

BUSINESS PROCESS ANALYSIS REPORT

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## **Introduction**

At the core of any business entity, there are minor tasks that have to be completed in succession in order to achieve the aim of the business. These tasks are crucial to any business and like moving parts in a machine, their efficiency and speed determines the outcome of business activities being undertaken. This report will focus on a grocery store, specifically Amanda's grocery store. Three major back-end operational processes will be mapped and the cross-functional maps will be drawn. The storage and packaging processes of fresh produce will be focused on highlighting major causes of reduction in the quality of goods as they get to the customer. The report will also look at the tightness and dependence exhibited between the various processes and identify present bottlenecks in the system. Key process measurements will be highlighted and recommendations on how to improve the efficiency in receiving, storage and packaging processes will be given with the aim of smoothening the processes to avoid waste and provide fresh organic produce on time.

## **The organization**

Amanda's grocery store is a mid-sized grocery store serving a small town of approximately 100,000 people. Situated in a 45,000 square feet building, the grocery store receives on average, 5 – 10 tons of fresh produce from farmers every fortnight. On many occasions the organization has made losses due to wasted fresh produce. With fresh produce being highly degradable, the efficiency in handling and storage of this product is a key competitive advantage over other players in the market. This business was chosen because it lacks standardized procedures in storage and packaging, as well as a lack of efficiency in the way fresh produce is handled from the point it is received to when it is shelved. The end result is a waste of financial resources as well as poor consumer feedback.

### **Mission statement**

The business aims to provide the highest quality goods and service to its consumers at the most affordable price.

### **Target Market**

The business serves the small town whose population is approximately 100,000 people. The grocery store on average receives 500 to 1000 people daily with peak hours being in the evening. Most of these customers often need to buy something from the organic foods section.

### **Strategy**

The business aims to achieve its mission by:

1. Delivery the best quality of goods to their consumers.

2. Subsidizing their prices so as to increase the number of consumers they serve.
3. Employing the best suited staff with very good customer relations.
4. Acquiring the best equipment to assist in streamlining their processes.

Additionally, the business's short term goals are:

1. To ensure minimal waste in goods provided.
2. To double the number of consumers served daily.

## **Business Process Identification**

A business process is a series of steps or a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer (Michael Hammer, 1993). When business processes are aligned with apt strategies, it leads to business success both in the short term and long term.

### **Receiving and inspection of goods**

Fresh farm produce is received every two weeks and has to undergo a couple of processes. First the goods are received and signed for by the operations manager. They are offloaded from the trucks and each placed in a temperature controlled warehouse. The fresh produce is then inspected and added to inventory by the inventory department who updates the computer system and sends the same report to the operations manager and the finance officer who updates the books on goods received.

### Storage of the fresh produce

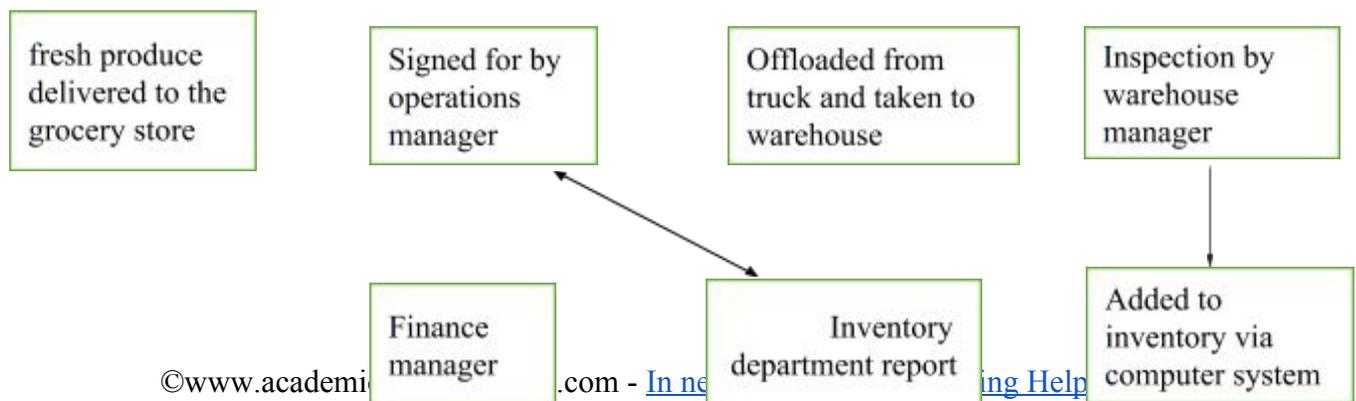
The produce is sorted and cleaned. They are then packaged in plastic bags and placed in refrigerators. The goods that are most likely to degrade faster are first released to the shelf. The produce is frozen at different temperatures to ensure that they remain fresh. The products are then inspected daily by the warehouse manager to ensure they stay fresh. Spoilt products are disposed of and the waste recorded with the inventory department via a computer system. Produce for restocking the shelves are slowly unfrozen and repacked a day before being placed on the shelf. Those products that are still frozen cannot be placed on the shelf for sale.

### Shelf restocking

This is handled by stock clerk. The chosen fresh produce is taken by the stock clerk and arranged on shelves before the store opens. The stock clerk monitors the shelves and handles any restocking required. Any fresh produce left on the shelf at close of business is considered waste and is dumped. The stock clerk also uses many people to handle this task so as to improve its efficiency. On average there is always produce left that is eventually wasted.

## Relationships and Cross-functional Maps

### Relationships



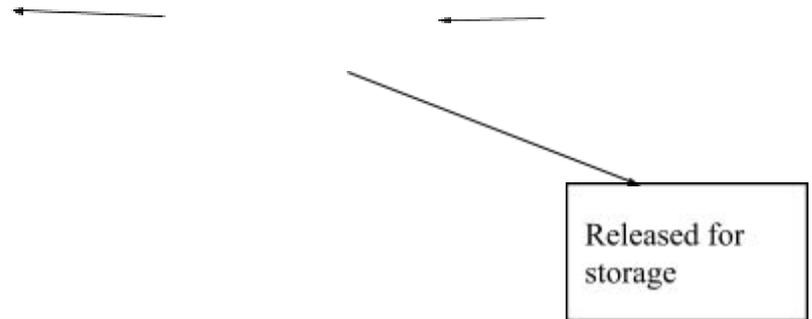


Figure 1: Receiving and inspection of fresh produce

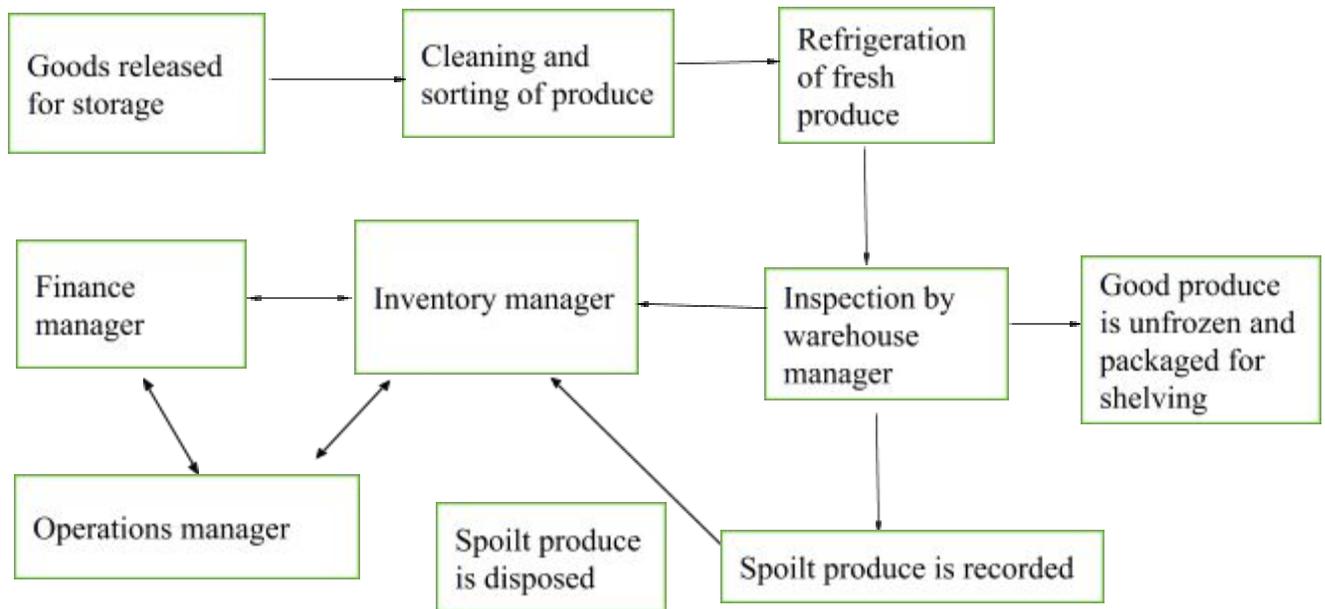


Figure 2: Storage of fresh produce

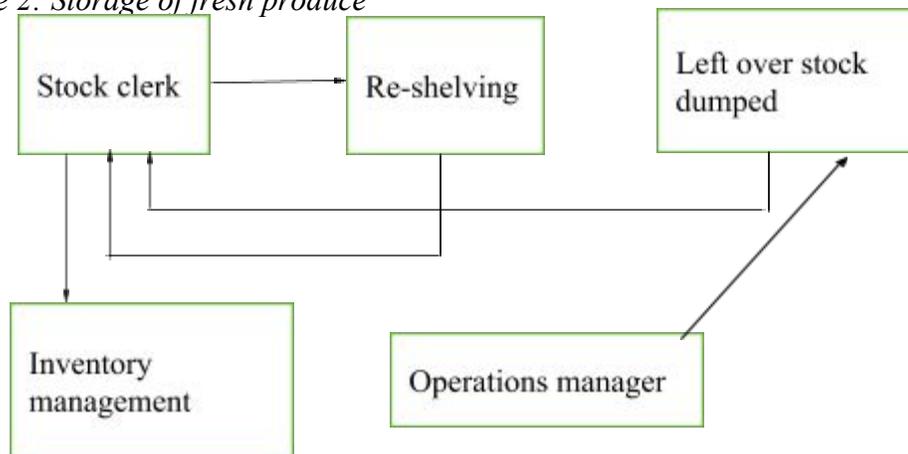


Figure 3: Shelf restocking

**Cross functional maps**

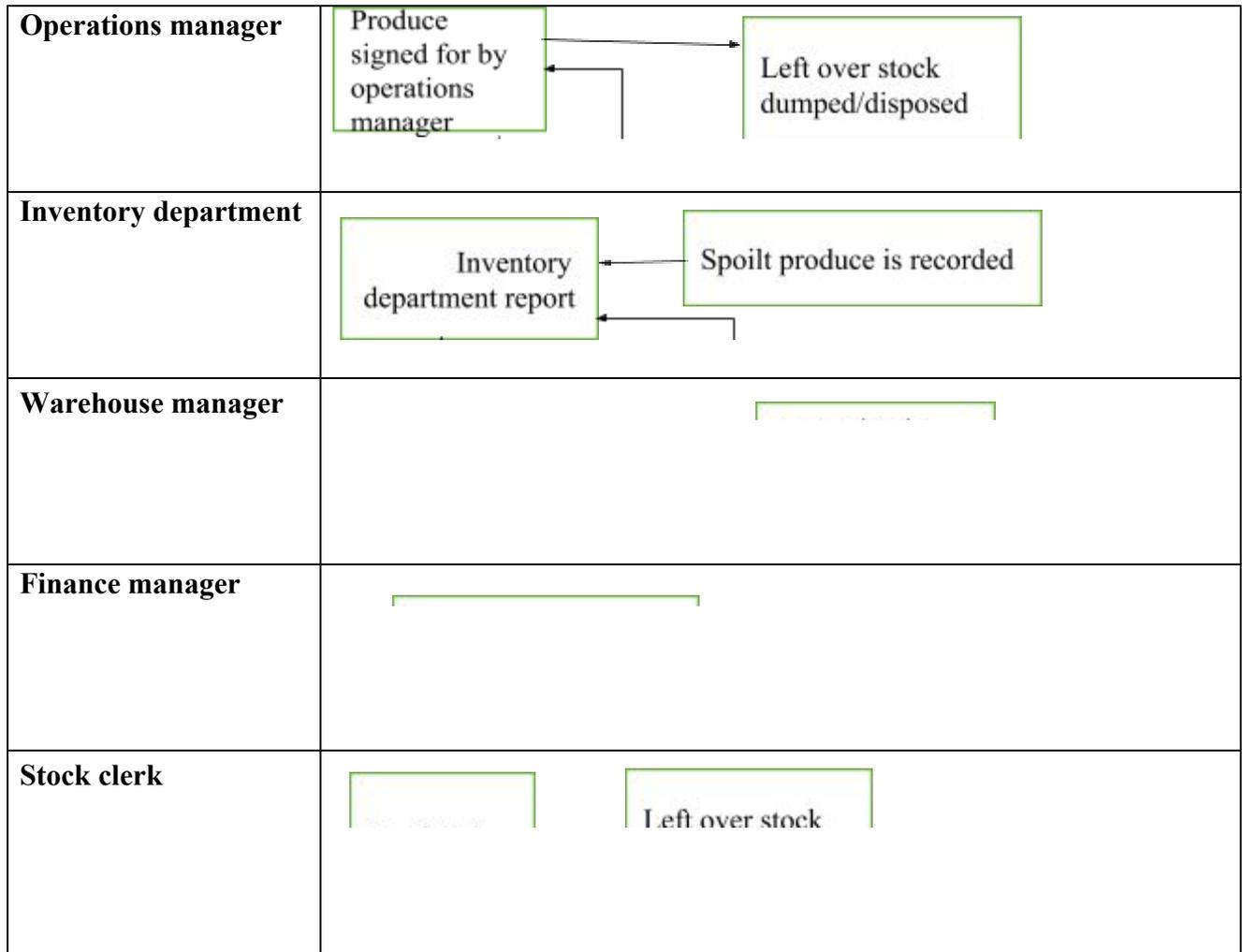


Figure 4: Operational processes cross-functional map

**Analysis**

The above processes were made with the intention of increasing efficiency in reception, storage and inspection of goods. However, as the relationship map demonstrates, to many

processes often slow down the overall efficiency of the business. In this case we are dealing with perishable goods. Therefore, time is of essence in ensuring the value of the good is maintained till the point of sale. This analysis will therefore highlight the inefficiencies present in the business processes as well as the complexity and centralization of control in the processes.

The reception and inspection of produce from the suppliers (figure 1) has several unnecessary steps. For instance, the receiving and signing for goods received does not require the operations manager involvement. Through his involvement, there is a considerable amount of time wasted which is disadvantageous as more time wasted is directly proportional to the amount of produce wasted. Additionally, other processes can be streamlined in order to increase the speed with which the produce gets to storage. For instance, the splitting of roles between the inventory manager and the warehouse manager, increases the amount of time required to get the goods to storage.

Additionally, the inventory manager plays too many roles throughout the operation processes as seen in the cross-functional map (Figure 4). This adds layer upon layer of complexity on the inventory management which may lead to underperformance, unaccountability and data inconsistency (Ashkenas, 2007). This greatly bogs down the system and thus may be a hindrance to the business achieving its goals. The processes additionally require a lot of intercommunication between the departments before an action is made. As seen in figure 2 and figure 3, the disposing of waste requires the approval of top management leaving no control to the bottom level management to effect such actions.

### **Tightness and dependence**

Tightness refers to the degree with which various business processes are related or linked. Thus tight processes are highly linked creating highly dependence. In this business, the processes are highly tied together and not competing a single process may prevent getting produce to the shelves. Thus there is high dependence.

### **Bottlenecks**

A bottleneck is a facility, function, department or resource whose capacity is less than the demand placed upon it (Solutions, 2017). These therefore bog down the business processes. In the grocery store scenario, the centralization of control by the operations manager is a bottleneck to the efficiency of the whole process. It leads to an increase in time in effecting some of the crucial processes in the business, with some even coming to a halt, such as waste disposal.

### **Service blueprinting**

Service blueprinting provides a service delivery process from the customer's point of view (Shostack, 1984). In the processes considered in this business, the customer the line of visibility is at the point of restocking as well as sale of the fresh produce. The rest of the processes are not visible to the consumer. The visible processes should aim at ensuring consumer satisfaction through provision of high quality fresh produce. This should be done while considering that the goods are to be offered at affordable prices. On the other hand, the invisible processes need to focus on efficiency and speed in availing the fresh produce. This should be coupled with the need to avoid waste as much as possible. This will ensure that the consumer needs are met satisfactorily.

### **Process measurement**

Process measurements are important in helping the business gauge whether the initial goals have been achieved or not. Processes can be measured in terms of quality, speed of delivery and process velocity. In this business the only available process measure was customer feedback and increase in sales. No other measurements existed to gauge the speed of delivery of goods to the shelves or the quality of the produce provided.

In response to this process velocity was conducted and it was realized that the number of steps required to achieve the goal of stocking the fresh produce are 19 with a lead time of 12 hours giving a process velocity of 1.5 steps an hour. Due to the long lead time the process velocity is quite slow for the business. Additionally, the lead time on fresh produce arriving is two weeks and thus this provides enough time for the organization to increase its process velocity and thus increase the availability of high quality fresh produce to the consumer.

$$\text{Process velocity} = \frac{19 \text{ steps}}{12 \text{ hours}} = 1.5 \text{ steps an hour}$$

### **Discussion**

The business processes formulated by the company are inefficient and seriously bog down the process of availing fresh produce for sale. The main weaknesses of the processes are the centralization of control around the operations manager that cause a slowdown of key processes, over complexity of processes on the inventory department that slows down the

process as well as puts unnecessary strain on the department, presence of unnecessary processes such as the need for the operations manager to sign for receipt of goods and lack of proper quality control at the storage stage of the process where the warehouse manager is in charge of ensuring that the goods are up to standard in terms of refrigeration and packaging. A redesign of the processes may be crucial for proper alignment of the processes and the deletion of some unnecessary processes. This should help streamline the processes for a smoother and speedier flow of activities.

## **Conclusion**

The problems experienced by the business are as a result of faulty and complex business processes that are not well aligned with the objectives of the business. The result is the poor customer feedback concerning their fresh produce section and an increase in waste of shelved produce. In order to improve, the business processes need to be redesigned to match the business goals. The redesign should focus on consolidating some of the processes and spreading out the processes to various departments. Additionally, more processes should be decentralized to allow for quicker decision making and control over small sections of the business. These changes should place the business at a better position to achieve the goals set.

## **Recommendations**

The following recommendations, if applied, will be beneficial in ensuring that the business processes are well aligned to the business strategy:

- a. *Automation of specific processes:* Some of the business processes would benefit from automation. Automation will help hasten the speed at which some of the processes are done especially when it comes to checks and balances between the various departments. Automation will also enable efficient monitoring by top-level management and thus reduce centralization of control. however, automation of processes should be strategic in order to achieve the set goals.
- b. *Investing in proper quality control:* This will ensure that the quality control measures meet the required standards while also reducing costs incurred through wastages. Quality control will also increase quality consciousness among employee and increases sales.
- c. *Implement consistent performance measuring:* By constantly measuring the efficiency of their processes, the business should be able to notice trends in customer feedback as well as self-examine their processes and thus formulate better ways to improve their processes.

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