

I. Local Significance and Value (Background)

1. Please give a brief general description of the project or program being submitted.

E-Reimbursement is the first outcome of Olmsted County Finance transformation journey that began in the summer of 2011, with the overarching goal of streamlining and simplifying work process in order to increase:

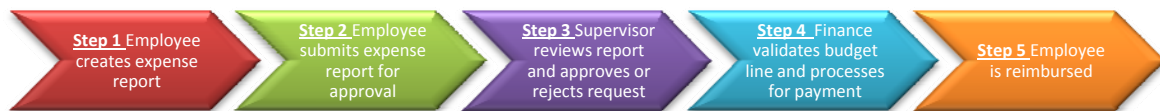
- Customer satisfaction
- Productivity and Efficiency
- Employee Engagement

E-Reimbursement is a simple and effective way to process employee reimbursement requests electronically. E-Reimbursement automates the creation, approval, and routing of employee expense reimbursements for review and payment.

E-Reimbursement features include:

- **Intelligent form** – Information about the employee, manager and accounts payable staff and financial account codes already built into the form. Math calculations are performed automatically.
- **Workflow driven** – Electronic routing of reimbursement requests, documentation and approvals with email notifications.
- **Easy to use** – Very easy to use for staff, very simple for managers to approve and Finance staff to process.

In summary – How does E-Reimbursement work?



LEAN thinking

E-Reimbursement is the outcome of using LEAN principles for analyzing existing business processes, uncovering inefficiencies, redefining processes and applying technology where appropriate to automate the new process. E-Reimbursement is one example of the work being done by the Finance Department to increase customer satisfaction, engage staff and increase capacity in order to meet the demand for services without additional human resources. With E-Reimbursement, no data is re-entered anywhere in the process. Once it is input by the user, it is systematically designed to flow all the way through to the finance system with only corrections when necessary.

2. Describe the local events and/or problems that led to the undertaking of this project/program.

The Big Picture - Olmsted County Compelling Reason for Change

The Minnesota State Demographer and State Economist have clearly told us that we are now entering the “New Normal” times. We should expect to be chronically short of staff and funding for the foreseeable future, while facing increase in demand for our services. If we want to do the best we can for the citizens and our employees we have to find ways to continuously improve and survive. The challenge for Olmsted County is to reduce the cost of providing services while at the same time increasing the outcomes. Not one or the other, both. This is going to mean a different way of thinking.

Over a five year period, Olmsted County anticipates to lose almost 30% of our staff complement due to retirement and normal attrition. This anticipated staffing exodus provides an opportunity to rethink how works gets done. It also represents a prime opportunity to reduce cost to county citizens. On the other hand, if this challenge is not properly addressed and managed it could create long lasting negative consequences for the citizens of Olmsted County and for the County as an organization.

Using LEAN principles/thinking, Olmsted County has focused on freeing capacity by analyzing existing business processes, uncovering inefficiencies, redefining processes and applying technology where appropriate to automate the new process with the overarching goal of streamlining and simplifying business processes in order to increase:

- Customer satisfaction
- Productivity and Efficiency
- Employee Engagement

Olmsted County anticipates faster, cheaper and better services as the outcome of our LEAN efforts.

Finance Specific

Based on the real economic and organizational challenges faced by Olmsted County, the Finance Department started looking for ways achieve the county’s overarching goals mentioned above while at the same time reducing costs, increasing visibility and transparency, maintaining sound internal controls and achieving statutory compliance. Finance is one of the pioneer departments that explored and implemented LEAN principles/thinking.

The Finance Management Team identified the Accounts Payable as one of the processes that consume large human resources and we could potentially free significant human resources capacity levels if improved. Since the summer of 2011, staff from Finance, in collaboration with our customers from various departments, has been reviewing current Account Payable (AP) processes. The AP major process is time consuming, costly and plagued with unnecessary tasks, paper work, and non value added activities. In order to successfully manage the complexities associated the AP process and its many sub processes; we broke down the AP process improvement work into manageable components (below list is not all inclusive):

- Employee Reimbursement
- Master Vendor File
- Regular Invoices
- Utility Payments
- P-Card
- HRA Client Payments

We tackled the Employee Reimbursement process first because, it is a:

- Highly visible process to our customers (county staff)
- A process not working as well as it should (complaints, rework, defects and unhappy customers)
- A process that consumes significant internal resources

3. Describe the role the finance office/finance officer played in this project/program.

A group of four Finance managers team up and created the Accounts Payable Redesign Steering Committee under the sponsorship of the Chief Financial Officer (CFO). The committee planned and executed a LEAN Kaizen event for the Employee Reimbursement AP sub-process. The Kaizen event is a structured, focused improvement activity during which a cross functional team designs and implements improvements to a defined process or work area, generating rapid results and learned behavior.

In order to increase the likelihood of success with our LEAN efforts we adopted a “Collective Impact Framework” approach, which complements LEAN customer centered mentality very well. This approach reinforces that our organizational challenges exist in a complex and interdependent environment that requires collective action, effective collaboration and continuous communication. This framework highlights the power of a shared vision along with consistent and open communication. Below is a table describing the approach we took in order to deliver outcomes that were valuable not only to Finance but most importantly, to our customers.

Components for Success	Phase I Initiate Action	Phase II Organize for Impact	Phase III Impact and Sustain Action
<i>Infrastructure</i>	Form cross-finance team (finance backbone)	Create Infrastructure (backbone - Finance and Key stakeholders)	Maintain and refine
<i>Strategic Planning</i>	Assess the current landscape and make case for action	Use customer centered approach to develop common goals	Support Implementation (alignment to goals)
<i>Organizational Involvement</i>	Identification and outreach to Key stakeholders	Engage stakeholders and build good will	Continue engagement and advocate
<i>Evaluation and Improvement</i>	Analyze current process	Identify Key performance measures/indicators	Collect, track and report progress (learn and improve)

Adapted from “Phases of Collective Action” by Fay Hanleybrown, John Kania, & Mark Kramer

The Employee Reimbursement process was significantly improved and the E-Reimbursement automated solution was designed and built in-house using the intellect and innovation of existing staff from Finance Department, Information Technology Solutions Department and end user departments.

4. How much time did each participant devote to this program/project? Were outside consultants engaged?

No outside consultants were engaged for the Employee Reimbursement process improvement or the development of the E-Reimbursement solution. From the planning and facilitation of the Kaizen events to the design, development and implementation of E-Reimbursement solution we used existing County personnel. We integrated processes, portals, tools, existing applications and data into a seamless environment to the users of the solution. Salaried staff worked above and beyond their normal work schedules in order to move the project forward while satisfying the demands of their regular duties.

Level of Effort

The amount of time devoted by each participant to the Employee Reimbursement process improvement varied among participants. The total level of effort from Kaizen event to E-Reimbursement solution deployment was 621 hours. Of that amount 258 hours or about 42% was incurred by Finance and end users staff, while 363 hours or about 58% was from our Information Technology Solutions (ITS) department staff.

Activity	Hours		Start Dates	End Dates
	Finance	ITS		
Kaizen Event	60.00	-	6/9/2011	7/21/2011
Finance R & D	14.00	-	6/23/2011	7/26/2011
Design	-	8.50	10/14/2011	12/30/2011
Workflow	-	58.75	11/10/2011	3/6/2012
DataBase	-	79.75	11/7/2011	3/5/2012
Develop	15.00	30.25	11/16/2011	3/29/2012
Form	-	36.75	11/17/2011	1/20/2012
CGI Import	-	53.50	11/1/2011	3/6/2012
Video Series	70.00	-	12/15/2011	1/15/2012
E-Reimbursement Wiki	13.00	-	2/1/2012	2/6/2012
Testing	23.00	9.00	1/23/2012	2/13/2012
ITS Administration	-	29.25	10/14/2011	4/1/2012
Check Point Meeting	63.00	57.00	8/8/2011	3/5/2012
Departmental Hours	258.00	362.75		
Total Hours	620.75			
Total Staff Involved	18	8		

Key Finance staff responsibilities:

- Help define scope of Employee Reimbursement process improvement
- Planning and Facilitation of Kaizen events
 - Assess current landscape and case for action
 - Identification and outreach to key stakeholders
 - Engage stakeholders and build goodwill
 - Face to face meetings
 - Surveys
- Developed a Wiki site with a suite of self-service instructional materials and videos

- E-Reimbursement Project Management
 - Developed and manage the change control process, specially the communication efforts with County leadership as well as general county staff
 - Led E-Reimbursement solution design (Intelligent form, electronic workflow, database, documentation) based on Kaizen events results
 - Ensure timely deliverable of the E-Reimbursement solution

II. Technical Significance

What financial concepts, standards, or techniques are displayed or advanced by this entry? Why is this important to the public finance profession?

Easy, intuitive and simple to use solution

Creating, submitting and approving employee expense reports with E-Reimbursement is a simple and easy process. E-Reimbursement easy to use interface allows employees to create expense reports and add expenses in no time. Requests can be saved and edited as needed before final submission.

Receipt imaging to process

We moved from “scan to file” model to a “scan to process” model. We expanded the use of existing Multi Function Printers (MFP’s) for scanning to all county staff and implemented a “distributed ad hoc workplace scanning” process. While on the field, mobile workers with smart devices can take pictures of their receipts and use them to satisfy documentation of their request. This feature eliminates the need for staff to stop at the office just to scan their support documentation. Users, approvers and finance personnel are able to view support documentation (receipts for example) and expenses requests side by side.

Electronic Approval Workflow

Expense reports are now approved using an electronic approval workflow process. Approvers are automatically notified when expense reports have been submitted for approval. After reviewing the report and support documentation the approver can approve or decline the report in a single click. Approvers have the option to add notes/comments before approving or rejecting a request.

The Finance review process is now swift and simple. AP processors are automatically notified when expense reports have been approved and are ready for them to process. AP processors can view approved reports and support documentation in seconds. Similar to approvers, AP processors can approve or decline the report in a single click and also have the option to add notes/comments before processing or rejecting a request.

Reporting

Users and approvers can see past approved reports. With the structured data now collected using the new E-Reimbursement solution we can analyze the big picture or look at specific data. We are better equipped to track and understand employee expense reimbursements and impact to our budget.

Export Data

Approved expense report data as well as any support documentation is automatically exported to our Finance system for posting and payment.

Supervisor Approval

If a supervisor is going to be out of the office for an extended period they can assign their approval authority to another supervisor. This is facilitated through the Manager Override Lookup table. The process takes a few seconds to set up and eliminates the inconvenience of waiting by the end user requesting the reimbursement.

AP person assignment

In the event the designated AP person is out of the office on vacation or other type of unexpected leave. AP reviewer role can be reassigned via an electronic look up table to other AP processor. The process takes a few seconds to set up and eliminates the inconvenience of waiting by the end user requesting the reimbursement.

III. Transferability

How can this project/program be adapted for use by other organizations? Who else might benefit by its adoption? Would significant modifications be required for implementation?

The lessons learned from this project as well as the end result solution (E-Reimbursement) can be easily adapted for use by other organizations. In our opinion, there are very few limitations or obstacles related to adopting and fusing LEAN thinking with a “Collective Impact Framework” approach to engage and empower key stakeholders in order improve processes. We have experienced that combining “leaning” of processes with automation, where it makes sense, can achieve dramatic increases in productivity. Furthermore, assuming the right technology infrastructure is in place, this model does not require significant investment in training or financial resources.

The power behind the LEAN thinking with a “Collective Impact Framework” model is an organizations management commitment to continuously invest in its people and promote a culture of continuous improvement by challenging the status quo. The essence of this model is respect for people (employees, co-workers, customers, etc...) and that respect leads to teamwork, trust, collaboration, shared vision and ultimately the desired outcomes.

The integration of processes, portals, tools, existing applications and data into a seamless environment to the users of E-Reimbursement was made possible through the intellect and collaboration of staff working in a cross-functional team with a shared vision within a respectful environment.

We believe that organizations with limited or no access to technology could still greatly benefit by engaging the intellect and collaboration of staff working in cross-functional teams in order to standardize and streamline processes. Having engaged staff at all levels of the organization making small but systematic improvements can have positive impact to the larger organization.

The success of this process improvement has generated a lot of interest among general staff and county leadership and contributed to growing momentum and support for LEAN thinking and "Collective Impact Framework" approach. Employees are truly engaged. The opportunity for them to improve how they do their work and how it impacts their fellow co-workers has created energy and excitement among staff. The early wins and substantial results generated by of E-Reimbursement in a very short period of time indicates the value of moving LEAN thinking and "Collective Impact Framework" approach forward.

IV. Documentation

What documentation describes the entry (e.g., reports, forms, memoranda, software, audio-visual materials, etc.)? All materials must be provided in electronic format.

E-Reimbursement

What forms does E-Reimbursement replace?

E-Reimbursement replaces the Olmsted County Expense Reimbursement Request and the Olmsted County Client Meal Reimbursement Request (see below).

RECEIVED

MAY 05 2011

Olmsted County Expense Reimbursement Request

Employee Number (located on picture ID)

Reimbursement request from:

Name

Address

City/State Rochester, MN 55904

Employee email address

Name or address change

Expense for 10/24/11 to 10/30/11

Required Documentation
 (we cannot reimburse you if this information is not available)
 Overnight travel meals - dates, destination city and reason for trip
 All other business meals - date, place, names of people present and topic discussed
 Mileage and parking - destination and purpose
 All other reimbursements - nature of and reason for purchase
 Detailed Receipts for purchases of \$75 or more
 No liquor, movies or misc. charges

Mileage Reimbursement & History (per mile)
 1/1/08-6/30/08 = \$.505 1/1/09-12/31/09 = \$.55
 7/1/08-12/31/08 = \$.595 1/1/10-12/31/10 = \$.50

Date	Required documentation (see note above)	# of nights	Lodging	Mileage Rate	Miles	Meals	Parking	Other	Sub Total
10/24/11	Summit Terrace, 1123 21st St SE, office				7				4.50
10/24/11	Summit Terrace, 1123 21st St SE, office				3				1.50
10/24/11	Summit Terrace, 1123 21st St SE, office				27				13.50
10/24/11	Summit Terrace, 1123 21st St SE, office				6				3.00
10/24/11	Summit Terrace, 1123 21st St SE, office				31		3.00		18.50
10/24/11	Summit Terrace, 1123 21st St SE, office				9				4.50
10/24/11	Summit Terrace, 1123 21st St SE, office				31				15.50
10/24/11	Summit Terrace, 1123 21st St SE, office				27				13.50
10/24/11	Summit Terrace, 1123 21st St SE, office				152		3.00		87.00
Non-Overnight Meals									
Date	Benefit to the County	Topic Discussed	Place	Names of People present	Amount				
Total request for reimbursement					\$ 78.00				

I hereby declare and certify that this account, claim, or demand for reimbursement of expenses incurred, on behalf of Olmsted County with the approval of my supervisor, is just and correct and that no part of it has been paid to me before.

I understand and authorize that my banking information from payroll will be used by Olmsted County to make payment to me through the EFT Payment Process.

EMPLOYEE SIGNATURE 10-30-11

Revised: 12/11/09

GAX # _____ INVT _____ DATE _____

ORDERED - GOODS REC'D _____

VERIFIED MATH FOR ACCURACY _____

APPROVED FOR PAYMENT _____ 7-11-11

GAX TOTAL \$ 142.00 VENDOR # 102755

FUND DEPT UNIT OBJT ACTV

0805 0531 5160 6272

High level flow chart



E-Reimbursement Blank Form Example

The E-Reimbursement form starts as a one page document, but since it is dynamic form, it can be expanded depending of the type of reimbursement been requested. For example, the mileage section is meant to facilitate rapid data entry for those individuals only having mileages to claim. Another example is the “Client Expense” section. This section is not used for cost associated on behalf of Olmsted County clients while staff is on the field providing services. This “Client Expense” section is specific to certain areas of the county. A filter within the form allows for this section to be visible to the areas where its use is appropriate (Community Services and Law Enforcement).

Header Section

Below is a picture of the header of the Form. The form benefits from a “single sign-on” process that is used to authenticate users when they sign in to their computer using their Windows user name and password.

All the data displayed in the header section is pulled automatically from various existing systems (data repositories). See detail table below:

Header Section - Information field	Native System (pulled from)
Employee Number	Active Directory
First Name	CGI System
Last Name	CGI System
Account Name	Active Directory
Email Address	Active Directory
Vendor Number	CGI System
Supervisor Name	CGI (Default). If not available in CGI, uses iSeries (Time System)
Supervisor Email	CGI (Default). If not available in CGI, uses iSeries (Time System)
AP Person Name	SharePoint List
AP Person Email	Active Directory

Travel and Training Section

Below is a picture of the travel and training section of the form. This section is meant to facilitate rapid data entry for those individuals having travel (other than mileage) and training cost to claim. General Ledger (GL) code is automatically displayed for Fund, Department and Unit based on employee “Home Unit”. Employee is able to modify the fields if working in more than one unit or temporarily assigned to another unit. The form provides a drop down format a number of options for “expense category” for travel/training related items, such as airfare, lodging, registration, meals, etc...When having multiple entries related to the same travel event, there is a “copy previous entry” option that will minimize the need to re enter travel event data.

Travel/Training Expenses

Include Travel/Training Expenses

Add New Travel Expense

Date From	Date To	Category	Purpose	Training Related	Fund	Dept	Unit	Destination	Activity Code	Cost
Date From*	Date To*	Category*	Purpose/Brief Description*	Is this training related?*	Fund*	Dept*	Unit*	Destination	Activity Code	Cost*
		AIRFARE	Learning and Growth-Staff Development	Y	0814	0414	4143	Chicago- GFOA conference		\$347.35
										\$347.35

Mileage Section

Below is a picture of the mileage section of the form. This section is meant to facilitate rapid data entry for those individuals only having mileages to claim. GL code and copy previous entry features are available in this section.

Mileage Expenses

Include Mileage Expenses

Add New Mileage Expense

Date	Purpose	Training Related	Fund	Dept	Unit	Activity Code	Miles	Rate	Total Cost
Date*	Purpose & Destination*	Is this training related?*	Fund*	Dept*	Unit*	Activity Code	Miles*	Rate*	Total Cost
	ABC Meeting - Cambridge, MN	N	0814	0414	4143		123	0.5	\$61.50
									\$61.50

Miscellaneous Section

Below is a picture of the miscellaneous section of the form. This section is meant to facilitate rapid data entry for miscellaneous expenses to claim (supplies for example). GL code and copy previous entry features are available in this section.

Miscellaneous Expenses

Include Miscellaneous Expenses

Add New Miscellaneous Expense

Date	Category	Purpose To County	Fund	Dept	Unit	Activity Code	Qty	Unit Cost	Total Cost
Date*	Category*	Purpose/Brief Description*	Fund*	Dept*	Unit*	Activity Code	Qty*	Unit Cost*	Total Cost
	SUPPLIES	AP -Process Improvement event supplies	0814	0414	4143		1	\$28.34	\$28.34
									\$28.34

Client Expenses Section

Below is a picture of the Client Expenses section of the form. This section is meant to facilitate rapid data entry for miscellaneous expenses to claim (paying for a client meal for example).

The screenshot shows the 'Client Expenses' section of a web form. At the top, there is a checkbox labeled 'Include Client Expenses' which is checked. Below this is a button 'Add New Client Expense'. A table with columns: Date, Category, Purpose To County, Fund, Dept, Unit, Client, Qty, Unit Cost, Total Cost is visible. Below the table is a 'Copy Previous Entry' button. The main form area contains fields for: Date (2/7/2012), Description*, Client*, Qty* (1), Fund* (0803), Dept* (0149), Unit* (3001), In or Out of County* (radio buttons for IN and OUT, with OUT selected), Category* (CLIENT MEAL), and Unit Cost*. There are 'Insert' and 'Cancel' buttons. At the bottom, a table shows a single entry: 02/07/12, CLIENT MEAL, 321321, 0803, 0149, 3001, 32132123, 1, \$24.32, \$24.32, with 'Edit' and 'Delete' buttons. A total of \$24.32 is shown at the bottom right.

Totals Section

Below is a picture of the "totals" section of the form. This section shows the subtotals for each sub section of the form as well as a grant total.

Totals	
Travel Costs	\$347.35
Mileage Costs	\$61.50
Miscellaneous Costs	\$28.34
Client Costs	\$24.32
GRAND TOTAL	\$461.51

Attachments Section

Below is a picture of the attachments section of the form. This section is used for attaching support documentation that is required to support the request. For example, receipts showing proof of expense incurred by employee. The sections will allow for multiple file types, such as pdf, tif, jpg, Microsoft Word and Excel.

The screenshot shows the 'Attach Receipts' section of the form. It includes a 'Help' icon and instructions: 'Attach related receipts to your E-Reimbursement request below. (Allowed file types: Word 2007, Excel 2007, .pdf, .txt, Email(.msg), .tif, .tiff, .jpg). You also have the option to attach Excel 2007 and Word 2007 documents. Please be sure you have as much supporting documentation as possible.' Below the instructions, there are three rows, each with a 'Browse' button and a 'Remove' button. At the bottom, there is an 'Add' button.

Certification Section

Below is a picture of the certification section of the form. This section is used in order to comply with statutory requirements related to claims or demands for reimbursement of expenses.

Certification
I hereby declare and certify that this account, claim or demand for reimbursement of expenses incurred, on behalf of Olmsted County with the approval of my supervisor, is just and correct and that no part of it has been paid to me before. I understand and authorize that my banking information from payroll will be used by Olmsted County to make payment to me through the EFT Payment Process.

NOTE: You must "Submit" the form (not "Save" or "Resave") to have your request processed. If you "Save" or "Resave" the form, be sure to remember to come back and click "Submit" in order to move your request forward to your supervisor.

Supervisor (Approver) Workflow

Below is a picture of the supervisor (approver) workflow notification. It includes summary of key information about the request as well as instructions. Once the approver "clicks" the "review this request" button, it is taken directly to the employee reimbursement request, for their review and approval.

An E-Reimbursement request has been submitted that requires your attention.
Below is a summary of the request.

Request ID: 264
Request Date: 2/8/2012 10:54:00 AM
Amount: \$461.51
Employee Name: HERMAN KATHRYN
Manager Name: MANVILLE-CAMP JULIE
AP Staff Name: Tank Justin

Please complete the following steps to finish the process.

Step #1: Review Request

Step #2: Approve/Deny Request

Approval notes section:

Approver has the opportunity add notes within the process.

E-Reimbursement Approval Request 

Please approve or reject this E-Reimbursement Request:

HERMAN_KATHRYN-20120208105422

Requester: **HERMAN KATHRYN**

Approval Notes:
Everything looks good!

Workflow started: 2/8/2012 10:54:25 AM

AP Processor Workflow

Below is a picture of the AP processor workflow notification. AP processors are automatically notified when expense reports have been approved and are ready for them to process. AP processors can view approved reports and support documentation in seconds. Similar to approvers, AP processors can approve or decline the report in a single click and also have the option to add notes/comments before processing or rejecting a request.

An E-Reimbursement request has been submitted that requires your attention.
Below is a summary of the request.

Request ID: 264
Request Date: 2/8/2012 10:54:00 AM
Amount: \$461.51
Employee Name: HERMAN KATHRYN
Manager Name: MANVILLE-CAMP JULIE
AP Staff Name: Tank Justin
Manager Notes: *Everything looks good!*

Please complete the following steps to finish the process.

Step #1: Review Request
[Review This Request »](#)

Step #2: Approve/Deny Request
[Approve/Deny This Request »](#)

Reimbursement requestor email confirmation

Below is a picture of the notification sent to the reimbursement requestor once their request has been approved.

From: Sharepoint
Sent: Wednesday, February 08, 2012 11:01 AM
To: Herman Kathy
Subject: E-Reimbursement - HERMAN_KATHRYN-20120208105422

Your E-Reimbursement has been APPROVED!!
Below is a summary of the request.

Pay Date: Within 2 weeks
Request ID: 264
Request Date: 2/8/2012 10:54:00 AM
Amount: \$461.51
Employee Name: HERMAN KATHRYN
Manager Name: MANVILLE-CAMP JULIE
AP Staff Name: Tank Justin
Manager Notes: *Everything looks good!*
AP Person Notes: *OK to pay!*

Please check the total previously forwarded to ensure no changes have taken place you are unaware of.

If you have concerns regarding the accuracy of your reimbursement or you have not received your payment by the Pay Date above, please see the AP staff listed above.

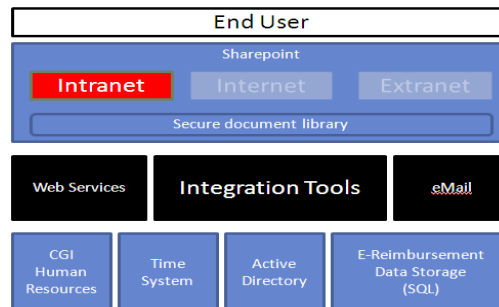
Training Video Series

Below are links to the video series developed and made available on-line (E-Reimbursement - Wiki site in SharePoint) to all county employees as part of the suite of self-service instructional materials. The video production and voice over was done by staff from the Olmsted County Public Health Department.

- Introduction:
<http://www.youtube.com/watch?v=pUIrPdnVfhc>
- Basic Form Functions:
<http://www.youtube.com/watch?v=Ckc3imwCASK>
- Client Expenses:
<http://www.youtube.com/watch?v=qigCzrrqe-g>
- Travel Training:
<http://www.youtube.com/watch?v=zetvNc9QQL4>
- Mileage:
<http://www.youtube.com/watch?v=W41XkcHXtIQ>
- Miscellaneous:
<http://www.youtube.com/watch?v=3T-Hm-hyu5E>
- Attachments:
<http://www.youtube.com/watch?v=KHCSYAEozj0>

E-Reimbursement - Layered Technology

Below is a graphical representation of the E-Reimbursement seamless environment solution in which end users are integrated with processes, portals, tools, existing applications and data.



V. Cost/Benefit

Quantify the total resources (money and time) devoted to this project/program and identify the value added (tangible and/or intangible) as a result of undertaking it.

Level of Effort

From the planning and facilitation of the Kaizen events to the design, development and implementation of E-Reimbursement solution, we used existing county personnel. We integrated processes, portals, tools, existing applications and data into a seamless environment to the users of the solution. Salaried staff worked above and beyond their normal work schedules in order to move the project forward while satisfying the demands of their regular duties.

The amount of time devoted by each participant to the Employee Reimbursement process improvement varied among participants. The total level of effort from kaizen event to E-Reimbursement solution deployment was 621 hours. Of that amount 258 hours was incurred by Finance and end users staff, while 363 hours was from our Information Technology Solutions (ITS) department staff.

Cost

The total cost of was about \$49,000, which included our level of effort from the planning and facilitation of the Kaizen events to the design, development, documentation and implementation of E-Reimbursement solution.

Benefits

We were able to meet our overarching goal of streamlining and simplifying the employee reimbursement processes. As a result of this process improvement we have experienced increase in:

- Customer satisfaction
 - Simple, intuitive and accurate with decreased level of effort
 - Accessibility - Immediate access to “in process” as well as “already approved” requests
- Productivity and Efficiency
 - Reduced data entry costs
 - Improve process throughput
 - Increased organizational flexibility
 - Reduce physical storage needs and free up space
 - Reduced physical transportation of paper files
- Employee Engagement

Finance has received numerous feedbacks from our customers across the organization about the ease of use and simplicity of the E-Reimbursement solution.

We have experienced significant time savings and a dramatic increase in productivity and efficiency (for both customer and Finance) by combining Leaning of processes and technology. We have created a

customer centered and seamless environment solution in which end users are integrated with processes, portals, tools, existing applications and data.

With E-Reimbursement, no data is re-entered anywhere in the process. Once it is input by the user, it is systematically designed to flow all the way through to the finance system with only corrections when necessary.

Since E-Reimbursement performs the necessary math calculations, Finance staff no longer spends time in recalculating employee expense requests. We have experience a 100% reduction in Finance staff “rework time” due to math errors.

Although it is very difficult to quantify to exact value added from the employee reimbursement process improvement, we estimate the E-Reimbursement solution will save about 1.2 FTE or 2,496 hours per year across Olmsted County. The bulk of the time savings is taking place in Finance. The increased capacity generated by E-Reimbursement has allowed Finance to reallocate tasks among staff and not rehire for a .70 FTE vacant Accounting Technician position. Using an average of \$40 labor and benefit cost, we estimate the value of the savings generated by E-Reimbursement to be close to \$100,000 per year across Olmsted County with a 5 year IRR of 203%, a 5 year ROI of 1019% and a payback period of about 6 months (see below). The savings in processing costs and free up capacity go on for years and years.

5 Year Project Value Calculation			
Year	Annual Savings	Annual Cost	
Cost Year 0 (project cost)			-\$49,000
Cash Flow Year 1	\$99,840	\$0	\$99,840
Cash Flow Year 2	\$99,840	\$0	\$99,840
Cash Flow Year 3	\$99,840	\$0	\$99,840
Cash Flow Year 4	\$99,840	\$0	\$99,840
Cash Flow Year 5	\$99,840	\$0	\$99,840
5 Year IRR	\$499,200	\$0	203%
5 Year ROI			1019%
Payback Period in Years			0.49

VI. Complexity

Describe the complexity of the project/program. How much training and technical skill is required for employees to make use of this solution?

E-Reimbursement was designed with a customer centered mindset. Finance decided we will not only judge the new process based solely upon what was important to Finance, but how the process performs from your viewpoint as our customers. E-Reimbursement is intuitive, simple and easy to use and training is not required for most users. E-Reimbursement solution has reduced the complexity and cost of the employee reimbursement process.

Finance alpha and beta tested the E-Reimbursement with a sample of 30 employees from various county departments. Thru this testing process and based on feedback from testers, it was concluded that formal training was not necessary. Although no formal training was perceived necessary, a Wiki site with a suite of self-service instructional materials including videos was developed and made

available on-line to all county employees. This action helped us communicate more effectively with county employees across the organization and minimized anxieties during the transition from paper to electronic.

The application of LEAN thinking and “Collective Impact Framework” model for analyzing existing business processes, uncovering inefficiencies, and redefining processes in a collaborative, customer centered approach was not complex. Technical skills were required in order to develop a seamless environment solution in which end users are integrated with processes, portals, tools, existing applications and data.

VII. Originality, Creativity, and Innovation

To your knowledge, is this the first time this type of project/program has been implemented by a government entity? If not, identify previous work in this area and explain the uniqueness of your approach.

To our knowledge, Olmsted County is the first county government entity to combine LEAN thinking with a “Collective Impact Framework” approach and existing technology to engage and empower key stakeholders in order create a paperless, customer centered and seamless employee reimbursement solution in which end users are integrated with processes, portals, tools, existing applications and data.

VIII. Other Distinguishing Features (Optional)

Highlight any other noteworthy features about your project/program.

The success of the employee reimbursement process improvement and the development of the E-Reimbursement solution has generated a lot of interest among general staff and county leadership and contributed to growing momentum and support for LEAN thinking and “Collective Impact Framework” model. In essence this process improvement event established the foundation for a major organizational transformation. The County Administrator and all County Department Heads had recommended to the County Board to adopt this model across the entire county to improve our productivity. These structured county wide efforts are scheduled to start in 2013.