

## DEEE Process Selection Criteria for Cost Savings

The process selection criteria should be selected and sequenced to align with agency goals and considered holistically in combination with the greatest opportunity for efficiency gains. Baseline cost and FTE data can also be gathered to quantify potential efficiency gains.



**GOAL:** Identify Processes that are



More Manual

Require More FTEs

Potentially inefficient

Likely to have most potential gains

Process Selection Criteria*	Rationale
1. Transaction volume cost driver	Value results from economies of scale - accurately and quickly processing high volumes of transactions. Manual work (and FTE needs) can be more easily reduced in standardized, high-volume processes vs. more analytical or strategic processes
2. High transaction volume	Greater volume gives more opportunities to unlock economies of scale
3. High FTEs per transaction	Relatively high FTEs in transactional processes may be an indicator of more manual work
4. No or low existing automation	Existing automation may indicate “low hanging fruit” for efficiency is already captured
5. Known internal control or audit issues	Resolving known issues demonstrates immediate, measurable success
6. Transaction backlog	Backlogs indicate significant capacity challenges, presenting opportunities for efficiency gains
7. High error rate	A greater number of transactions in suspense indicate greater potential savings from digitization or automation that may reduce human error, eliminating rework
8. Multiple systems	Multiple systems may indicate lack of integration, and opportunities to add for integration or automation
9. Low customer satisfaction	User and customer experience are not meeting business expectations

\*Criteria are most effective when analyzed in combination and sequenced to reflect agency priorities such as cost savings, enhanced controls, and improved customer experience (i.e., the priority of criteria will differ based on desired outcome)

# Sample Selection Criteria Data Analysis

The example below shows how 3 End-to-End processes could be analyzed and sequenced based on data aligned to their respective sub-processes. Example data for top 4 criteria is shown below to illustrate the analysis method.

## Sample Process Data

End-to-End	Service	Cost Driver	Trans. Volume	FTEs / Trans.	Existing Automation?
Procure to Pay	Sub-Process A	Transactional	110,000	2.1	No
Bill to Collect	Sub-Process D	Transactional	102,000	6.5	No
Bill to Collect	Sub-Process B	Transactional	101,000	8.2	No
Procure to Pay	Sub-Process B	Transactional	99,000	3.2	Yes
Bill to Collect	Sub-Process C	Transactional	74,000	4.2	No
Request to Procure	Sub-Process A	Transactional	63,000	2.7	Yes
Bill to Collect	Sub-Process A	Analytical	28,500	1.7	No
Request to Procure	Sub-Process B	Analytical	15,000	5.2	Yes
Procure to Pay	Sub-Process C	Analytical	1,500	0.5	No

### 1. First Sort:

Data is organized to sort all sub-processes by cost driver (to prioritize analysis within transactional)

### 2. Second Sort:

Data is then sorted by transaction volume, with an emphasis on clusters of similar values or deviations from a linear pattern. For example, the top 4 sub-processes are within about 10% followed by a large drop so priority should move to the next criteria (FTEs per transaction)

### 3. Analysis and Sequencing:

Agencies should look across all criteria for sequencing. For example: even though within the high transaction volume group P2P-A has the highest, B2C is ultimately prioritized based on FTEs/transaction for its 2 subprocesses

