

Process, Efficiency and Effectiveness – Make it happen

Session: Making the Most of Today's Technology

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Today many organizations are faced with added regulations which are a business requirement. These regulations have increased with the inception of Sarbanes-Oxley. Because of these regulations it has become very important to document your business processes. This change in the business environment coupled with the limited number of employees available to do the same (or more) functions as before, has made it very important for us to utilize the tools at our disposal. By using these tools and understanding our processes we can gain efficiency by integrating with our processes. When you successfully integrate processes the information becomes more effective.

You gain effective use of the information when:

1. You no longer enter the same information into disjointed systems.
2. You allow information to flow easily from one process to the other.
3. You create better notification tools that allow you to be proactive instead of reactive.
4. You increase the accuracy and timeliness of the information.

How do you go about integrating the information to create efficiencies and create effective use of the information?

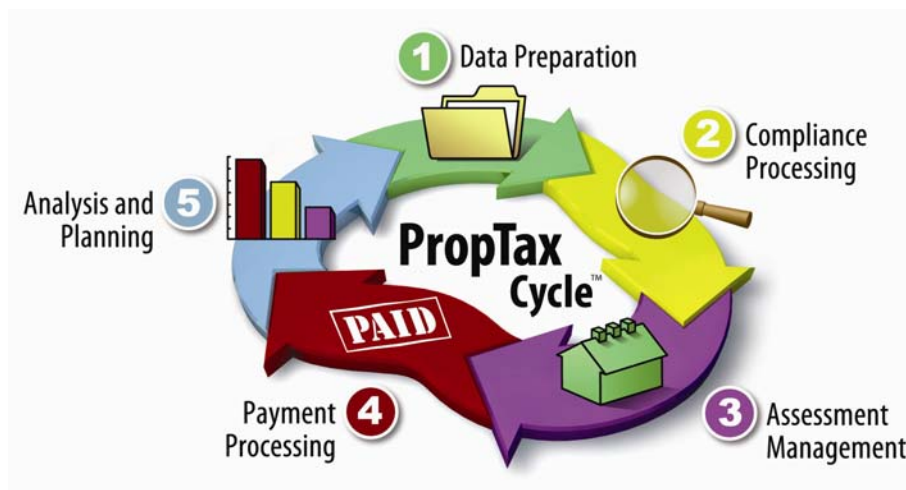
1. Define and map out your process.
2. Determine what areas of the process can benefit from technology.
3. Determine what systems hold the information.
4. Determine what technology can help you integrate the information in the process.
5. Test your solution for reliability and accuracy.
6. Document the solution.
7. Train support personnel and the process users.

Define and map out your process.

Defining your process is an important step in creating efficiencies and effective use of information. Let's explore what is required to define a process map and develop a process flow. The easiest way to begin is to define your overall goal for the process which will be mapped out.

Start by asking by asking the obvious question "What is my process?"

This should be a one or two paragraph statement which briefly describes what the goal or mission of the process will be. From the mission statement break the process into big buckets and display them graphically. One of the easiest ways to comprehend information is through the use of Visual Learning. This fact is also true with mapping out a process. An example of a big bucket or high level graphical flow chart can be seen in the illustration below. This is a visualization of the property tax cycle.

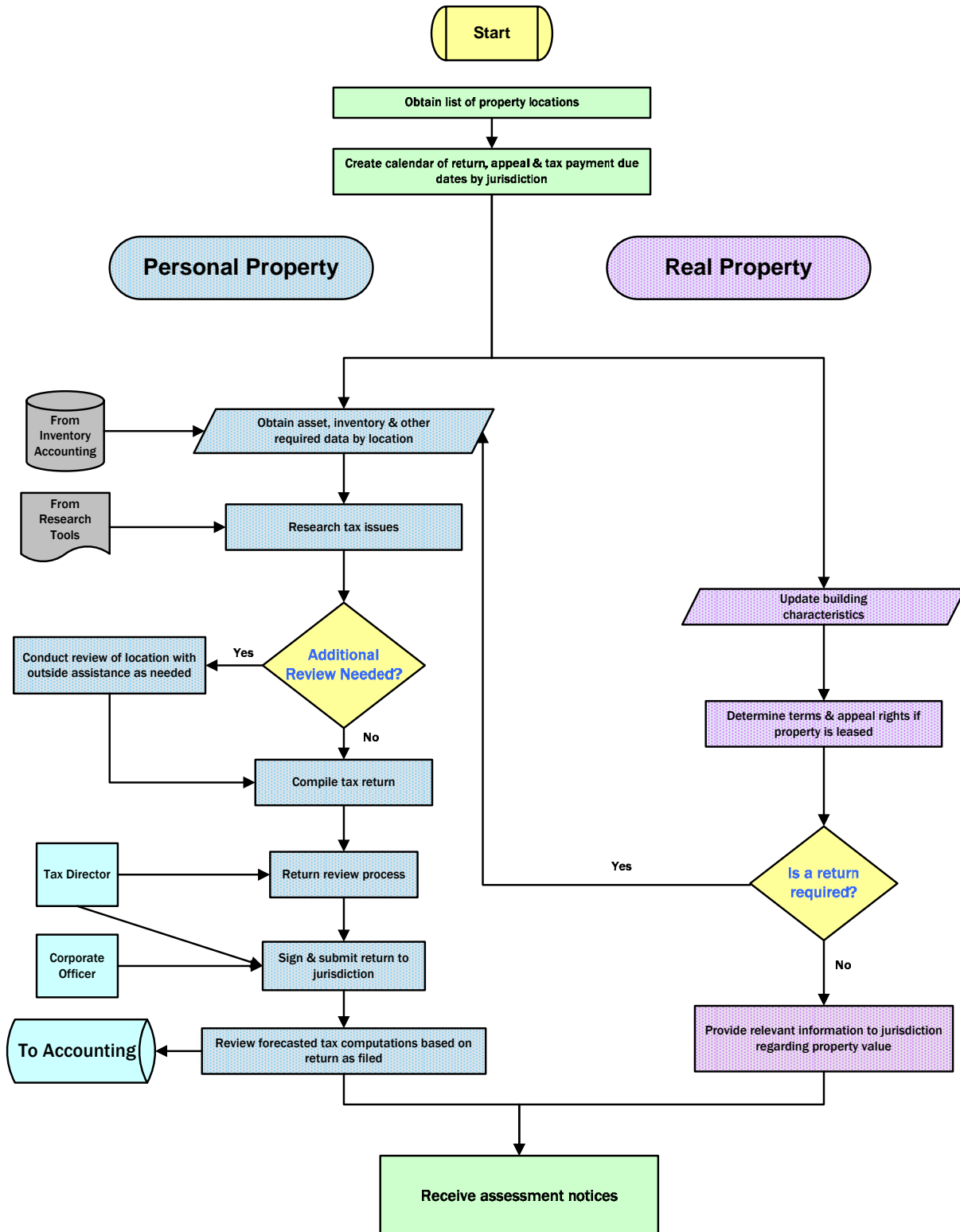


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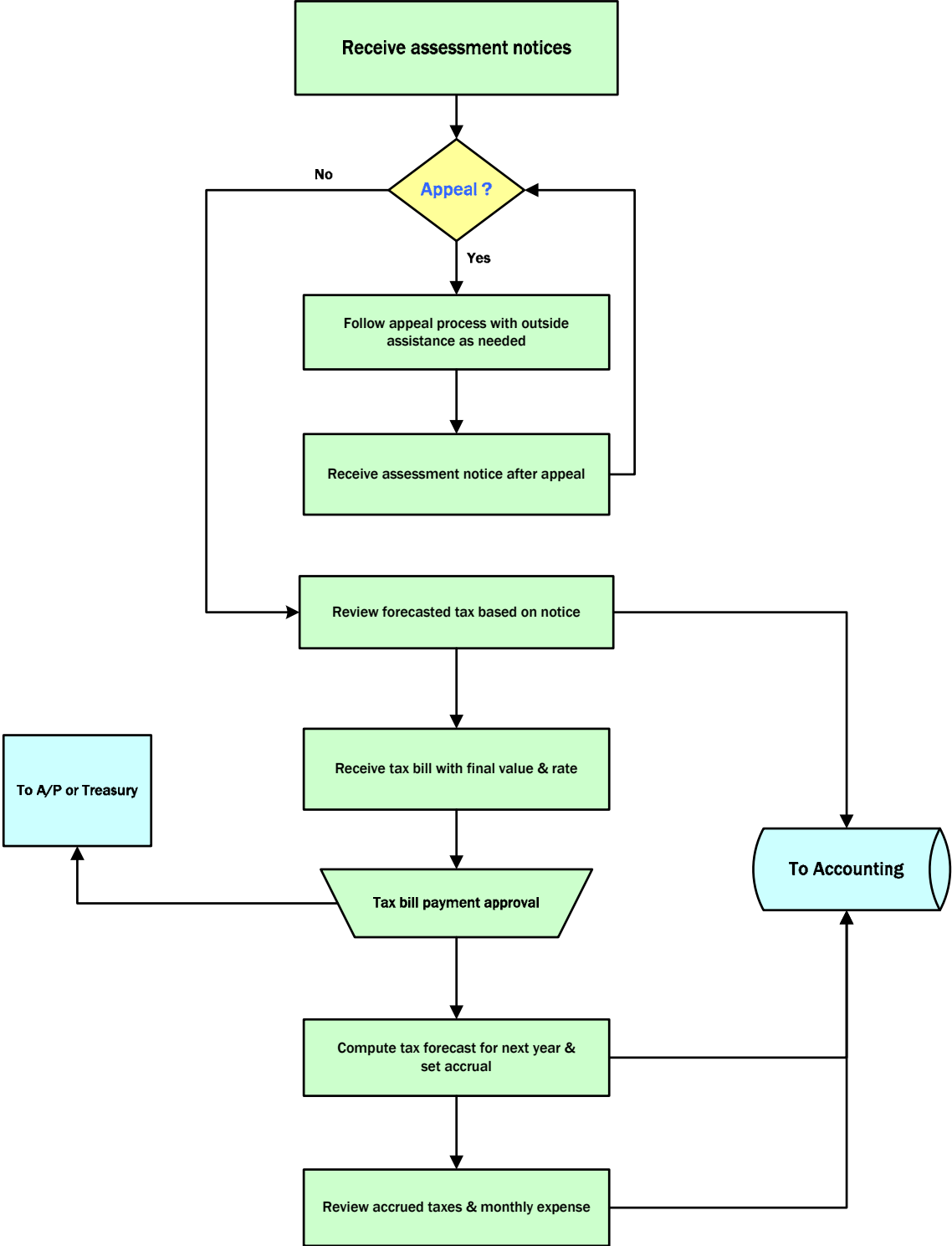
Each major step can be defined further as in the below example.

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|--|---|
|  <p>1 Data Preparation</p> | <ul style="list-style-type: none"> ▪ Obtain location, fixed asset, inventory & other necessary data ▪ Review location changes and verify ▪ Review asset changes and verify |
|  <p>2 Compliance Processing</p> | <ul style="list-style-type: none"> ▪ Establish reporting calendar ▪ Determine reportable property – assets, inventory, other ▪ Classify assets according to statutes and regulations ▪ Prepare returns using software ▪ Submit returns for signature with prepared mailing package ▪ Create file with reconciliations & calculation of expected value |
|  <p>3 Assessment Management</p> | <ul style="list-style-type: none"> ▪ Receive personal property notices & compare with expected value ▪ Receive real property notices & compare with value opinion ▪ Reconcile administrative differences with jurisdiction ▪ Negotiate value adjustments, filing appeals if warranted & approved ▪ Determine tax savings opportunities – PPRA, Real Property Reviews, Asset Life Studies |
|  <p>4 Payment Processing</p> | <ul style="list-style-type: none"> ▪ Receive tax bills and confirm calculations ▪ Record payment information in software & establish payment calendar ▪ Prepare payment check voucher and forward for payment ▪ Follow-up on missing tax bills ▪ Prepare tax bill allocation reports for lease bill-backs |
|  <p>5 Analysis and Planning</p> | <ul style="list-style-type: none"> ▪ Provide tax estimates and annual accruals for budgeting ▪ Provide adjusted estimates as returns are filed or notices received ▪ Provide management reports as needed ▪ Provide software for management usage |

The high level process map and steps can be defined further. Using the property tax cycle, break down each step within each process into smaller steps which are easy to understand. While following this process you may gain valuable insight to the efficiencies which can be created and how to make the information more effective. A more detailed graphical example of the property tax cycle can be seen below.



Personal Property Real Property



Even in this detailed flowchart, the process can be segmented into additional steps especially when the goal is to integrate the information.

Determine what areas of your process can benefit from technology.

A good way to start determining where your process can benefit from technology is to ask “What are my biggest points of pain?” Repetitive calculations, easy to use interfaces, the joining of disjointed information into a central repository, triggers that notify management that something has been changed and reporting all can benefit greatly by using technology. Individually a person may not know what technology to apply, or how to apply it. When you create a list of your processes it facilitates the technology process by assisting your IT department (or an outside technology provider) with the ability to provide the best, most efficient and effective technological solution.

Determine what systems hold the information.

What systems hold the information my process requires?

1. ERP system
2. Fixed Asset System
3. Property Tax System
4. Database (MS SQL, Oracle, MS Access)
5. Spreadsheet
6. Text file
7. A combination of various systems (Including, but not limited to any of the above.)
8. Others

Most of the time you may discover that the information you are searching for exists in multiple systems. These systems may not be integrated with each other. Today more and more businesses have started to integrate systems, but multiple entries may not have been eliminated. True data effectiveness eliminates the duplication of data entry, allows better management review, joins disjointed information and increases the accuracy of the data.

If the information is coming from a combination of systems, try to think of this process in the context of creating data effectiveness. Ask these questions: “How can my process combine the different data sources?” “How can my process eliminate multiple entries?” “How can my process allow the flow of data to occur?” Your process may require adjustment into various phases. Prior to a phase, you may need to allow for other processes to be reengineered.

Determine what technology can help you integrate the information with your process.

Here are some questions to ask when determining what technologies are available?

1. What technologies are currently available in-house?
2. Will the in-house technologies allow for effective integration?
3. Will you need to research other technologies to assist in the information integration?
4. Can an interim phase be satisfactory and can that interim phase be designed in a way which allows you to insert the final phase at a later point in time?
5. Do you need to develop your own technology or applications to fully integrate the information?

Remember, technology is a tool to help create effective use of information. Technology can create and streamline efficiencies, but it cannot replace a knowledgeable employee. When determining which technology to use, do not simply focus on automating redundant tasks. Utilize the technology in a way that creates effective information flow between systems.

Test your solution for reliability and accuracy.

It is important to test your integrated solution to make sure you haven't missed a critical step and that you are not inadvertently disrupting another process. In the testing phase you may also find efficiencies that could enhance the overall process. You may find problems with the process which were missed during the development phase.

Testing permits the ability to create reliability and accuracy checks against the information. Here you will be able to catch inconsistencies prior to enacting the solution in the production environment.

Document the solution.

Documenting the solution can be a tedious task, but the importance of this step is critical to the future success of the solution. It is extremely important to map out the process which provides the road map. In addition, it is equally important to fully document a technological solution in order for future users and integrators to easily step in and utilize the process you have created. Mapping the process will also help facilitate adjustments to the process, if any system change occurs. It also helps if a system change occurs outside of your solution. Without this documentation, you may find that you are continually recreating the solution and never building the process.

Train support personnel and the process users.

Training both users on the process and support or integration personnel is important to the success of the solution. Create training materials which are easy to understand and simple to follow. Remember that the training materials required for users will probably be different than the manual required for support personnel. Users are typically only required to use the solution. Support personnel need to be aware of the basic process and know how the solution works with other systems. In addition, support personnel also must be aware of the different technologies which were used in order to troubleshoot any issues which may arise.

Design training refresher sessions, especially if your process has many stages as in the property tax cycle. This would be a great benefit right before each major stage occurs. These consistent training sessions would create knowledgeable users and increased performance levels. Another added benefit is that some current trainees can evolve into future trainers. These benefits should outweigh the cost and time required to have these sessions.

Conclusion

When developing your process try to include technological solutions that can integrate your solution with other processes. This creates effective communication between other departments and allows the information to flow from one process to another easily. The key values you gain when you create effective information are:

1. You no longer enter the same information into disjointed systems.
2. You allow information to flow easily from one process to the other.
3. You create better notification tools that allow you to be proactive instead of reactive.
4. You increase the accuracy and timeliness of the information.

If you follow these guidelines, you will gain efficiencies and create real value in your process. This value will translate into reliable and accurate information.