Questions for Accounts Payable at Rockwell Collins

You are given a partial VSM for the Accounts Payable Process. It includes average processing times and volumes, but does not include information on capacity utilization.

Prepare answers for questions 1-4 before class tomorrow.

1. How much time in processing does an average item take once it reaches an analyst in AP? Do not include waiting times in queues ---just include actual time spent processing.

2. Compute the workload in minutes per year for the entire team of accounts payable analysts.

3. Compute the available work time in minutes per year for the entire team of accounts payable analysts. Assume that analysts normally work a 5 day week with time off for holidays and vacations in addition. What is the average analyst utilization?

4. What percentage of the analyst capacity is consumed by working on erroneous PFR items? On sorting out PFR items?

Questions 5-7 will be covered during the Accounts Payable Module

5. What is the impact on total flow time of saving the time spent sorting out PFR items & processing erroneous PFR items?

6. What do you think the RPI team might come up with as an idea for reducing the time spent sorting out PFR items?

7. What might the RPI team might come up with as ideas for reducing the amount of time spent responding to vendor queries? Specifically consider the impact of the high PFR error rate and how that error rate might be reduced.

Question 8 will be answered during the Lean Implementation module

8. Suppose you are the RPI team leader and have to report back to Joanie. What will you recommend?