

Business Report

The Action Response Applications Processing Unit (ARAPU)

OPR 300– Operations Management

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Executive Summary

The following report looks at the case study titled ‘The Action Response Applications Processing Unit (ARAPU)’. The purpose of this report is addressing three of the main topics identified within the case study. These topics are, the Objectives of ARAPU, where main objective was to process the applications in a streamlined way and IT system of the unit maintains close record of entire transactions.

Secondly the Main Issues with ARAPU’s Process. There were some issues such as the funds are not getting through quick enough and the costs of running the operation are starting to increase. Final topic discussed the Techniques in Developing and Improving ARAPU and therefore. The last topic covers, three subsections to that topic to give a more in depth analysis of the topic. The three subsections are, Process Chart Tools, where businesses can record the actions in physicality and accurate description of the process.

Moreover, Process Mapping, it sets the standards for a business organization to take account of the success of the process and eventually Service Blueprinting were explained and a key element of business blueprinting is that ARAPU can process new design from customers’ perspectives along with necessary technological actions. The report ends with several lists of recommendations on ways in which Action Response can look to improve its systems and create a more efficient organisation such as, hiring staff that are multi-skilled in areas specific to their production line which could help with the delay time.

Introduction

Action Response is a London-based charity which is dedicated to providing fast responses to critical situations throughout the world. Its present role is to provide relatively short-term aid for small projects until they can obtain funding from larger donors. However, Action Response faces two issues; complaints that funds are not getting through quickly enough and secondly that the costs of running the operation are far too high. This business report will aim to explain, in detail, the objectives of the Action Response Applications Processing Unit (ARAPU), the main issues of the current ARAPU, and the technicians in developing the ARAPU, as well as suitable recommendations to help Action Response in dealing with the current issues prevalent.

Objectives of ARAPU

The team therefore has been facing problem to maintain the key objective of minimizing the proportion of turnover that is spent on administration. The formation of ARAPU has taken place on a problem driven scenario with complaints about late or no response at all. The main objective behind initiation of ARAPU is to process the applications in a streamlined way and IT system of the unit maintains close record of entire transactions along with numbers of applications those are categorized as received, approved, and declined along with the amount of aid allocated to the requests (Dinarvandi & Meigounpoory 2013).

ARAPU receives requests for funding from intermediaries those who are helping small charities and always asks for a process that each request can be handled quicker. The objective of the new system is to reduce the processing time for each application from receipt to response to 20 days. Beforehand, it was noticed that most of the applications were not responded within the given period. The new process should build up the objective that it can meet the deadline and the users in the form must put all the necessary information (Kanno & Shibata 2013).

However, ARAPU was designed to meet the unit's financial target, but application cost for each item has been increased. Therefore, it is necessary to bring out an objective of formal measurement of the application process and assessments. For further betterment of overall business process ARAPU must increase own productivity by completing the assessment of requests as early as possible (Lofstrand 2010). ARAPU now must focus on assessing and reconfiguring the process employed in action research to increase the responsiveness and

efficiency. The new process design is implemented to increase the speed of the service and set the output rate according to the demand. The system has also the key objective of allocating the resources with proper capability in the organization.

Main issues with ARAPU's Process

As mentioned above the Chief Executive of Action Response, Susan N'tini claimed that the Non-for profit organisation obtains two main issues; receiving complaints that the funds are not getting through quick enough and the costs of running the operation are starting to increase. It was also stated IT systems report show that on average the business receives 300 new applications per week and respond to the same number during their 35 hour long week. Charities such as Action Response vary from general NFPOs in that they focus on goals of a charitable nature that are deemed by individual societies to serve the public interest or common good (Hyndman & Jones 2011). As a result, the organisation has strict charity guidelines and values, thus making it a lengthy procedure to ensure eligibility and process each application.

The current process design includes roughly 19 members along with an undisclosed amount of committee trustees. There are 10 steps to the process with 8 different titles and roles including; receipt clerks, coding clerks, senior assessor's secretary, senior assessor, committee of trustees, decline officers, payment officers and dispatch offers. Despite the process obtaining clear steps and roles, the time to perform the requirements at each level varies. As a result, there are bottleneck(s) present in the line of production. The fact that there are steps with slower outputs suggests that ARAPU need to improve the line balancing in the applications process. Line balancing involves ensuring that the stages of production, in this case the application process are coordinated and bottlenecks are avoided (Greasley 2013, pp. 83). Line balancing for ARAPU might involve a task such as; putting extra staff on the steps that are currently bottlenecks and taking longer. Bottlenecks are a major factor in line performance and management, it is important to improve the bottleneck(s). Improvement can come from increasing the effective throughput capacity of the current bottleneck(s) (Betterton & Silver 2012).

To eradicate the two issues mentioned above a redesign of the application process is necessary. This redesign will assist ARAPU in determining and locating the exact point of the bottleneck(s) and potentially create a new, effective and efficient application process. There are three steps involved in process design, they are to be carried out in a structured approach

and include; 1. Identify opportunities for process improvement, 2. Document the process design and 3. Redesign the process (Greasley 2013, p. 171). Along with these steps, there are several techniques and tools to assist ARAPU in developing and improving the effectiveness and efficiency of their service.

Techniques in developing and improving ARAPU

The system is based on allocation of proper data and mining them in a particular framework to attain key benefits from the process. It is indeed a fact that ARAPU is relatively a new process and only 19 members along with a committee of trustees are responsible for the whole process design. As shown in the case study, stakeholders have regular meeting about decline and acceptance of any request. However, the process application is very lengthy procedure and inclusion of certain techniques and can develop the entire process design. One key thing is to remember that the system is an IT based one and therefore, the organisation must consider about appointing proper human resource for implementing the techniques (Calabrese & Corbo 2014).

3.1 Process chart tools:

Process chart would be beneficial for the system because it clarify the complex data and documenting process between the people, process and set of data. It breaks down the entire process into specific components and the components can be expressed visually (Winkelmann & Weib 2011). Process chart is the key tool for ARAPU to record the actions in physicality and accurate description of the process. The planning will be more efficient it will identify key resources in a process so that waste could be reduced.

3.2 Process mapping:

Process mapping set the standards for a business organization to take account of the success of the process. It is a logical sequence of what the business body does, what would be the standard for completion of business process and how the success will be measured efficiently. A clear and detailed business process mapping allows the firm to invite its key stakeholders to come and look whether progress is made in the current business process (Kazemzadeh *et al.* 2015). Process mapping is a valid tool for ARAPU because it considers specific objective along with overall organizational objectives aligning it with the available resources and capabilities.

3.3 Service Blueprinting:

The process is beneficial for service innovation and then it diagnoses problems in the organization with the operational efficiency to structuralize the concept for innovation. A key element of business blueprinting is that ARAPU can process new design from customers' perspectives along with necessary technological actions that are required for service innovation (Gersch *et al.* 2011).

Conclusion

ARAPU's main objective involves processing the applications in a streamlined way and IT system of the unit maintains close record of entire transactions along with numbers of applications those are categorized as received, approved, and declined along with the amount of aid allocated to the requests. The objective of the new system is to reduce the processing time for each application from receipt to response to 20 days and to process the applications in a streamlined way and IT system.

The main issues of the ARAPU involve complaints that the funds are not getting through quick enough and the costs of running the operation are starting to increase. There are bottleneck(s) present in the line of production

There are three main techniques for developing and improving ARAPU, these are process chart tools, process mapping, and service blueprinting. These techniques ensure that the organization is more capable in dealing with fund requirements and streamlining the application activities.

Recommendations to improve their response time to applications from those who need it include hiring staff that are multi-skilled in areas specific to their production line. The company could also gain additional funds and/or capital. This can be done through gaining the endorsement of a high profile company or celebrity that can relate to the kind of work that they do or offer them part of the company to invest in.

Recommendations

The key issues that have been addressed in the report have all had their own recommendations previously mentioned. However to reiterate these recommendations, Action Response (AR) need to improve their response time to applications from those who need it. The reason in which response time is not as fast as AR would like is due to their bottleneck line of production.

- ❖ A change that could be made is hiring staff that are multi-skilled in areas specific to their production line. This will not only allow for a reduction in time taken to complete the line of production but will also assist in them reducing their costs associated with the running of the business by allowing them to get rid of staff who are not multi-skilled, resulting in only one salary being paid rather than multiple.

As the Action Response is a non-for-profit organisation and contributes positively to the charitable businesses around the world it should look at way in which:

- ❖ It can gain additional funds and/or capital. This can be done through gaining the endorsement of a high profile company or celebrity that can relate to the kind of work that they do or offer them part of the company to invest in and inject additional capital into the organisation. This will solve the financial pressures the world economy place on the non-for-profit segment of the business world while also increasing its exposure through links with high profile stakeholders.

Word Count/ 1714

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