# Iowa College Student Aid Commission Kaizen Event Report Out

## “Lockbox Rejects”

April 5 – 9, 2010

# The Opportunity

Karen Misjak

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# The “Lockbox Rejects” Team

**Jami**

Jami Weems (ICSAC), Bill Austin (ICSAC), Kim Ferguson (ICSAC), Tammara Nichols (ICSAC), Vivienne Woodson (ICSAC), Mindy Colyer (ICSAC), Brenda Edwards(ICSAC), Kathi Gosnell (ICSAC), Todd Brown (ICSAC), Randi McLaughlin (Treasurer’s Office), Christine Holder (Sallie Mae), Sheela Ninan (ICSAC),Chris Neades (ICSAC),
Susan Godwin (DHS), Mike Rohlf (DED)

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# Scope

**Chris**

- **This event addresses the daily deposit process from receipt of deposit (lockbox) file to refund.**

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# Goals

**Vivienne**

1. Reduce the number of errors in posted payments (To no more than 1% of total payments posted)
2. Decrease turn-around time from lockbox to posting by 50%. (Baseline is 5 – 7 days)
3. Reduce the number of borrower overpayment refunds by 50%

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# Objectives

**Kim**

1. Borrower payments are posted accurately and timely.
2. Make it easier to identify payments, refunds, overpayments
3. Complete less research to identify payments, refunds, overpayments
4. Send more accurate and timely refunds

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# Objectives

**Tammara**

5. Reduce or eliminate unneeded or redundant steps
6. Improving communication and understanding across departments
7. Eliminate paper, post-it notes, copies
8. Educate all staff on how their piece impacts the rest of the process

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# Kaizen Methodology

**Susan**

- Clear objectives
- Team process
- Tight focus on time
- Quick & simple
- Necessary resources immediately available
- Immediate results (new process designed by end of week)
- 5S “mindset”--use the steps to support the event activities
  - Sort, Set in order, Shine, Standardize, Sustain

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# Current Process

**Bill**

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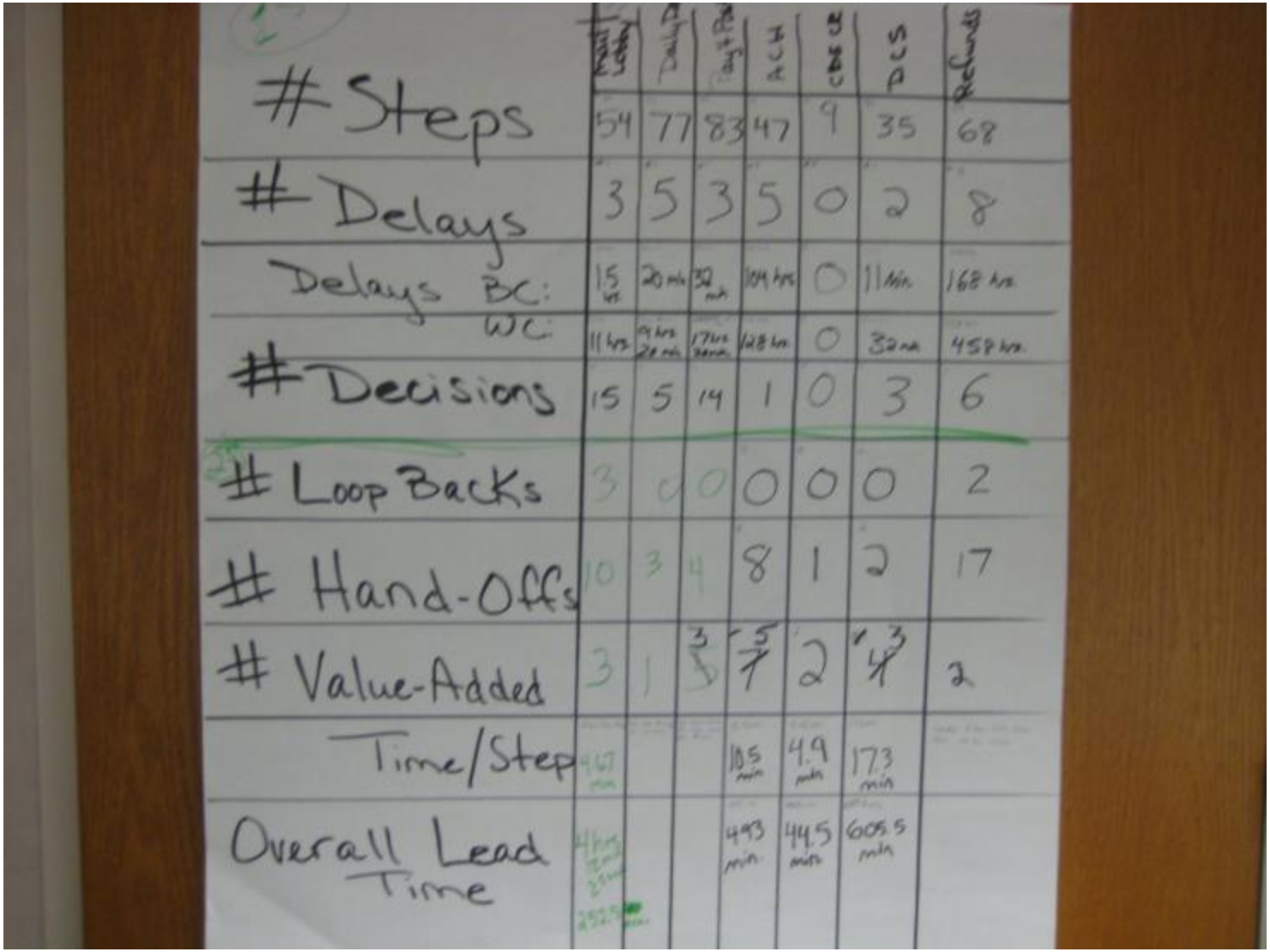
# Results-Old Process

**Mindy**



| | | | | | | | |
|---|---|---|---|---|---|---|---|
| # Steps | 54 | 77 | 83 | 47 | 9 | 35 | 68 |
| # Delays | 3 | 5 | 3 | 5 | 0 | 2 | 8 |
| Delays BC: | 15 hrs | 20 min | 30 min | 104 hrs | 0 | 11 min | 168 hrs |
| WC: | 11 hrs | 9 hrs 20 min | 17 hrs 30 min | 148 hrs | 0 | 30 min | 457 hrs |
| # Decisions | 15 | 5 | 14 | 1 | 0 | 3 | 6 |
| # Loop Backs | 3 | 0 | 0 | 0 | 0 | 0 | 2 |
| # Hand-Offs | 10 | 3 | 4 | 8 | 1 | 2 | 17 |
| # Value-Added | 3 | 1 | 3 | 5 | 2 | 3 | 2 |
| Time/Step | 4.67 min | | | 18.5 min | 4.9 min | 17.3 min | |
| Overall Lead Time | 4 hrs 30 min 23 min 252.5 min | | | 493 min | 44.5 min | 605.5 min | |

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# Brainstorming

**Sheela**

- One person, one process
- Saving electronically and not having hard copies
- Improving security
- Reduce handoffs
- Reduced approvals
- Eliminate unnecessary process steps

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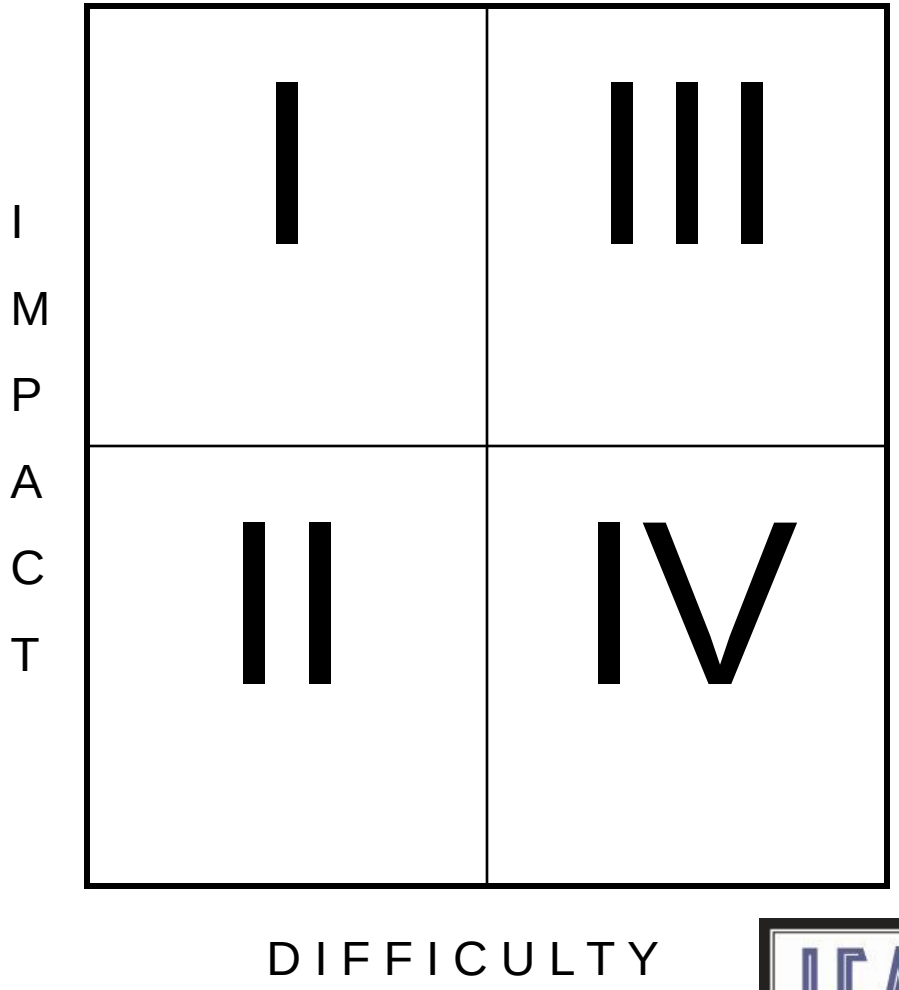
# De-selection Process

**Kathi**

- Identifies
  - Impact to customer
  - Difficulty implementing
- Helps to rate/ rank solutions to resolve issues while identifying ease of implementation

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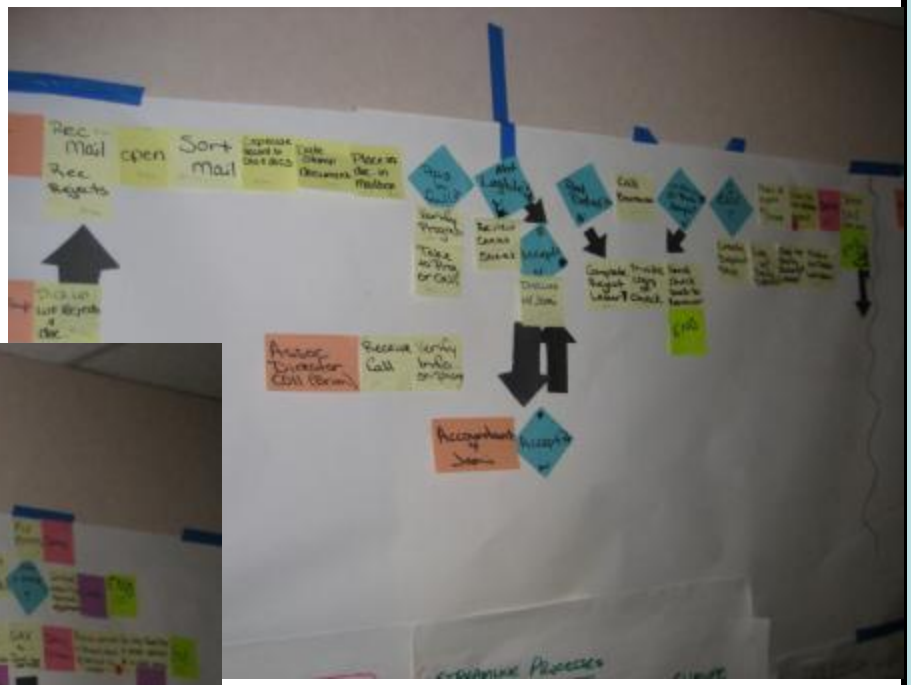
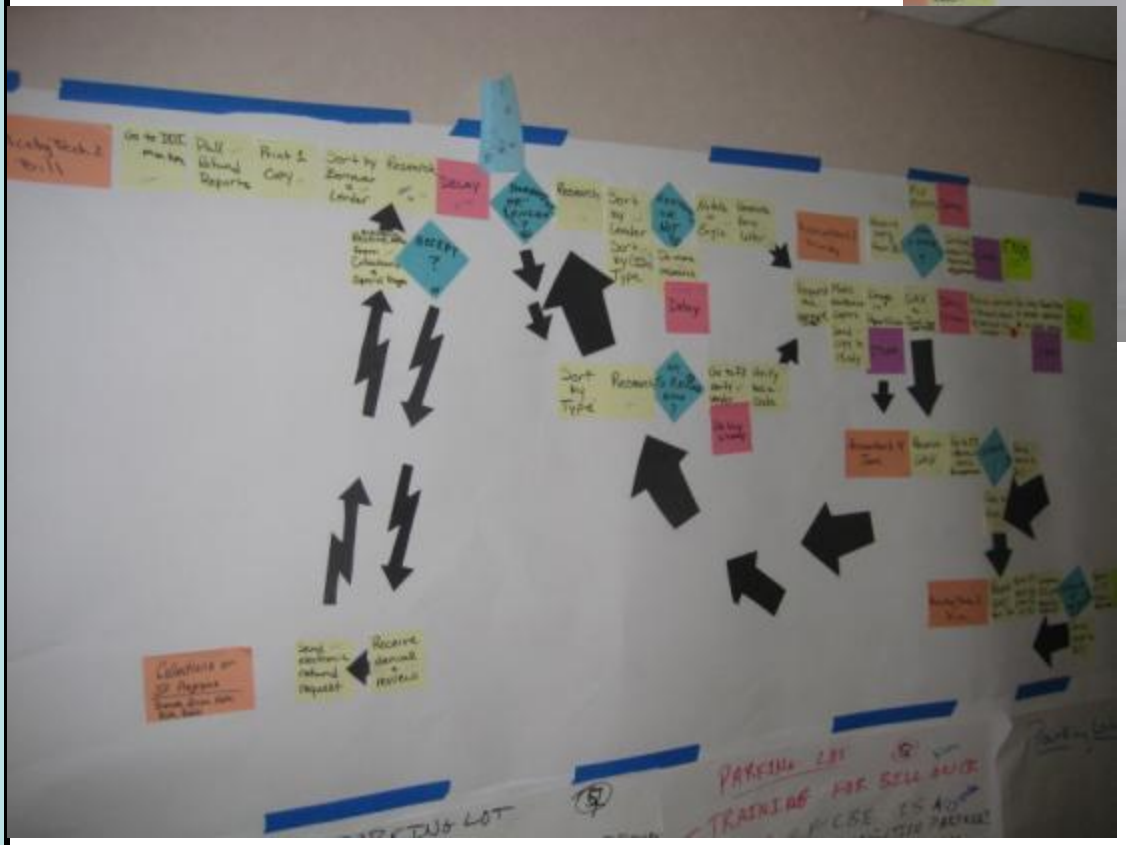
# New Process

**Jami**



# Results-New Process

**Todd**

| # Steps | Mail/Lobby | Daily Dep | Report Post | ACH | CBC CR | PCS | Refunds |
|---|---|---|---|---|---|---|---|
| # Delays | 1 | 5 | 3 | 5 | Ø | 2 | 5 |
| BC: | | | | | | | |
| WC: | | | | | | | |
| # Decisions | 7 | 5 | 11 | Ø | Ø | 3 | 7 |
| # Loop Backs | Ø | Ø | Ø | Ø | Ø | Ø | 2 |
| # Hand-Offs | 3 | 1 | Ø | 4 | Ø | Ø | 2 |
| # Value-Added Steps | 1 | 1 | 2 | 5 | 2 | 2 | 1 |
| time/step | | | | | | | |
| Overall Lead Time | | | | | | | |
| # Steps | 25 | 7 | 70 | 34 | 6 | 31 | 37 |

# Homework

## Jami

| Item | Item Description | Person Responsible | Due Date |
|---|---|---|---|
| 1 | Wells Fargo download to desktop – is okay to temporarily save it there? | Mindy / Julie | 4/16 |
| 2 | Treasurer's Office – balancing errors identified at ICSA prior to notification from TO – frequency of reconciliation at Treasurer's Office? | Kim | 4/16 |
| 3 | Print set-up for reports – can this be automated? (Currently Viv needs to re-set the margins prior to printing) | Mindy /Julie | 30 day |
| 4 | Can payments be posted in Eagle then transmitted to CAPS? | Jami | 30 days |
| 5 | Can we get information from Sallie Mae regarding suspense reasons; how to correct? Why the system does what it does (ie bankruptcies and disabilities). Sometimes you correct an error, then have to go back through and "ok" it again. | Jami | 60 days |
| 6 | In process – IT solution to decrease copying of re-purchases? Looking for a way to make it electronically accessible to Collections. | Mindy | 4/16 |
| 7 | User access to IT system – different security levels impact who can do which functions in the system which leads to more hand-offs than probably necessary | Jami | 4/23 |
| 8 | Timeframe for tables for refunds – decrease 45 days to 30? | Mindy / Jami | 30 day |

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# Team Member Experience

- Brenda
- Bill
- Todd

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# Comments

- Mike Rohlf, Dept of Economic Development

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**We welcome your questions and comments!**

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