For this assignment you will be required to assess the performance of two processes and evaluate their efficiency and value.

A government office processes two types of applications, Basic and Special, for an agency responsible for awarding funds for projects. Separate departments within the office process the two types of applications. The office manager is interested in finding out whether it is possible to reduce the processing times of each application and has asked you to evaluate each process. He would like each process to be 50% efficient. After reviewing both processes you have found the following information:

|  |  |
| --- | --- |
| **Basic application process (per application)** | **Special application process (per application)** |
| 60 minutes required to input information | 140 minutes required to input information |
| 60 minutes required to verify information | 100 minutes required to verify information |
| 20 minutes required to double-check work | 60 minutes required to double-check work |
| 30 minutes spent in mailroom | 30 minutes spent in mailroom |
| 10 minutes moving between stations | 30 minutes moving between stations |
|  |  |
| Additional information | Additional information |
| 2 employees work on Basic applications | 3 employees work on Special applications |
| 10 Basic applications wait to be processed | 20 Special applications wait to be processed |

* 1. For each application type, compute the cycle time, throughput rate, and throughput efficiency.
  2. According to your calculations, which process appears to be more efficient? Why do you think this is? What suggestions would you provide the manager for improvement? What areas seem to be non-value adding and why?
  3. Suppose that you have identified an improvement that would reduce the work-in-progress (WIP) for Basic applications to 4 and for Special applications to 7. What effect does this have on throughput rate and throughput efficiency (show your calculations)? If these are the absolute lowest levels of WIP possible, what implications does this have for increasing efficiency to reach the office manager’s goal?

Prepare your assignment in the format of a professional business report addressed to the office manager. You should assume that the office manager has knowledge of the measures that you will be using to evaluate the processes. Your calculations should be included in an appendix to the report and are not included in the word count.