

# MWB Rentals Ltd. Unallocated Cash

# Lines Improvement

SITE	RPS LEADER	TEAM MEMBERS	DATE	Signature	Approval
Leeds	Sarah	Bob, Petra, Gary, Dave	March - July	Sarah	Sue

## Step 1 CONCERN - What's the GAP?

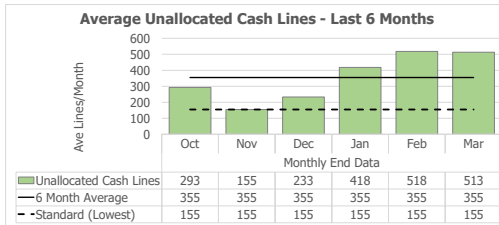
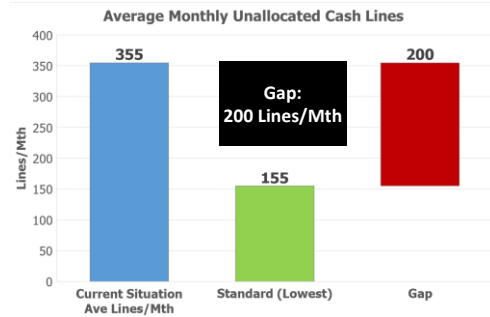
### 1.1 Background

- Unallocated cash is cash received in to the business with no invoice to match off to, or a "Cash Line".

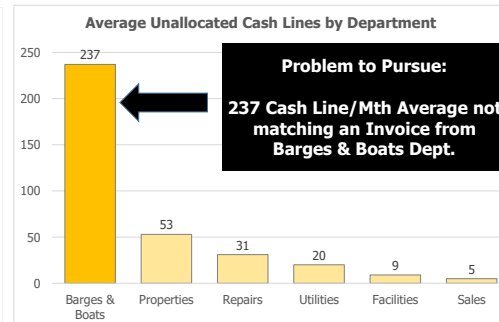
- This can mean that cash is not realised in to the monthly Profit and Loss account affecting cash flow - up to £100k in one month (Feb)!

- This means more work for the Cash & Billing Team to get the invoices raised & match it to the cash.

### 1.2 Clarify the Problem - Gap



### 1.3 Gap Analysis - Last 6 Months



## Step 2 CONTAIN - Can we stop the problem now?

**Who:** Cash & Billing Team.

**What:** Daily Overtime.

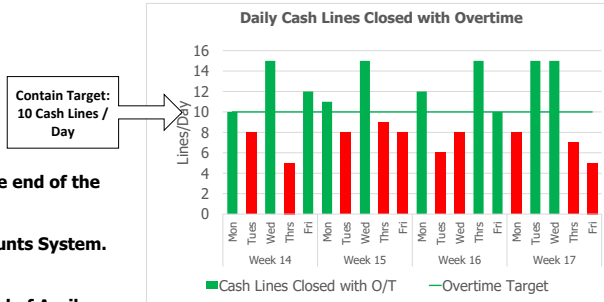
**Where:** Office/Desk.

**When:** From Week 14 (April).

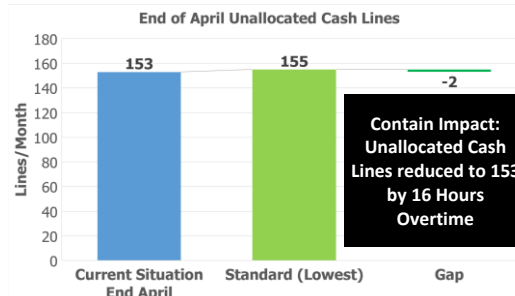
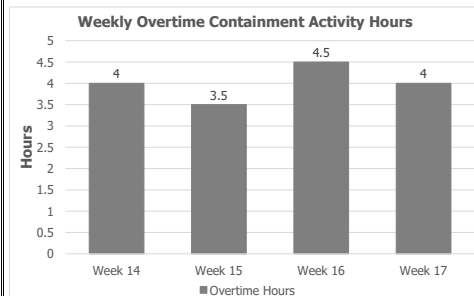
**Why:** To reduce Unallocated Cash Lines by the end of the Month.

**How:** Manual Matching in Cash/Invoice Accounts System.

**How Much:** Additional 10 Cash Lines/Day.  
155 Unallocated Cash Lines by end of April.

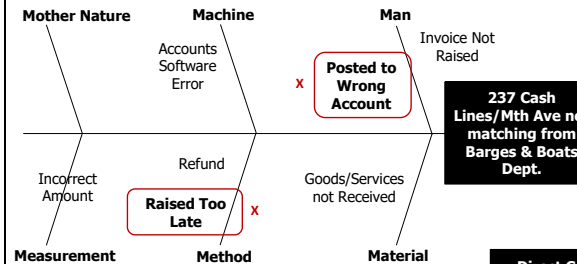


### 2.1 Contain Result

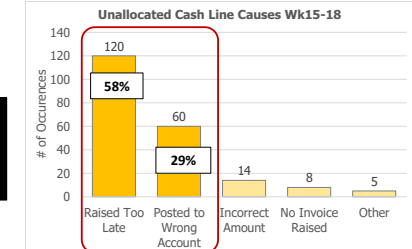


## Step 3 CAUSE - Investigate and find the root causes?

### 3.1 Direct Cause Investigation



### 3.2 Direct Cause Proof



**Direct Cause 1:** Invoice Raised Too Late

**Direct Cause 2:** Posted to Wrong Account.

### 3.3 Root Cause Investigation

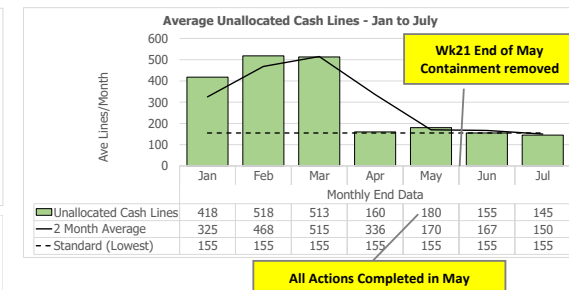
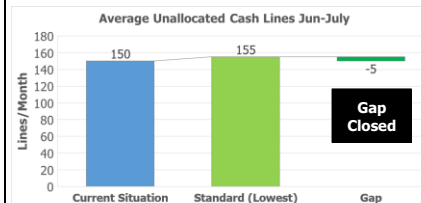
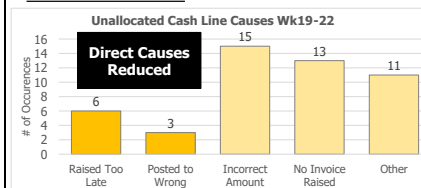
Problem to Pursue:	237 Cash Lines/Mth Ave not matching from Barges & Boats Dept.	
Direct Causes:	Invoices Raised Too Late	Payment Posted to Wrong Account
Why ?	Cash Posted at 700hrs, Invoices Rasied at 1400hrs	B&B Team Members input Wrong Customer Number
Why ?	C&B and B&B Team Processes are not aligned	Didn't know how to Create New Customer Numbers
Why ?	No Standard Process for the Timing of Activites Exist	Not Sufficiently Trained
Why ?		Training Confirmation Process is Inadequate
Root Causes:	No Standard Process for the Timing of Activities Exists	
Root Cause 1: No Standard Process for the Timing of Activities Exists.	Root Cause 2: Training Confirmation Process in B&B is Inadequate.	

## Step 4 COUNTERMEASURE & CONFRIM - Did we close the GAP?

### 4.1 Countermeasure Plan

Root Cause	#	Countermeasure Action	Who	When	Impact
1 No Standard Process for the Timing of Activites Exist	1	Define a Standard Time for Creating Invoices	Sarah	Wk18	58% of 237 = 137 Cash Lines
	2	Define a Standard Time for Posting Cash	Sarah	Wk18	
	3	Train Staff & Implement	B&B	Wk19	
	4	Monitor Results & Share With Other Depts	Sarah	Wk20	
2 Training Confirmation Process in B&B is Inadequate	5	Define Current State Training Status in B&B	B&B	Wk19	29% of 237 = 68 Cash Lines
	6	Train Staff & Confirm Capable	B&B	Wk20-21	
	7	Monitor Results & Share With Other Depts	Sarah	Wk20	

### 4.2 Confirm Results



### Result Summary:

- Unallocated Cash Lines Reduced Average from 355 Oct-March to 150 Jun-July.
- Gap Closed without Overtime - Stopped Wk21 end of May.
- Focus on "Incorrect Amounts" next.