Business Process Management
Assignment: Moyee Coffee

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Erasmus curriculum
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Table of Contents

Why Moyee Coffee?

It was a very obvious that we chose for Moyee Coffee. Rory did his internship last semester at this company. He worked in the department Business-to-Consumer. The biggest problem was the delegation to the different departments. For a coffee machine, it was obvious that this order has to go to the Business-to-Consumer, but everything else was a big mystery for his feeling. It didn't happened often, but in the worst case the order was being delayed or even forgotten because the order was at the wrong department or went wrong at the B2C department. Rory was almost the whole day busy to get the right order to the right department. The B2C has almost nothing to do with that order, but is was still necessary for the core process. After Rory was done with his internship at Moyee, he knew that it could be easier for this process. For this course, it was the opportunity for us to make a better process for this company and to eliminate possible errors in this process.

For this assignment we had contact with Anne van der Veen, Rory's former internship coordinator and Marlieke Dielens, employee of Logistics.

About Moyee Coffee:

Moyee is a coffee company, but a very unique one. Moyee is the founder of FairChain Coffee. They roast their coffee in the country of origin so the added value stays in that country. Moyee gets their coffee exclusively from the birth ground of coffee: Ethiopia.

FairChain Coffee vs. Fair Trade Coffee

What is exactly the difference? At Fair Trade coffee, only a small percentage of the profit goes back to the producers. That is about 5% of the profit on average. Moyee wanted it to do it more fair than Fair Trade. They radicalized the traditional chain and cutted out the middleman and by that they can ask a fair price for the coffee. Otherwise you have to pay the middleman also. Moyee buys straight from the farmers. And with that they will give on top of the price per kilo 20% more than anyone else so the farmers will receive even more. Afterall, Moyee will give 50% of the profit they make back to the farmers, packers, pickers, washers and roasters in Ethiopia. Statistically, that is up to 300% more than what the farmers receive on the traditional way.

Roasting

Most of the fair trade companies, roast their coffee in Europe, so they can ante up the price if it is on the shelfs in the supermarket. Most of the common coffee companies, buy their beans really cheap, eport the green (unroasted) beans to the country where they roast the coffee and roast the coffee with thousands of kilos in one go. The quality of the beans is not very high and the roasting process has nothing to do with the art of making good coffee. Moyee roast their coffee in Ethiopia and with this tactic they leave a lot of the production money in Ethiopia. The only thing Moyee in Holland has to do is sell it and deliver the coffee to the consumers. The coffee for moyee is of high quality. They only buy green beans from farmers that has a rating of 85/100 or higher. Everything above 84 points, is considered specialty coffee. Just 5% of all the coffee production in the world, has this rating.

That is why the slogan of Moyee is: "A revolution in a cup". The traditional coffee producers are far too long on this world and something has to change. Moyee is world's first company that makes fair coffee even fairer.

As Is Process

Description
We examined Moyee's way of handling business-to-business related orders. Dedicated partners of the company have direct contacts to a b2b-salesperson, but a newcomer or an occasional b2b buyer doesn't. In this case, they ought to use their general email address, order@moyee.com, which is under the supervision of the B2C sales department.
So if the company has a new b2b related order, it is hard to distinct it from b2c orders and they are sometimes not treated carefully enough.
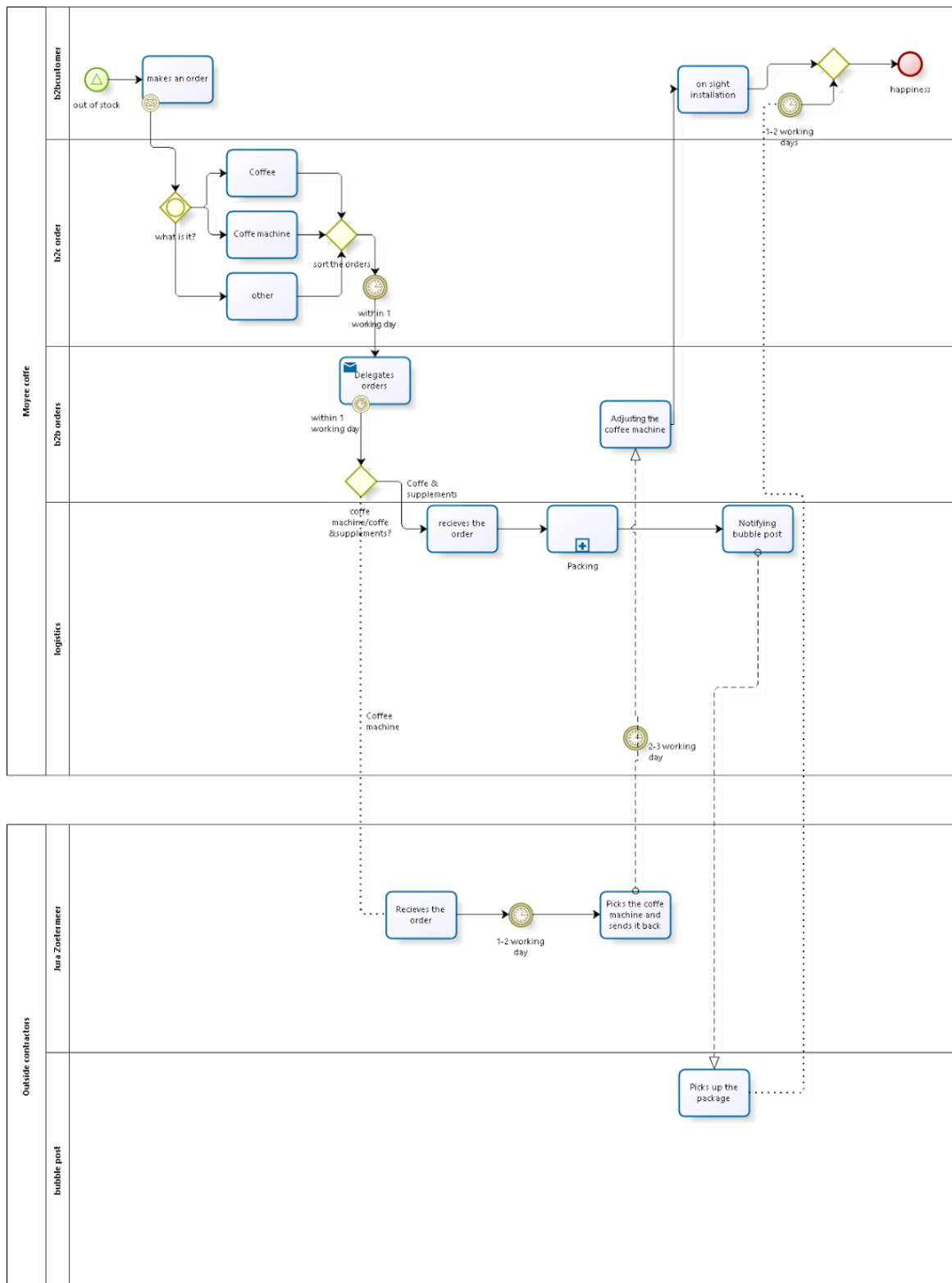The b2c department should forward the order to the b2b sales department, who acknowledges the order and delegates it further. If it is coffee related, they send it to the logistics where the ordered amount gets measured and then packed and labeled and lastly boxed and ready to delivery, applied with the address.
Same process with any coffee-related supplements, like diaries or sweeteners.
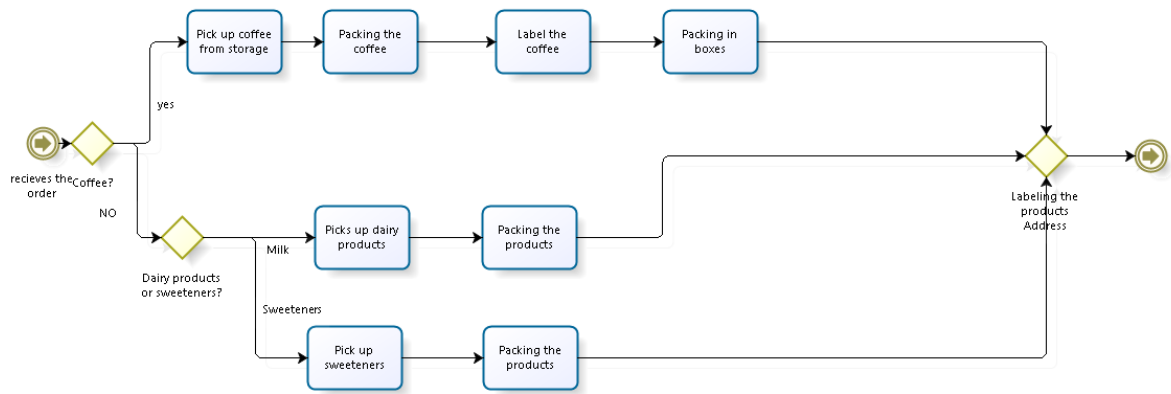
If the order is about a new coffee machine, then the b2b sales department reaches out to a 3rd-party coffee machine dealer, Jura Zoetermeer.After they receive the order, they send the specific coffee-machine back to Moyee for further configuration. After configuration, a Moyee-employee takes the coffee machine to the customer and installs it on sight with the proper training about the use of the machine.

If the order coffee bean or supplement related, another third party, a electric-bike delivery company called Bubble Post gets involved into the process. They deliver every order in the area of Amsterdam.

Bizagi model

BPMN process diagram. Swimlanes from top to bottom:

b2bcustomer: out of stock (start event) → makes an order → ... → on sight installation → gateway → happiness (end event) / 1-2 working days timer

b2c order: what is it? (gateway) → Coffee / Coffe machine / other → sort the orders (gateway) / within 1 working day timer

Moyee coffe — b2b orders: Delegates orders / within 1 working day → coffe machine/coffe &supplements? (gateway) → Coffe & supplements / Coffee machine → Adjusting the coffee machine

logistics: recieves the order → Packing → Notifying bubble post / 2-3 working day timer

Outside contractors — Jura Zoetermeer: Recieves the order → 1-2 working day → Picks the coffe machine and sends it back

bubble post: Picks up the package

subprocess: order Packing

Evaluation of As Is

As the model of the process and the description clearly indicates, the main problem is around the order distribution. Given the size of the company, which is around 10 employees, it is reasonable, that the organizational development is not advanced enough for the proper delegation, hence everyone does a little bit of everything.
It is a sustainable model, but with a great probability of error. If everyone- or most of the employees- have multiple tasks at the same time, it could really enhance the error rate.
So to speak, if the b2c sales department has to deal with the b2b online orders as well, it is a source of mislead/unfulfilled orders, thus causes unsatisfied customers which can evaporate every growth-related endeavour.
After the delegation of the orders, the process seems to go on seamlessly, with slight chance of error.
So we identified the order-distribution part of the process as our main source of problem.

Six-sigma

Define
The biggest problem with the process is that it provides inefficient way of dealing with the b2b orders.
During the process, the biggest problem is the unnecessary waiting time,and unnecessary involvement of the b2c department, which occurs in different parts of the process.

Measure
We have around 2-3 days of excess waiting time in the process, it is mostly related to the b2c sales and b2b sales relations to the inbound logistics department and/or to Jura.
And we have a workload overload at the b2c sales department with around 2 hours of extra daily activity with the sorting and forwarding the orders from the email server.

Analyze
The cause of the problems is the undeveloped way how they handle the online b2b orders. It puts both excess workload and waiting time in the process.

Improve
Our improvement options and solutions will be presented in the *possible to be-s* part. But in generally speaking, we have to solve the involvement of the b2c department in the b2b orders. And we have to shorten the whole process by eliminating waiting time as well.

Control
If one of our presented solutions will be selected, the most important part of the improved process based on the simplification of the order-distribution methods. They have to take measures of the reduced waiting time, and then name one person responsible for the process as a part of his/her workload, who can easily control the new process.

Process description
Number of FTE's : 4 (+2 interns, 4 part-timers)
The b2b order volume varies around 10 to 30 per day.(campaign periods can improve the amount of new B2B customers)
Every amount varies order by order
There are 5 timers in the process with a total waiting time of 6-9 day. That concludes the whole process.

The involvement of the b2c department in the process takes up to 2 hours per day from their original tasks.

Smoke

The smoke is obviously in the part where someone needs a specific product to be ordered. For example, the customer wants to order a new machine for the office. In the most cases, the customer will send an email to the general mailbox. The meaning of the general mailbox is that the mails are going to be divide to the department that can handle the question off. The B2C department keeps a close eye to the general mailbox. In the best case, the order or the question is so easy, that the B2C department can complete it. Sometimes, the customer wants to order instead of coffee a new machine. Therefore, the order has to be given to the B2B sales department, because they have a direct contact with the machine dealer (Jura Zoetermeer). An order of coffee, milk, sugar and everything else coffee related has to be passed to the Logistics department.
As it can be noticed, all the questions are going through the B2C department. The B2C apartment is responsible to delegate the orders to the other departments. If an e-mail is forgotten or send to the wrong department, then the order could be delayed or not even be completed.

Davenport

For this paragraph, we have taken the most important points out of the Davenport principle. The rest can be found in the paragraph: "evaluation as is" and "Bizagi model As is".

Customers

The customers in this case are from the Business-to-Business side. They want to order products like coffee, sugar and/or milf or coffee. The customers want the products that they have ordered as soon as possible delivered. Moyee will get satisfied customers if the order is delivered at the arranged date and time. For the most cases is that 1-2 working days for coffee, milk and sugar and for machines it is 5-10 working days (depending on the stock of Jura Zoetermeer).

Triggers

The trigger starts with an incoming order. This can be done via e-mail or telephone.

The result

The customer will get the order in time delivered. Bubble Post will deliver the package to the customer if it is coffee, milk or sugar. This will happen when the machine is being delivered from Jura Zoetermeer to Moyee Coffee. The machine will be modified and adjusted by the B2B department. The result of delivering a coffee machine is that the B2B will deliver and install the machine at the designated location.

Input and output

In the as is, there are only couple things in the process. The data is already in the systems of Moyee and the only thing that is added is the address labels on the package.

Possible To Be-s

As we identified the problem needs to be solved. We developed 3 solutions for the same problem, with a different grade of efficiency and costs.
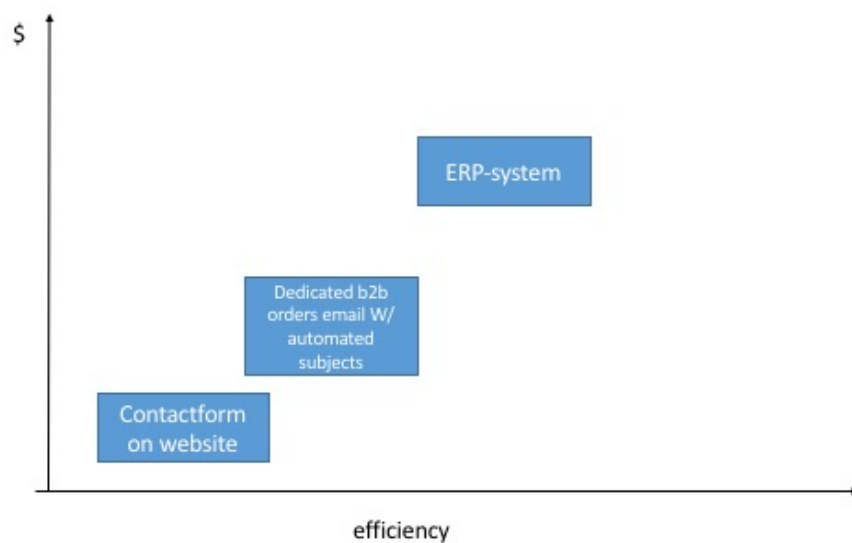
Contact form on website:
A basic contact form on the website, created in google form, where the customer can specify the nature of order- Coffee, Supplements, coffee machine- than they can proceed based on the selection and give the amounts and the company name and address. then the exported spreadsheet with the answers would be controlled by the b2b sales team.
A little bit more advanced solution is an integrated contact form directly on the website where they can directly choose the type of order.

Dedicated b2b Email server:
If they can establish a dedicated server for the b2b sales with a dedicated email address on the website.If the customer uses specific subjects for specific orders, then the order goes directly to the b2b sales department with specified order-type, so they just have to send it to the logistics and they can put the order together easily.

Erp-system
The most effective and most expensive solution would be a complex erp-system with a integrated order and inventory management part, which is connected to the webpage and b2b customer orders could directly go to the logistics, thus completely leaving out the b2b and b2c sales departments, so they can focus on acquiring new customers. It could be applied both b2b and b2b orders connected to the b2c webshop.

Confirmation

Marlieke | Team Moyee <marlieke@moyeecoffee.com>   4:18 PM (1 minute ago)

to me ▾

Good afternoon Rory & Milan,

Thank you for your written report concerning Moyee Coffee.
We are very happy that you have picked us for your process management report.

The current situation (As- Is) at Moyee Coffee is very well captured and translated into your report.
You have given an accurate representation of the current situation at Moyee.

Furthermore, the To – Be process is something we are very much looking forward to integrate and implement at Moyee.
Looking forward to receiving your final version.

With kind regards,

Marlieke
Operations Coordinator
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Amsterdam, The Netherlands

Facebook
Our animated story

We presented the as is and to be in one Skype session with Marlieke Dielens and she wrote a confirmation via e-mail in one go.

To be

We selected the cheapest and the most expensive solutions to model, because the second one would not contribute that much more than a single contact form, it would just look better on the long run.

The first solution that we would like to introduce is the simple contact form solution.
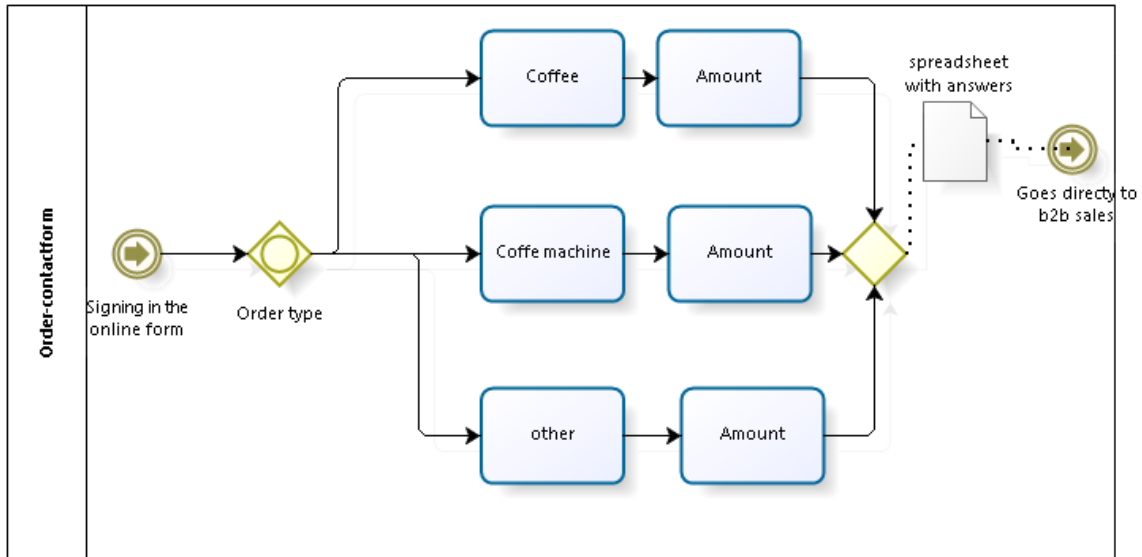
For this case, we have to create a simple contact form via google forms, with that question of the type of the order, then we have to have another option to specify the amount of the order, and then some blank space for other comments and description.

We can easily embed it into our website for our b2b buyers.

Cheapest one:
Bizagi model
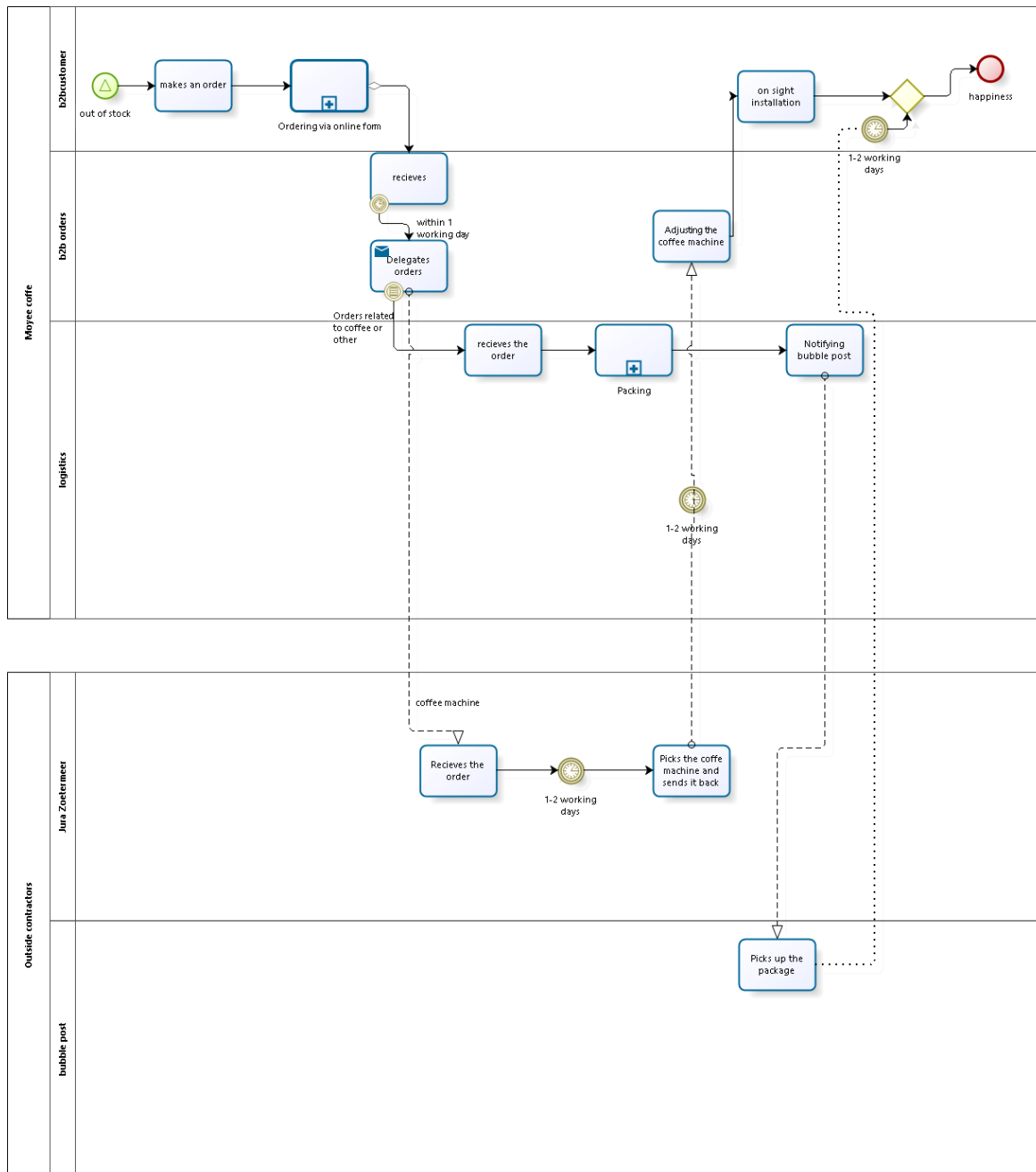
As it can be seen, our process enriched with the sub process of ordering via contact form, seen below:

We could eliminate a whole swimlane via extracting this process from the b2c sales department into a single, contact form-based solution. We also managed to shorten to process with at least one working day. We have not changed anything regarding our other subprocess.
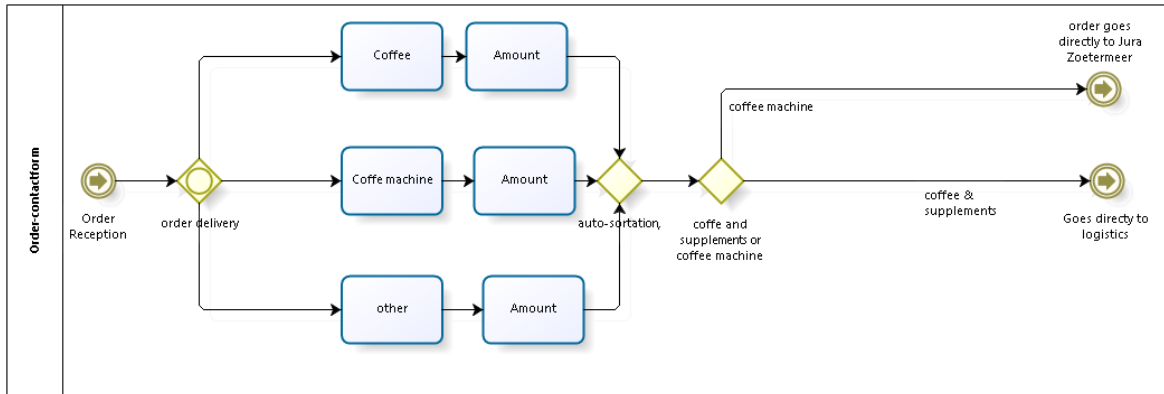
Most expensive one:

In this case, we implemented a whole new ERP-system with a integrated order and stock management platform connected to the website. So when the order comes in, the system automatically sorts it out, and sends it to the responsible party. If it is a coffee or supplement order, the system forwards it to the logistics. If it is a coffee machine, then the system sends an order notification to the Jura Zoetermeer and they can fulfill the orders more quickly.

Bizagi model
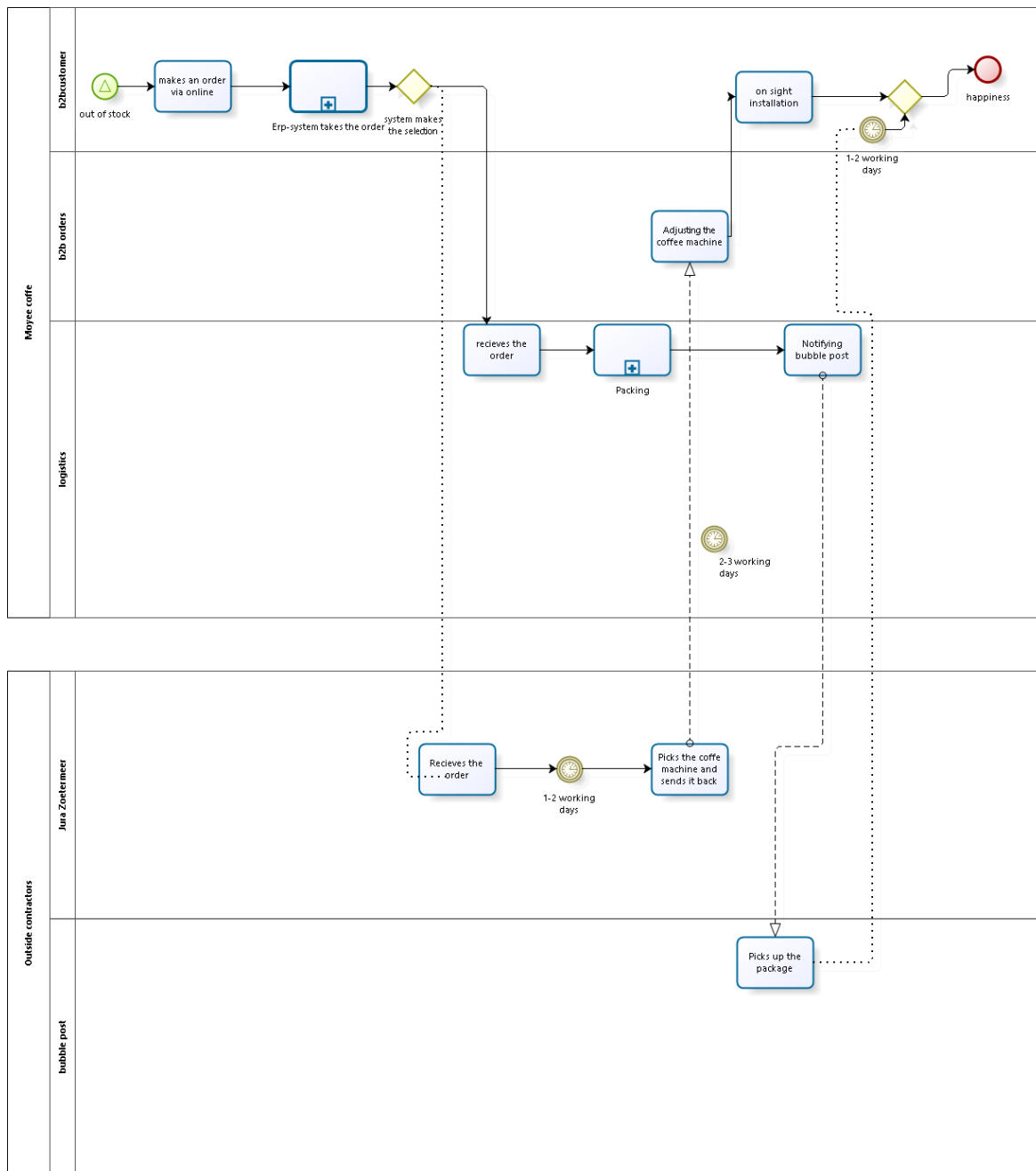
With this solution we can eliminate one swimlane and an other node of the process within the b2b sales department. And we could shorten the process with 1 or 2 working days.

The ERP-system would work like this:

Order-contactform

Order Reception — order delivery — Coffee / Amount — Coffe machine / Amount — other / Amount — auto-sortation, — coffe and supplements or coffee machine — coffee machine → order goes directly to Jura Zoetermeer — coffee & supplements → Goes directy to logistics

Powered by bizagi Modeler

Decision

So with the joint agreement with the company we decided to go along and make a To be model in Bizagi, where we outsource the whole part of order specification from b2c sales to the customer via a simple google form on the website. The b2b customer should specify the given type of the order and then send it with the amounts and other comments.
Then the b2b sales would receive the answers via output spreadsheet. by this, we could eliminate the b2c sales department from the process, so we can eliminate a source of error, or waste. And we also spare about one working day as a waiting time during the process.

Evaluating the decision
It was the cheapest and most easily adaptable solution with a short time-perspective.
It offers an almost immediate solution to the smoke. It reduced the total process time with at least one day and eliminated a swimlane: the b2c from the process.
Based on the Six Sigma, it is a comprehensive solution for such a low amount of investment- both time and money-. We eliminated waiting time, which was one of the biggest problem in the process, and of course, we reduced the involvement of employees inside the organization, which can lead to fewer errors throughout the process. Furthermore we solved the problem of b2b customers ordering via online platform, and made sure that the distribution of the orders are more precise.
It can be a permanent, but a temporary solution as well, if the company decides to upgrade their systems with one of our other solutions.

Conclusion

Moyee Coffee is a company produces coffee on the FairChain principle. 50% of all the profit they make here in Europe, goes back to the employees and farmers in Ethiopia. Which is a very good cause, and needs to be here in the world to support sustainability in the traditional way of producing. But after all, good coffee deserves a good way of delivery.

As it can be seen by the as is, the B2B customer has a very high chance for errors in the process. Right after a message from the customer, it can go wrong. The B2C has to delegate the e-mail to the designated department. The B2C is only here in the picture and has almost nothing to do with the order. Still, they have to delegate the e-mails to the departments. It can go wrong when the B2C sends the order to the wrong department. The order can get delayed by this, or even worse, the order can be deleted. On the other hand, the B2c can try to finish the order by themselves, because they think it is a order from the B2C. this could lead to wrong deliveries and a bad reputation in the eyes of the customers. After all, the process of packing, labeling and delivery is pretty straightforward and there are no drastic changes needed. The teamwork with the two external companies, Bubble Post and Jura Zoetermeer, is nothing special. The B2C must spend almost 2 hours of their time per day to delegate the orders to the different departments. Which is a lot, because the B2C has a lot of work to do for the B2C customers.

For the to be, we have found a solution. We implied a order list in Google forms, where the B2B customers can do their order via that page. The B2B and the Logistics department can easily see through that page who ordered what and by that way we excluded a department that has almost nothing to do with the orders (B2C).

The errors in the core process are terminated, because the customers will get their orders to the right persons in the company.