Business Systems Innovation Labs
Lab 2c Pre-flight Checklist

"Thanks for the visual (seriously)"

Max's head is spinning when Riley throws her a business process fire to put out.
Just picture it!

Prep: What do you need to start?

- ☑ No Salesforce in this episode. Nothing to prep. Jump right in–the water's fine.

Learning Objectives: What to "get"

- ☑ Gain some more insight into business development eco-systems in the context of startups.
- ☑ Develop your sense of how people interact across the organization in a professional office environment.
- ☑ See for yourself the power of diagramming for understanding/communicating complex biz processes & data structures/flows.

Deliverables: Get your points

No deliverables this time. Just check out the story & see if you can figure out Max's puzzle.

Tips:Get more

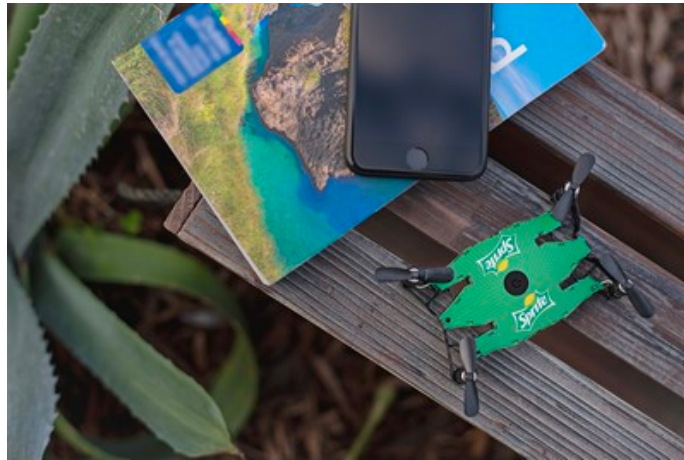Work thru the story & puzzle like it's really happening to you–there's a decent chance it might someday!

Resources: Get some help

You won't need any help for this one.

Max's Distinctive, Impressive BizTech Student Blog

Thanks for the visual ([seriously](#))

Sometimes you just have to get a clue before you have a clue about how clueless you were to begin with, right? This gig with Riley's startup has been giving me a lot of clues lately:

> **Revelation One:** When you're working for a teeny little company, you get asked to do a lot of different stuff and nobody has time to tell you exactly how to do it so you just have to deal.

> **Revelation Two:** I should have paid more attention in Intro Accounting.

> **Revelation Three:** See below.

So, as per Revelation One above, Riley has me hanging at "The Hothouse" whenever I can now, helping out with whatever she doesn't have time for. She's obsessed with getting funding & CEO-type stuff so she likes to hand off the day-to-day biz stuff which, hey, I'm learning, albeit the hard way.

"The Hothouse" is just a nickname for this incubator where Riley's renting office space--just a big building divided up into little spaces, each for a different startup. Society loves startups, apparently, because they want them to grow up to be big companies, hiring tons of people and keeping the economy happy. So the government sets up these incubators where startups can get office space for cheap & help each other figure out stuff & share lawyers & accountants, etc since they don't each need their own full-time ones yet.

So, Darby's the shared Hothouse accountant. We're pals already. Super-brainiac. Super-busy, but super nice to me, the newbie, when she has the time. Crazy multi-tasker, dealing with like 16 startups at once, so...she doesn't mince words. Behold her email to Riley last Tuesday:

"Goods recpt G-6082 vs PO #1371 on QTY. Inv payment pending res"

Riley promptly forwarded to me with "Pls deal. Thx, R" at the top meaning just make it go away and don't bug her. Ok, but one problem--whuttt? Here's my little screenplay about what happened next–based on a true story. Hah!

[Accounting office, 3rd floor, incubator known as "The Hothouse"]

Darby's typing away full bore (not a good sign, but...). I walk over to her desk, show her the message on my phone. She glances quickly. Keeps right on typing.

Darby:
< while typing madly >

Three Way Match fail. That's on you guys now. Resolve & resub if you want me to pay your invoice. < pause > Problem?

Me:
< blank stare >

Darby:

Your selfie drones. Very cool but kinda salty, price-wise, IMHO. But,…hey, that's Riley's call. Anyway, PO's a hundred units off receipt.

Me
< ? >

Darby
<sigh>

Startups, tech startups especially, need cool, logo-branded SWAG for giveaways at events--trade shows, etc. To build buzz, get noticed, get press & investors. You know. Cheap stuff for the rabble: t-shirts, pens, etc. For the VIP events, you go higher end--Riley likes to give out selfie drones. Arial shots, etc? Selfies are dead. Everybody wants "dronies" these days.

Anyway, that PO I emailed about was to buy 400 more. Matched the invoice. But the Goods Receipt shows only 300 received. Or maybe there's another 100 coming in a 2nd shipment? Either way, you gotta figure out the mismatch & what you want to do about it. Just trace the data through the order process until you find the glitch and then you can figure out the fix.

Me:
< awkward, evasive glance, shrinking posture, hate that! >

Darby:

Seriously? Ok, take notes and keep up. This has to be fast.

Events. That's Shelley. She helps you guys plan what to go to, when it's happening, what to bring, eg displays, demos and yes, SWAG. When you're gonna need more, she puts in a Purchase Requisition or "req" to Procurement. That's buying stuff. That's Topher.

Topher doesn't track events or inventory, etc. He just buys stuff. But he does track budgets to make sure you can afford it. When he gets the Purchase Req for you guys from Shelley, he checks to make sure you can cover it in your Events budget. If not, he would cancel it & Shelly will just have to take up the budget issue with Riley.

Assuming the budget's a go, Topher checks the list of approved suppliers to find the best deal for that buy & he creates the purchase order (PO), spelling out all the deets of the deal: supplier, item, quantity, agreed price, etc. He sends one copy to the supplier and one to me—I'm the one who will be paying the bill in the end.

When the supplier gets the PO, they ship the stuff and they send me the bill, the "invoice" that tells what was ordered, how much, what it cost, etc but I just put a pin in that until we actually get the stuff.

When the stuff arrives, that's Jen, Receiving & Stores. She makes out a Goods Receipt, showing what was received and how many & that goes to me. Then she gets the stuff into the storeroom and updates the inventory level in the database and lets Shelley know in Events.

Meanwhile, I do the quintessential accounting move, the 3-way match between 1) the Goods Receipt from Jen, 2) the PO from Topher and 3) the invoice from the supplier to make sure the prices & amounts all line up. If so, I pay the invoice. If not, I bounce to whichever startup it was for because it's their problem then. In this case, that's you, my dear. Sorry. But you'll be fine. K, now I need to bounce you cuz I'm burning a deadline here. Happy trails.

[fade to black]

The whole time I was like Homer Simpson: *mmm-hmmm* and *uh-huh* on the outside. But inside: *doh, wait, who gives what to who when & why*?! Stop the words, already. Pictures! Draw me pictures!
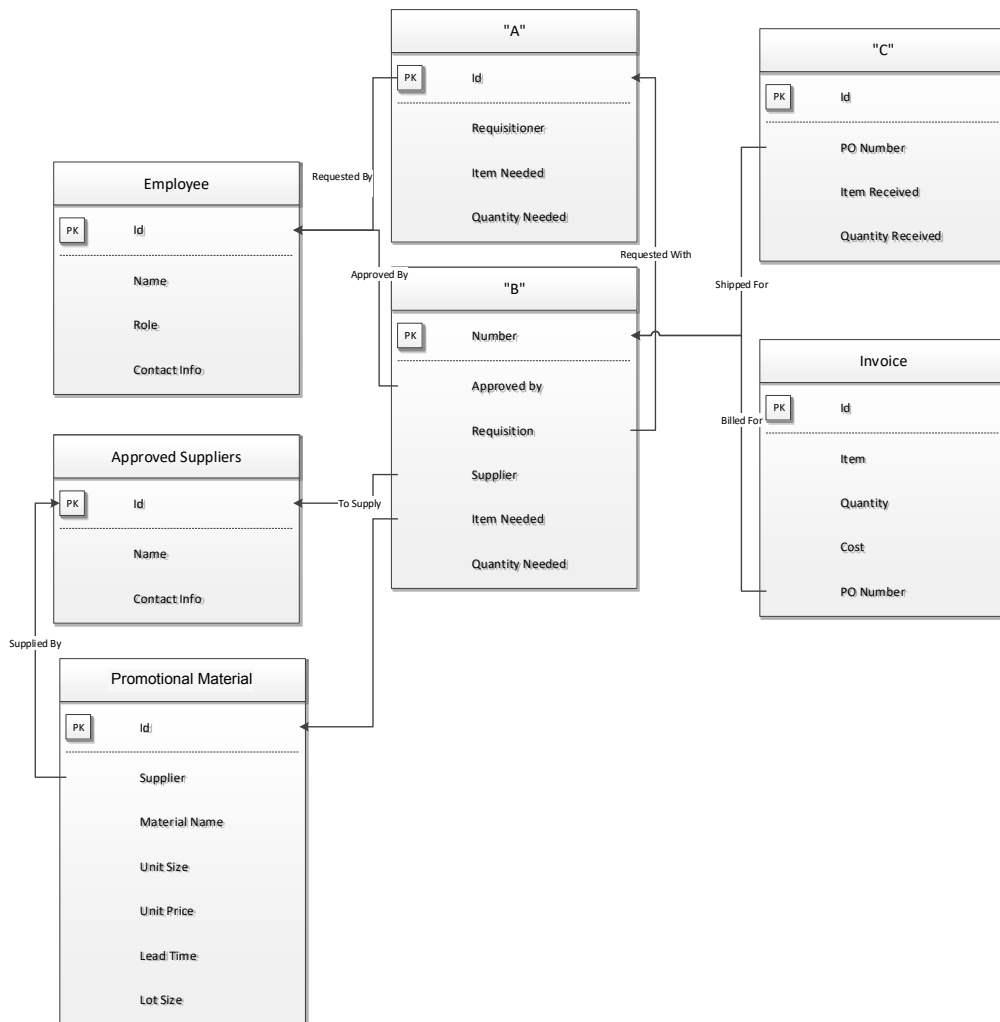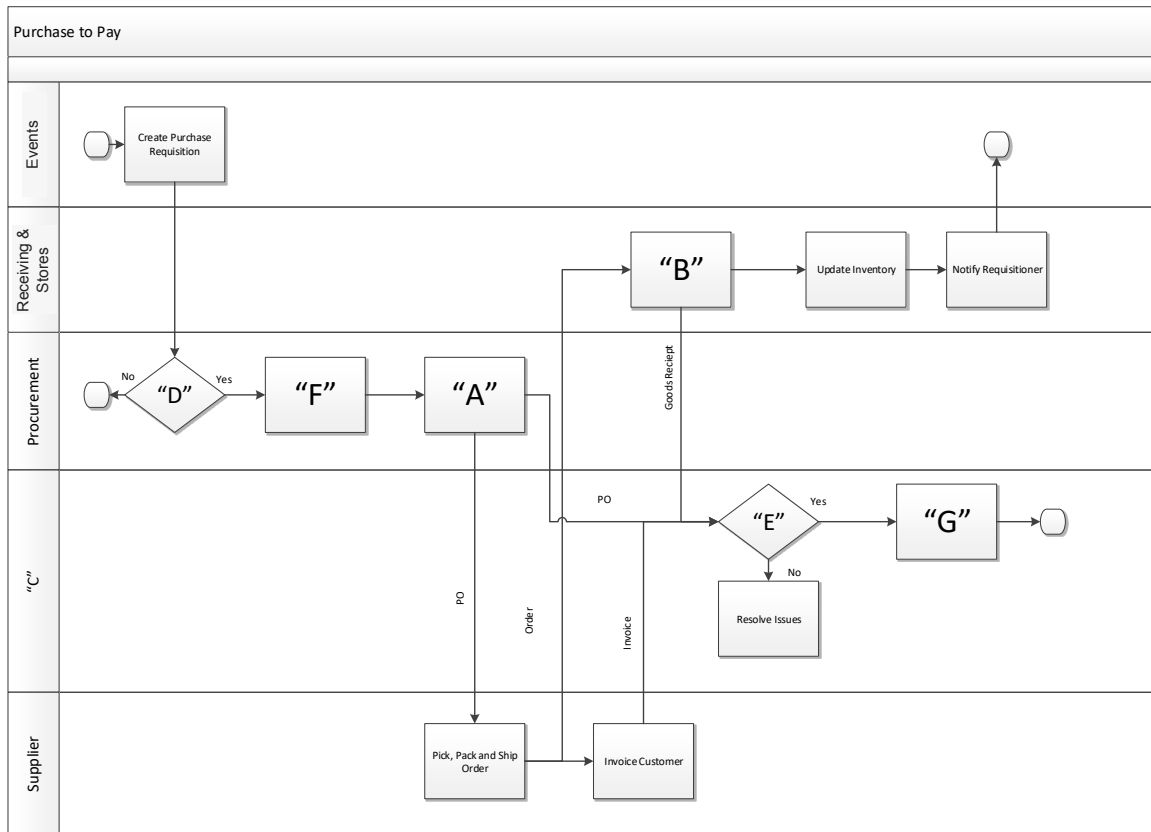
Then suddenly I actually remembered something from class (for once): swim lane diagrams. I could map out the whole process as flows of data between the different departments/people. And I could map out the database too, showing all the data groupings and their connections, like I did with Pitches & Meetings, etc, as an E/R diagram.

So I grabbed my notes from Darby & started sketching and...it worked! They came out great & they really did make it super quick & easy to work thru everything with Darby to make sure I had it all right. Then I traced it around, like she said, checking with everybody & finally found the mistake at the very end—Topher had just entered the units wrong. Easy fix. Happy ending.

So Revelation 3? These diagramming deals really do help when you're trying to work through stuff with others or just get stuff clear in your own mind. I'll prove it! I'll embed my diagrams below but I blanked out some of the labels, etc so to make it like a puzzle for you. Just by looking and matching up with what Darby said, you'll be able to figure out what's what. Promise. This diagramming stuff is that intuitive. You'll see.

So...answer take my little quiz below & then check yourself w/the answers here. (No peeking til you're done!)

You'll be convinced & someday, when you're working with whoever and using swim lane or E/R diagrams, you'll thank me. Don't forget!

Purchase to Pay

Events
- Create Purchase Requisition

Receiving & Stores
- "B"
- Update Inventory
- Notify Requisitioner

Procurement
- No — "D" — Yes
- "F"
- "A"
- Goods Reciept

"C"
- PO
- "E" — Yes — "G"
- No — Resolve Issues
- PO
- Order
- Invoice

Supplier
- Pick, Pack and Ship Order
- Invoice Customer

"A"
PK	Id
	Requisitioner
	Item Needed
	Quantity Needed

"C"
PK	Id
	PO Number
	Item Received
	Quantity Received

Employee
PK	Id
	Name
	Role
	Contact Info

Requested By

Requested With

Approved By

"B"
PK	Number
	Approved by
	Requisition
	Supplier
	Item Needed
	Quantity Needed

Invoice
PK	Id
	Item
	Quantity
	Cost
	PO Number

Shipped For

Billed For

Approved Suppliers
PK	Id
	Name
	Contact Info

To Supply

Supplied By

Promotional Material
PK	Id
	Supplier
	Material Name
	Unit Size
	Unit Price
	Lead Time
	Lot Size

1. For the box labeled "A", what would be the most appropriate description of this step in the process?
   a. Verify Event Plan Before Ordering
   b. Create & Send Purchase Requisition to Supplier and Accounting
   c. Create & Send Purchase Order to Supplier and Accounting
   d. Negotiate Terms/Conditions with Supplier
   e. None of the above

2. For the box labeled "B", what would be the most appropriate description of this step in the process?
   a. Post Goods Receipt and Send to Accounting
   b. Post Receipt of Materials in the General Ledger
   c. Distribute Promotional Materials to VIPs
   d. Notify Event Manager
   e. None of the above

3. What would be the best name for the actor labeled "C"?
   a. Darby
   b. Accounts Receivable
   c. Invoice
   d. Accounting
   e. None of the above

4. For the diamond labeled "D" what would be the most appropriate description of this step in the process?
   a. PO Created?
   b. Requisition Approved?
   c. Promotional Materials Needed?
   d. Event Plan Scheduled?
   e. None of the above

5. For the diamond labeled "E" what would be the most appropriate description of this step in the process
   a. Three Way Match?
   b. Goods Receipt Posted?
   c. General Ledger Updated?
   d. Invoice Paid?
   e. None of the above

6. For the box labeled "F", what would be the most appropriate description of this step in the process?
   a. Schedule Delivery
   b. Invoice Vendor
   c. Inform Eve t Manager
   d. Create Invoice
   e. None of the above

7. For the box labeled "G", what would be the most appropriate description of this step in the process?
   a. Invoice Vendor
   b. Update General Ledger
   c. Pay Invoice
   d. Schedule Delivery
   e. None of the above

8. For the entity labeled "A", what would be the most appropriate name for this entity?
   a. Purchase Requisition
   b. Purchase Order
   c. Goods Receipt
   d. MSDS Sheet
   e. None of the above

9. For the entity labeled "B", what would be the most appropriate name for this entity?
   a. Purchase Requisition
   b. Purchase Order
   c. MSDS Sheet
   d. Goods Receipt
   e. None of the above

10. For the entity labeled "C", what would be the most appropriate name for this entity?
    a. Purchase Requisition
    b. Purchase Order
    c. MSDS Sheet
    d. Goods Receipt
    e. None of the above

11. Which of the following attributes is missing from the Invoice entity?
    a. Requisitioner
    b. Supplier
    c. Received By
    d. Budget Line Item
    e. None of the above

12. Which of the following attributes is missing from the entity labeled "B"?
    a. Lot number
    b. Lead Time
    c. Received By
    d. Agreed Price
    e. None of the above

You got 100, right? (Answers here.) See? Visuals? (hah)

And I realized something else—I kind of have everything I need to build (you guessed it) an app to do this all in SF! Would sure make it easier tracing around to find mistakes like Topher's. Anyway, that's back burner. For now, you know what's next—gotta post a dronie of me at the Hothouse!

All done? Good work!

Now take a few to give us your feedback & enter to win AirPods!

Go to http://tiny.cc/MaxLabsFeedback

Apple AirPods 2

One entry/lab/student
Enter with every lab for the most chances to win

3 winners every term!