. In the case of those “special” item type requests that fell into ADP or HAZMAT categories, approvals were regularly absent from those respective departments. This too added to further delays as the credit card holder could not approve the purchase request for those items without the appropriate approval and sign-off from those departments.

The failure to correctly submit a complete purchase request with the appropriate justification and documents at the beginning of the process, as well as obtain the necessary approvals and signatures often resulted in creating tremendous “downstream” pressure for short-turnarounds and approvals on the back-end of the purchase request process. The lack of accountability for these incomplete requests or approval by-pass activities further adds to frustration and delays.



## Solution

Understanding the end-to-end process required RFL to conduct several Lean Six Sigma Kaizen events among all the NSWG4 participants in the credit card purchase request process. This included the initiators of purchase requests, department heads (DH), action officers (AO), technical editors, buyers, finance analysts, shipping and receiving staff and audit personnel. The purpose behind the inclusion of all of these participants was to ensure that the credit card purchase request process is properly configured within Handysoft's BizFlow Business Process Management tool and would address the requirements and approvals of each respective contributor. The end result was SWIFT - a Lean Six endeavor of constant process improvement, that brought order to a cumbersome and unwieldy process. The SWIFT BizFlow application addressed each of the challenges which were pervasive throughout the credit card purchase request process.

Purchase requestors, approvers, buyers and managers all needed visibility into the purchase request process in order to support their customers with the timely ordering and receipt of goods and services to support the mission of the organization. Not having any visibility often culminated in frustration, inefficiency and delays that only heightened the need to address this challenge through BizFlow. SWIFT makes use of the BizFlow monitor features where graphic icons display all of the approvers in the purchase request approval path. The initial purchase request user interface screen is populated with the user's profile information (e.g. dept, phone number, email etc.) and upon completion of pertinent purchase information, is assigned a unique requisition tracking number similar to a FEDEX or UPS tracking number. As the request is routed through the various approvals, the user initiating the request can look online and see at what stage (i.e. reviewer) the purchase request is in the process. This visibility can be monitored through either the graphic icons that represent the approvers or via an activity table depicting the date and time stamp of the submission for approval and the date and time stamp of the actual approval. Having User community visibility and monitoring capability does not eliminate all of the phone calls and emails seeking a status on the purchase request but it does ameliorate much of those communications.

The introduction of the BizFlow tool required the standardization of workflow processes, activities and forms that are familiar to the users. This required RFL to elicit all of the activities and the corresponding participants' roles that are involved with the credit card purchase request process. This is a crucial component of the requirements analysis and resulting business requirements document that is necessary prior to any automation, forms creation and configuration within BizFlow. This comprehensive review and analysis provided an opportunity to scrutinize each activity and their related steps for areas of improvement and/or elimination. Standardizing the credit card purchase request processes and activities eliminated the inconsistencies experienced with the paper process. The standardization of this process greatly improved process cycle times.

BizFlow also has a "forcing-function" where once a purchase request is created and submitted, an email notification is sent to the next reviewer in the process path for approval and a scheduler or clock is triggered for the allotted time established for the next activity. The email directs the reviewers to log into BizFlow and review their "worklist" and review the purchase request(s) that require action. In the event that the next-in-line reviewer is out of the office, another approver can be delegated to act upon



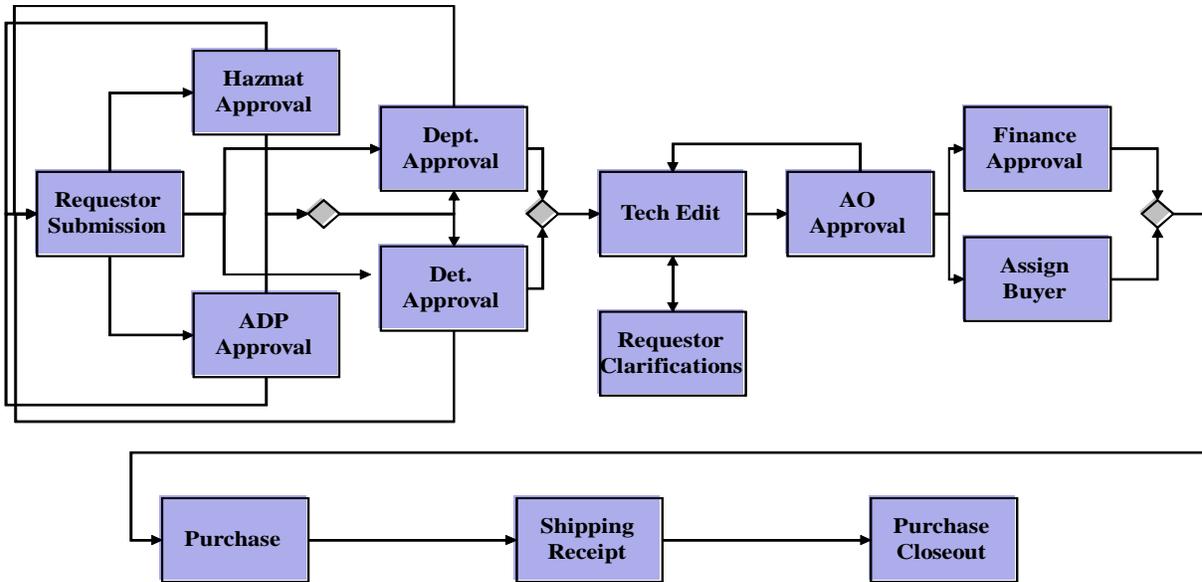
the purchase request. As the NSWG4 users became more comfortable and knowledgeable with the process, the approval process times decreased considerably.

BizFlow also provides oversight and accountability throughout BizFlow from the tracking number to the other monitor features. The electronic mail notification and scheduler functionality is directed to the specific user(s) such that they must act upon the purchase request within a given time-frame or the request is elevated to that user's supervisor. Additionally, those "special" item purchase requests that fall into required ADP or HAZMAT approval categories now have specific approval paths for routing. There is also the ability to view the defined set of reviewers and approvers that are identified beside each activity. Moreover, in the event that a purchase request lacks the appropriate justification and/or documents at the beginning of the process, the next-in-line reviewer can return the request immediately to the requestor with the comments pointing out why the request is incomplete and not ready for approval and what actions are necessary prior to future approval. This accountability relieves the "downstream" pressure for short-turnaround reviews and approvals previously experienced on the back-end of the purchase request process. All of this accountability contributes towards getting the process "right" at the beginning stages by eliminating the defects to ensure the reviews and approvals are moving through the approval path towards a successful purchase.

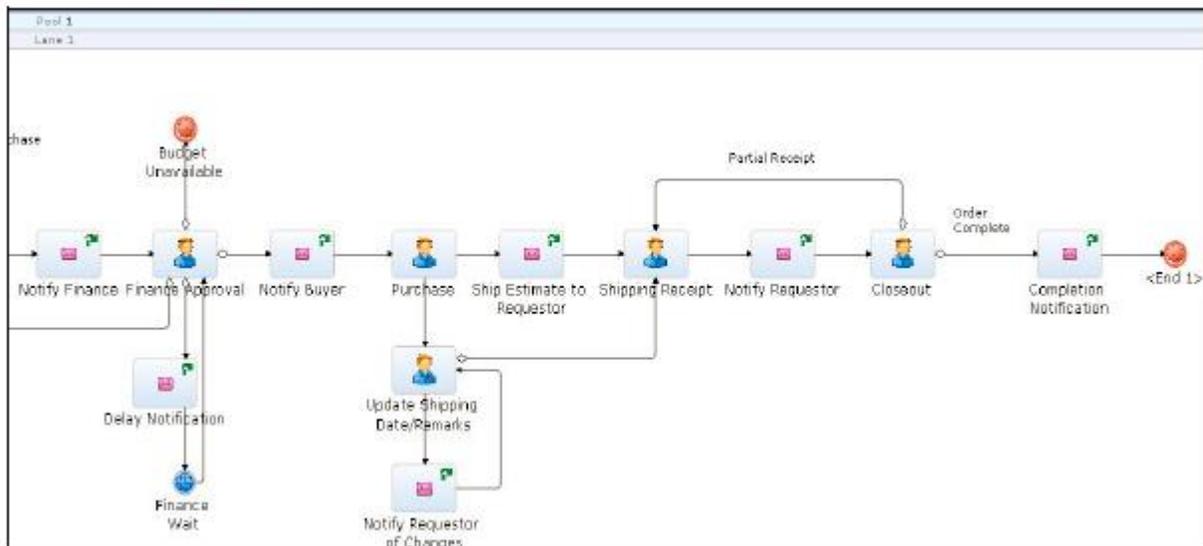
## Conclusion

Special Warfare Information Fast Tracker (SWIFT) created using the BizFlow workflow tool provides a standardization of best practices associated with the credit card purchase request process that was lacking at NSWG4. This was accomplished after analyzing the business processes and developing customer user screens and forms that were familiar to the users who actually execute the purchase requests. Standardization provided edits and checks at the initial stages of the purchase request to ensure the appropriate documents and justifications were included, eliminating delays and inefficiencies on the back-end of the process. Through the use of email notifications, the users are now notified of pending purchase requests and can act upon those requests within a given timeframe, or additional notifications are triggered. This "forcing function" serves as a galvanizing mechanism for all the relevant users to execute a purchase request – and in a timely manner. BizFlow delivers total process visibility, status checks, deadlines, document retention and audit trails so that there is total transparency of a purchase request and accountability, identifying who is doing what, when, and why. Through the use of the BizFlow reporting tool, dashboards and scorecards are developed to measure performance and efficiency gains as well as standard audit and credit card reconciliation reports.

The diagram below illustrates the NSWG4 Credit Card Request Process Flow.



Below are the actual BIZFLOW screens displaying the Credit Card Tracking and Log Process Flow.





## About RF Logistics

RF Logistics is a VA-certified veteran owned, small business dedicated to bringing process improvement to the workplace. We focus on business process re-engineering and automated data operations for logistics and warehouse management, business & office management, and asset visibility at all levels of an enterprise. RF Logistics began in 2003 as an independent industry analyst and architect of data collection solutions in various phases of automated identification and data capture (AIDC) technologies – such as barcodes, contact memory, radio frequency data capture (RFCD) – as well as automated information technology (AIT) equipment.

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## About HandySoft

HandySoft is the leading global provider of business process management software and solutions known as BizFlow®. HandySoft is the first in the industry to seamlessly integrate and automate both formal processes and ad-hoc tasks to drive visibility, control and productivity across all work that happens within an organization. With BizFlow®, process participants – executives, managers, knowledge workers – are assured of visibility into and control over process execution to vastly improve productivity, quickly adapt to changes in their business, and ensure compliance.

With the experience gained from supporting more than 600,000 users worldwide, HandySoft can help all types of organizations accelerate their business transformation objectives through process automation, optimization, and sustainment. HandySoft's dedication and achievements in innovation can be seen through the Company's consistent receipt of industry praise. For five recurring years HandySoft has maintained its standing as the *Workflow and Reengineering International Association (WARIA) Gold Prizewinner*, received in recognition of the Company's global excellence in Workflow. In addition, for several consecutive years, HandySoft has also retained its standing as one of the Top 100 Companies That Matter in Knowledge Management (KM).

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