4.2. **Run a "post-it" re-engineering workshop on your month-end processes**

Running a re-engineering process can be a complex and expensive task or a relatively easy one. The choice is yours. Many organisations start by bringing in consultants to 'data-flow' the existing procedures. This is a futile exercise as why spend much money documenting a process you are about to alter radically. When it is done, only the consultants will understand the resulting data-flow diagrams.

The answer is to "Post-it" re-engineer your month-end procedures in an in-workshop.

There are seven stages.

Stage 1 Invitation

Having set the date, get the CEO on board and ask them to send out the invites. See Appendix 3 for a draft. The finance team needs to send out instructions a week or so prior workshop, outlining how each team is to prepare their post-it stickers, see Exhibit 4.1.

Suggested attendees include all those involved in month-end, including accounts payable, financial and management accountants, and representatives from teams interface with month-end routines, e.g., someone from IT, payroll, etc.)

Whilst our month-end has been streamlined in our pursuit of continuous improvement, we need to eliminate more waste from the process. I have organised for _____ to run a breakthrough lean technique to streamline the processes. During the session, _____will talk about the leading practices from around the world. This session will enhance your job satisfaction as you spend more time in the future scoring goals.

Date & Time: _____ 8.45 for refreshments, start 9 am, Finish at 4.45 pm

Location: Room_____, _____

Your presence at the workshop is important. In order to run this workshop we need you to prepare a list of all the processes you undertake as a team at month-end.

This process is quite simple, all it requires is:

Each team is to list all their processes on the "Post-it" stickers allocated to them prior to the workshop and document each process with a black whiteboard marker pen as set out in the example below. It is important that these stickers can be read from four to five metres.

+2
Close-off Accounts Payable
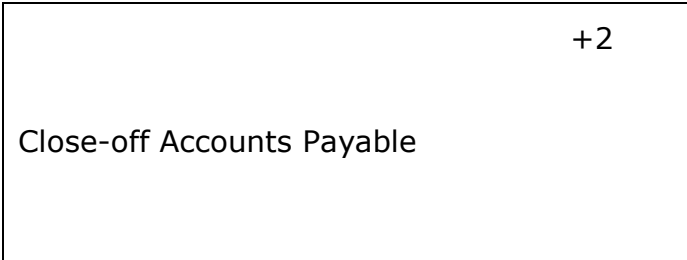
One procedure/process per Post-it (please note, every Excel is a process and thus has a Post-it sticker)

State when it is done—time scale is -2, –1 (last working day), +1 (first working day), +2, etc.

Set up a schedule to ensure all the main teams have a unique coloured post-it sticker, see Exhibit 4.2.

Exhibit 4.2: Allocation of post-it stickers so every team has a unique colour

Accounts payable	Yellow
Accounts Receivable	Green
Financial Accounting team	Blue
Management Accounting Team	Purple
Capex	Pink
Payroll	Etc

Stage 2 Stand-up workshop around the whiteboard

With everyone assembled, go through the agenda items, starting with an introduction to best practices. See Exhibit 4.3 below for an outline of the workshop.

Exhibit 4.3 Proposed workshop timetable

Reengineering Month-End

Agenda for Workshop

Learning Outcomes: After this workshop, attendees will be able to:

Discuss and explain why _____ should have quicker month-end reporting.

Implement the steps required to move month-end reporting back to day 3 or less.

Describe better practice month-end routines.

Time	Activity
9:00 A.M	Welcome by Financial Controller
9:10	**Setting the scene**—a review of better practices among finance teams that are delivering swift reporting. Topics covered include: Cost of reporting in _____ Benefits of quick reporting to management and the finance team Advice from Steve Jobs and Peter Drucker Lean month-end better practices Senior management and a selection of budget holders (who are based locally) will be invited to attend this session, "setting the scene."
10:30	**Workshop One:** When activities should start and finish, where separate teams look at the different issues (we will cover month-end close-off of the various teams, listing bottlenecks within and between teams, reporting and forecasting issues, reconciliation issues, etc.)
10:45	Morning break
11:00	**Workshop Two:** To analyse the month-end procedures, using each team's coloured sticky notes
12:30	Lunch
1:00	Workshop Two, To analyse the month-end procedures, continues
2:00	Agile processes (Scrum and Kanban) and quality assurance steps to make the reports bullet proof
2:30	Afternoon break
2:45	The changes one can make in the next six months to month-ending reporting
3:15	**Workshop Three:** Set out the appropriate implementation steps to implement quick reporting. Each team prepares a short presentation of the key steps it is committed to making (teams will use PowerPoint on laptops).

4:00	Each team presents reports to the group regarding what changes it will implement and when. The team can also raise any remaining issues.	
	Those SMT and budget holders who attended the first session will be invited to attend this session.	
4:45	Wrap-up of workshop by the Financial Controller	
5:00	Finish	

When you get to the stage in the agenda for the Post-it re-engineering, you ask a representative of each team to place the "Post-its" in time order under column headings day -2, day -1, day +1, day +2, and so forth using a white board. When all the post-it stickers are on the board, it will look like Exhibit 4.4.

Then remove all desks near the whiteboard, and ask all the staff present to come to the whiteboard, standing in semi-circles, hopefully with the "height challenged" staff at the front. The standing-up is critical as it brings everybody in sight of the stickers and, more importantly, as the meeting progresses, ensures swifter and swifter agreement as nobody will enjoy standing for over two hours.
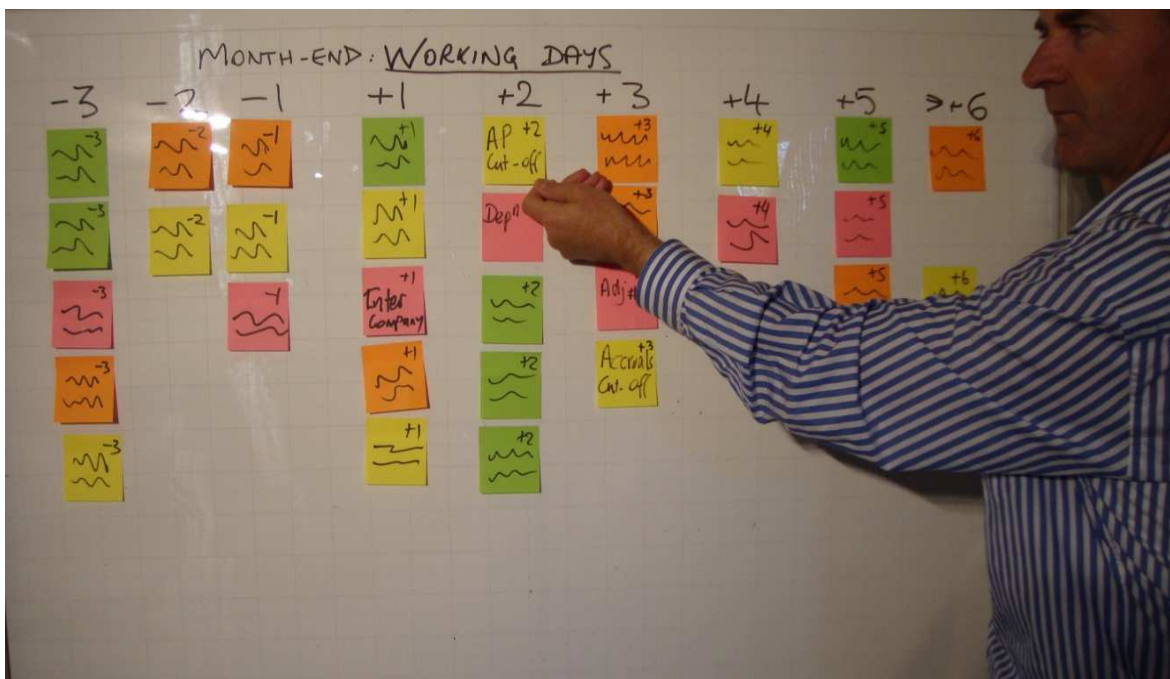

Exhibit 4.4: Post-it re-engineering on a white board

Stage 3 Missing processes

Then you ask, "What is still missing from the list?" There will always be a forgotten process. I probe until at least two additional processes are put on the board and I ask each person in turn to acknowledge that they agree that the whiteboard represents all the processes.

Stage 4 Removal of duplication

I then ask, "What processes have two stickers when there should only be one?" (we want to remove any duplication).

Stage 5 Abandonment

I then ask, "What processes do we not need to do anymore with and therefore should abandon?" There is often a pause here as staff look bewildered. 'Why would we do something that was not required? They all are thinking'. At this stage I talk about Peter Drucker, the great management thinker's abandonment philosophy, discussed in section one of this paper.

I recommend that you buy a dozen movie vouchers before the workshop so you can give one to every attendee who points out a process that can be removed as it is not necessary (the process was done because it was done last month)—each procedure that is removed is like finding gold because it means less work, fewer steps. These stickers are removed, see Exhibit 4.5. After the first movie ticket handout, you will notice a greater focus from the attendees!

Exhibit 4.5: Abandoning processes by removing the "post-it" stickers

I will spend up to two hours to ensure all the superfluous processes are removed.

Stage 6 Rescheduling

The next stage is to reorganise the key processes and bottlenecks based on better practice. I start by pulling off the AP close-off sticker and ask, "When can we finish this exercise if we were to adopt best practices?" The answer I am looking for is "noon on the last working day" which has been discussed in an earlier section.

With each rescheduling of a process, it is important to seek consensus. Invariably, some members of the team will believe the world will end if the cut-off is moved earlier. I question the logic and allow a dissenting group to have their objections noted. "If you are proved correct, next month, we owe you a morning tea. If, however, you are proved wrong, you owe all of us a morning tea". With that statement, I move the sticker to where the majority have agreed. See Exhibit 4.6.

After 45 minutes of standing, these disagreements will recede due to peer pressure.
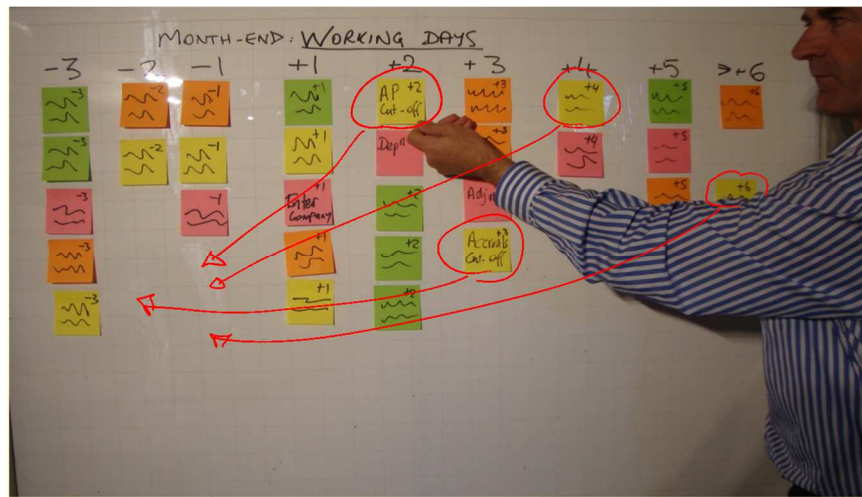
Exhibit 4.6: Moving the bottlenecks to the earliest time they can be completed

Stage 7 Spreading the workload

Look at the Day-1 steps, as you may have too many. Move the non-time-critical ones between Day 2 and Day +1 to better spread the workload.

Document the "post-it" stickers on a spreadsheet. This documentation is the only record you need. Any person who, for health reasons, cannot stand can be assigned this documentation process.

You will find it hard to justify any task needing to be done after day 3! You can review a YouTube video of me demonstrating a 'post-it re-engineering exercise on www.quickmonthendreporting.com.

Some case studies that used the 'post-it' re-engineering

Organisations in both the public and private sectors have improved their month-end reporting using the post-it re-engineering workshop.

The CFO of a famous entertainment centre in Australia brought 20 of his team along to a session I ran in September. They all went back and re-engineered their month-end. On November 3rd, we were talking over the phone, and he had the final accounts in his hand— day three reporting within six weeks! The CFO had for years been used to very quick reporting with a U.S. company, so you can imagine his frustration when he first arrived at his new position. The 'post-it' re-engineering process unlocked the potential he knew was there.

A CFO of a radio station conglomerate flew all her management accountants from around the country for a one-day 'post-it' re-engineering workshop. For some, it was the first time they had met. The workshop was a fun day, and members could laugh at the bottlenecks that they, in some cases, had created. Excel spreadsheets were tossed out along with other low-value month-end activities. I rang the CFO two weeks later, on June 3rd and asked how the month-end was going. She replied, "What do you mean going? It is finished." She achieved two-day month-end reporting, down from day eight in two weeks.