

# Cost Allocation System

Role: Country Operations Manager

Contribution: Mitigated revenue and process exposures by spearheading the initiative to provide operational support in billing, quick resolution, timely escalation of per call activities.

## Situation

Greater than 3000 cases of unprocessed per call activities of period 2012 – 2014

Greater than 1000 cases of on hold per call activities of period 2012 – 2014

There was an influx of 35 cases per call activities per week

Insufficient headcount

Potential revenue exposure amounting to USD15M

Potential process exposure due to aging cases greater than 14 days

***Per call activities*** – refer to the activities that are deemed to be billable due to the following conditions:

- *Machines are not enrolled in IBM Maintenance Agreement (MA)*
- *Out of scope activities*

## Task

Reduce the number of unprocessed and on hold per call activities by:

- Processing the 3000 unprocessed per call activities as Billed, Waived, and On Hold
- Taking action on the 1000 on hold activities as Billed or Waived

## Action

Conducted investigation of per call activities by volume and taking note of the following considerations:

- By account
- By machine
- By engineer

Coordinated with Delivery Team and Sales Team before making a judgment call to bill and waive activities.

Asked approval from Country Manager, Executive, and CFO respectively to withhold billing or proceed with billing, as well as waiving some activities.

Borrowed a resource from Engagement team and hired 1 FTE dedicated for billing.

# Result

*These were the achievements within 3 months:*

70% (2800) were <b>waived</b> or tagged as waived due to cost recovery and act of goodwill, amounting to approximately USD12M.	5% (200) were <b>billed</b> or tagged as billed, amounting to approximately USD15M.	12% (480) remained to be <b>on hold</b> due to MA on-process and/or to avoid customer satisfaction issue.	9% (360) of these cases were <b>undecided</b> due to potential customer satisfaction issue and lack of documentation and information.
4% (160) were <b>cancelled</b> due to incorrect reporting and system error.	There was a 73% (800/3000) reduction of unprocessed per call activities.	There was a 20% (800/1000) reduction of on hold per call activities.	Mitigated revenue and process exposures.

*By 2016, TSS Operations only maintained 100 – 500 cases of per call activities. Historically, in the past 8 years this never happened in TSS.*