Module 5.1 – Using BPA for Identification of bottlenecks

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BPA Phases: How to conduct a BPA project

I. Scope setting/Planning – Specify a scope of processes to be analyzed
   - e.g. import and/or export processes of a specified product, through a certain mode of transportation (trucks, trains, ships or airplanes)…
   - e.g. planning staffs, tasks, time schedule, other resources to conduct this BPA project, …..

II. Data collection and process documentation – Acquire information and document a sequence of steps in actual practices & their attributes, e.g
   - Who involved (stakeholders/actors)
   - Procedures and documents required (input to/output forms)
   - Related rules and regulations
   - Quantitative indicators, eg. no. of steps, time, cost, time, distance, …

III. Process analysis – Locate bottlenecks, examine what causes them, and develop measurable and quantitative process indicators (e.g. the number of steps, time and costs required to fulfill those processes)

Recommendation development – Determine how to eliminate each bottleneck, propose and prioritize improvement actions
Analyzing the “As-Is” Business Processes

Objective – To identify any bottlenecks, redundancies, and non-value-added activities in procedural and documentary requirements of the “as-is” business processes described in the activity diagrams, process descriptions, and time-procedure chart.
Case 1: Thailand’s Export Process of Frozen Shrimp (Identifying possible areas of bottlenecks…..)

1. Buy - Conclude sales contract and trade terms
2. Have product sampled and technically examined
3. Arrange transport
4. Prepare export permit
5. Apply for cargo insurance
6. Prepare and submit customs declaration
7. Stuff container and transfer it to port of departure
8. Clear goods through customs
9. Handle container at terminal and stow it on vessel
10. Prepare documents required by importer as listed in L/C
11. Pay - Claim payment of goods
Case 1: Thailand’s Export Process of Frozen Shrimp
(Conducting Root-Cause Analysis: Asking Why? What are the root causes?)

Authorized Private Inspector

Exporter (or Representative)
- Have product ready for sampling
- Schedule the sampling date
- Collect sample
- Deliver sample
- Request for Sampling
- Examine sample
- Record result of examination

Department of Fisheries
- Submit Request for Sampling
- Notify the date for sample collection
- Collect sample
- Record sampling result
- Examine sample
- Record result of examination
- Test Report

Free of charge but limited number of inspectors and laboratory facility

2-Day Waiting Time

1 working day

10 working days

1 working day

Test Report

Free of charge but limited number of inspectors and laboratory facility
Case 2: Thailand’s Export Process of Jasmine Rice

In several cases, bottlenecks are hiding. Improvement opportunities are not obvious.

1. Buy - Conclude sales contract and trade terms
2. Obtain export permit
3. Arrange transport
4. Arrange the inspection and fumigation
5. Obtain cargo insurance
6. Provide customs declaration
7. Collect empty container(s) from yard
8. Stuff container(s)
9. Transfer to port of departure
10. Clear goods through customs
11. Handle container at terminal and stow on vessel
12. Prepare documents required by importer
13. Verify the accuracy/authenticity of exported cargo
14. Pay - Claim payment of goods

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Case 2: Thailand’s Export Process of Jasmine Rice

- Review each activity diagram, its accompanied process description, and relevant forms and documents
- Look for redundancies and non-value-added activities in procedural and documentary requirements

**Documentary requirements of these documents are very much identical.**

- Exporter or Representative
  - Obtain export permit
- Department of Foreign Trade
  - Prepare documents for the application of export permit
  - Application for Permission to Export Rice (KP. 2)
  - Sales Report (KP 3)
  - Application for the Collection of the Permit for the Export of Rice (A. 3)
  - Draft Permit for the Export of Rice (A. 4)
  - Evidence of Sales (Purchase Order or Sales Contract)
  - Verify submitted information
  - Sign and authenticate A. 4
  - Collect A. 4
  - Permit for the Export of Rice (A. 4)
Exercise: Identify Bottlenecks and Redundancies

Thailand's Export Process of Jasmine Rice

Verify the accuracy/authenticity of exported cargo

Department of Foreign Trade

Exporter or Representative

Office of Commodity Standards

Customs

Prepare documents to declare the actual amount exported

Permit for the Export of Rice (A.4) with actual quantity exported

Certificate of Standards of Products (MS. 24) with actual quantity exported

Evidence of Sales (Purchase Order or Sales Contract)

Record the actual quantity exported and released date

Acknowledge the provided information

Example of redundant procedural and documentary requirements

Department of Foreign Trade

Verify the accuracy/authenticity of exported cargo

Exporter or Representative

Office of Commodity Standards

Customs

Prepare documents for submitting to Customs at port of exit

Permit for the Export of Rice (A.4) with actual quantity exported

Certificate of Standards of Products (MS. 24) with actual quantity exported

Evidence of Sales (Purchase Order or Sales Contract)

Acknowledge the provided information

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Group Exercise

- Each group - please discuss, collect more information, improve your Activity Diagram, with more quantitative indicators, e.g.
  - time (hours, days), costs ($), no. of signatures, no. of steps, ……

Try to identify any bottlenecks related to activities, document requirements, e.g.
- any redundancy in procedures and documentations
- non-value added activities,
- un-usually high cost,
- and long delay in procedures and document requirements
- Etc.