

## Documenting Procedures to Bill \$4 Million a Month—A Memorable Project

By Raymond E. Urgo

**The dilemma.** I had been working three months as the only business systems and procedures analyst in a division when my boss (I'll call Ted), the Controller, called me into his office. He was faced with a timely dilemma. The accounts receivable (A/R) clerk (I'll call Betty) who reported to him, had given notice to take retirement in three weeks. For the previous 36 years, Betty was the only person who had handled accounts receivable duties for the division. In her last year, she was invoicing approximately \$4 million per month for the division. Ted's concern was finding a suitable replacement in three weeks to learn and perform the job. Betty was unable to extend her employment. No one else in the accounting department was interested in the position. And because the division was located in a depressed area that was undesirable for employment, Ted was now expecting difficulty in finding a replacement from the outside. As for transferring knowledge of the job, Ted specifically wanted me to find out and document the methods and procedures of Betty's A/R job, for which he knew little about, before Betty retired. I agree to assist—a wise decision I supposed since my pay and future depended upon future accounts receivable revenues.

**The constraints.** As I engaged in my new project, I began to realize several constraints. First, Betty was my only information source. The existing A/R procedures were 12 years old, already outdated by two previous generations of information systems. Secondly, I had no previous experience with A/R. Thirdly, I was a novice to the division, manufacturing, and the industry. Fourthly, I had very little time to wind down other current projects and tackle my new one. In those days, I hand wrote procedures from scratch and then was fortunate enough to key them into one of the few personal computers that we shared in the division.

**Working with A/R clerk.** Betty was the subject matter expert. Undoubtedly, she knew her job inside and out. She was cooperative but not always patient with relating aspects of her job to me. Learning experts would probably describe her as unconscious competent—someone who performs expertly but can't quite explain it. She and her job were so integrated that she performed her tasks almost blindly and with a rhythmic pattern, moving among her desk, terminal, and file cabinets. Like most procedure analysts, I spent time asking Betty lots of questions about methods and tasks in her job. I had to take notes very rapidly and I collected samples of invoices, debit and credit memos, forms, logs, reports, computer screens, and letters. I ceased asking her to review my drafts when I saw she had no interest in doing so. As her termination date neared and no replacement was found, I think she began to realize how critical her services were to the livelihood of the division.

**After A/R clerk left.** At the time Betty left, I had most of the key A/R procedures written, but not tested. After two weeks with no replacement and no A/R activity, Ted contracted with a temporary agency for an accounting clerk. One day, Ted asked me to join the temp and himself to do the first invoicing since Betty's termination. Using the newly documented procedures as our guide, we successfully billed and mailed invoices and balanced accounts for several weeks of business. Ted eventually found and hired the permanent replacement. I gave the new person a set of the documented procedures and received some minor feedback about them. By the time this new A/R clerk was hired and began the position, my latest written A/R procedures were becoming outdated—a new information system was being implemented. Now I would need to revamp the A/R procedures to suit the new system.

**Results.** While following the written procedures, we discovered areas for streamlining certain methods and tasks that Betty had been performing unnecessarily. In some instances, she had been performing tasks to manually check the accuracy of computer output. In other instances, she was performing tasks to accommodate previous information systems and manual invoicing methods. Eventually, we were eliminated the use of a 1950's mimeograph machine used to create special invoices for certain customers.

**Lessons learned.** This project is memorable for the knowledge I gained about procedures analysis, work performance, accounts receivable, and business. Concerning procedures analysis, I learned that it's one thing to study and document procedures for a job, it's another thing to use the procedures later to do the job. Concerning work performance, I learned how a person in the same position for a long time has a tendency to keep former routines that are no longer necessary over time. Concerning accounts receivable, I learned that understanding communication between companies with their debit and credit memos can be a nightmare. Concerning business, I learned everyone is replaceable, even if it initially takes 3 people to do one person's job. I have one key recommendation to offer: never over look the importance of having well-written methods and procedures in place where one person's job has critical bearings on the organization's livelihood.

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