Wisconsin Department of Transportation
P-card Coding & Approval Lean Six Sigma Project Report

Project Summary

Procurement cards (P-cards) are a convenient mechanism to procure low-cost goods. There are approximately 15,000 P-card transactions annually. They provide adequate oversight of purchases and coding information to be used in the department's accounting system.

The current P-card coding and approval system involves staff throughout the agency, so a streamlined process will benefit many. The goals of this project were to reduce staff time spent coding P-card transactions, and to reduce the error rate of P-card transactions that require additional research and resolution.

This project was completed on April 5, 2013.

Improvements

- Will save 3,200 staff hours annually
- Increased efficiency
- Reduced error rate and time spent researching the cause of coding errors

MAPSS Core Goal Area

- Accountability

Statewide Goal Area

- Cost of government

Issue

The current Procurement card (P-card) coding and approval process involves staff throughout the agency. In addition to the approval and coding related to each P-card, there is also the coding and approval of hard copy P-card logs related to each purchase. Several disadvantages were identified in the current process:

- Redundant data entry of P-card holder information by multiple staff
- A considerable amount of time is spent to recode P-card transactions to the correct Project ID and Object Code
- Approximately 340 hours per year is spent troubleshooting and resolving coding errors

Lean Six Sigma Process

Using Lean Six Sigma methodology, the team mapped the current P-card coding and approval process and identified a number of process components that could be streamlined.

The team identified the resources needed to streamline the coding and approval process, and identified seven process improvements. These improvements include:

- Increased training to P-card holders and their supervisors
- Providing default coding for routine P-card transactions
- Recommendation for further exploration of a software package that would automate a number of processes related to P-card coding and approval

Results

Improved Staff Efficiency: There are currently 350 P-card holders in the department, with approximately 175 P-card logs submitted by card holders every two weeks for processing. It is estimated that through the new process, staff will save 3,200 hours annually in the coding of P-card user information as well as coding for each purchase. This will allow staff to focus their efforts on other mission critical activities within the department.

Data improvements: With the streamlined coding, it is anticipated that the number of coding errors will be reduced by 75 percent and save staff 250 hours annually in time to troubleshoot and resolve coding errors. This time will be redirected to other business area activities.

Next Steps

The Division of Business Management will implement several of the proposed process improvements related to streamlining P-card coding by July 2013. Further investigation of an automated P-card system will be performed by BITS later in 2013 and may result in a future Lean Project.