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Kitchen Division Audit Report

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# Executive Summary

The City Construction Services Division recently acquired a new kitchen division, and have performed an audit concentrating on performance analysis. Information, resources, and motivation are the influences that were chosen with a concentration on system performance improvement. Performance analysis with a cause analysis present the case of implementing a new sales design and sales process for the kitchen division.

The implementation process will involve extensive informative collaboration between construction services and the kitchen designers, performance interventions, and training sessions. Implementing and following the system of workflow processes and planning implementation will naturally improve both financial and market performances.

# Introduction

The Construction Division has experience of building tourist lodgings in the upscale suburb of Wolfwater Falls. The division shifted to renovating existing homes utilizing sub-contractors to complete jobs, and acquired an organization frequently used for the kitchen portion of the renovations. To date, results from the kitchen division’s financial data returned margins below the contractual profit level. An assessment of kitchen jobs returned open job status because of minor details with major time consumption resulting in a low level of customer satisfaction.

The Construction Division has experience and expectations that must be defined and merged into the acquired organization to ensure that this partnership will begin to benefit the city services. Determining cost reduction and profit maximization require a job-by-job cost analysis. The kitchen division entered the partnership without established processes that could be developed for tracking job-by-job efficiency and profit. Instead, the kitchen division offers experienced kitchen designers. The kitchen designers offer expertise with potential customer base. Collaboration with the designers is necessary to develop a new design and sales process for implementation from the time of sale to job completion.

This new process implementation provides the information, support, and measures that directly affect the causes identified for the performance gap and lead to reasonable goals for the kitchen division. Designers’ history of independent work environment and possible resistance to change and fear of technology are examples of restraining forces to the new process, but proper implementation of performance interventions introduced to the experienced designers suggest stronger driving forces for success.

# Performance Intervention

## Present Level of Performance

The present level of performance includes high levels of construction site crises and job stoppages, a low level of customer satisfaction, and lower than desired profit margins. Information gathering from workflow observations, designer interviews, customer feedback, and industry comparisons revealed a lack of predefined job details to clearly illustrate customer needs within a realistic timeframe and budget that satisfy designers, sub-contractors, and Construction Services profit margins.

## Desired Level of Performance

Eliminate uncertainty and construction site decision making by implementing a design and sales process that define all elements of a job at the time of sale with customer collaboration designing detailed job specifications that match construction drawings with job timeline and budget identified and customer commitment.

## Reasonable Goals

After implementing a design and sales process, there are reasonable goals that have been established to ensure alignment with the desired performance from the kitchen division. The new process involves a collection of complete job details during the design meetings with the customer. Collecting complete job details eliminate a need for decision making during the kitchen design. Customer satisfaction declined when there were job stoppages affecting job completion. The new process of job specifications will include a completion timeline budgeted for a total job cost. The timeframe should be followed within 2% of the established timeline with less than three job site stoppages initiated by the customer with documented change orders from the original job specifications. The kitchen division job costs will be added to the customized construction software to determine each job profit margin, and each job budget should be followed within 2% of the established job profit margin.

## Project Description

The new design and sales process will affect the kitchen designers and customers. The Construction Division has been successful with a history of capturing an established profit-margin for each job and find it necessary to have the kitchen division on board. The kitchen designers will need to be informed of the new process and provided with explanation for the new process motivation before they are introduced to new performance support tools. The performance support tools will provide details for the process that includes new applications for the kitchen designers. They will need training for customer design meetings, the construction software application, and motivation for conveying benefits of the new process to the customers.

## Learning Interventions

Performance interventions will begin with providing company information to the designers through Organizational Learning. Designers will be invited to meetings with the Construction Division management team to establish how the kitchen designers are part of the city services in terms of customer satisfaction and profit margin goals.

New process documentation should be included with a central learning knowledge management system to provide consistent access to design and sales process manuals, performance support tools, and sample job specifications. The kitchen designers will be encouraged to add documentation detailing their expert kitchen design process in subject-matter expert capacity. A central storage location for documentation would provide visual references for information meetings and support for the designers following the new processes. If applicable, the new documentation storage and retrieval can be integrated with Construction Services knowledge management system, or creation can begin with sample categories.

Performance improvement begins with work design interventions to introduce the new design and sales process. The new work design affects the kitchen designers and should be considered job enrichment and refinement when approaching the designers. The kitchen quality from designers is expert, and the new process is recommended to increase customer satisfaction and establish profit margin tracking for each kitchen design job.

The lean organization intervention is an excellent option to an action plan created by the Construction Division management team after extensive information gathering by direct contact with customers, vendors, and the kitchen designers. The construction software will be the tool that can visualize job timelines and profit margins during the job design process and used for monitoring and tracking the effectiveness of the new process.

Training for the new process, knowledge management system, accounting construction software application, customer meetings, and job specifications measures, goals, and incentives will need to be scheduled, recorded, and monitored with feedback from the designers. Guidelines and techniques for a lean organization will be in alignment with the City of Bloomfield resource (Kavanagh S., 2011).

# Conclusions and Implementation

A refinement to the Kitchen Division process has potential benefit of increased customer base of 25% considering the established customer base and the increase in customer satisfaction. The proposed system implementation was created a view of inputs, processes, outputs, and a focus on value for the customer. The development considered buyers, designers, project managers, suppliers, construction teams, Wolfwater Falls customers and community, business owners, industry publications, and interests of the company with subcontractor relationships important to the process.

The new process respects the designer’s capacity with the intention of aligning the kitchen and construction divisions processes that add value to the customer with a positive affect to city profits.

# Supporting Tables

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Divisions | Average Full‑time Employee Count | Average Hours Worked Per Week | Average Overtime per Week | | Learning Interventions |
| Construction Services | 75 | 2,242 | 42 | | 10 |
| Kitchen | 32 | 2,175 | 95 | | 18 |
| Total Learning Interventions: | | | | 28 | |

Table 1: Learning Interventions