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– Optimization of

Invoicing Management

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Dedication

I dedicate this master thesis to my beloved parents, Samuel Ashcallay and Irma Samaniego, who have supported me my entire life, giving me words of wisdom every time an obstacle appeared and providing me with everything I needed.

I also dedicate my work to my siblings, Julissa, Samuel, and David who guided me with their own knowledge and experience. Without you, this thesis would not have been possible to achieve.



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Abstract

Regatas Lima Club is a sports and recreational club that was founded in 1875. It is the oldest and largest club in Peru. After more than 100 years of existence, it has diversified into more than 40 different disciplines that members can practice. Regatas Lima Club started in Chorrillos where its headquarters is located, nonetheless, it did not stop growing and currently operates 5 more subsidiaries, distributed along Lima and other provinces of Peru.

Regatas Lima Club is defined as a not-for-profit organization because its major goal is to provide members with high-quality sports facilities and availability of services. For this reason, the organization has to acquire different kinds of equipment and infrastructure for each special discipline. As a consequence, the Club has to work with high numbers of suppliers in order to maintain its reputation. Therefore, the problem identified through an internal and external analysis was the invoicing management inefficiency in the Department of Finance and Accounting, which controls all invoices of the whole organization.

The consulting process focused on proposing short-term and long-term solutions for Regatas Lima Club, based on the qualitative and quantitative analysis. After assessing the alternatives through a cost and benefit analysis, a final solution is suggested. This proposal includes five principal components in order to optimize the invoicing management in the Finance and Accounting department, which are: specified delivery time, external invoicing only, invoicing excellence, lean processing, and training & clear instructions/workshops. Some additional components are defined and should be considered for a long-term strategy. The implementation plan is designed, taking into consideration, the organization's time availability, human and material resources, in order to achieve a successful performance.

Resumen Ejecutivo

Regatas Lima Club es un club deportivo y recreativo fundado en 1875, siendo el más grande y antiguo en el Perú. Al inicio, solo se dedicaba al deporte del remo, sin embargo, después de más de 100 años de existencia, se ha diversificado y ahora cuenta con más de 40 disciplinas que los miembros pueden practicar. El Club Regatas de Lima comenzó en Chorrillos, donde se encuentra su sede principal, sin embargo, no dejó de crecer y en la actualidad, existen 5 filiales más en Lima y otras provincias del Perú.

El Club Regatas de Lima se define como una organización sin fines de lucro porque su principal objetivo es proporcionar a los miembros instalaciones deportivas de alta calidad y disponibilidad de servicios. Por esta razón, la organización debe adquirir diferentes tipos de equipos e infraestructura para cada disciplina. En consecuencia, el Club debe trabajar con varios proveedores para mantener su reputación. Por lo tanto, el problema identificado a través de un análisis interno y externo fue la ineficiencia en la administración de facturación en el Departamento de Finanzas y Contabilidad, que controla la facturación en toda la organización.

En consecuencia, el proceso de consultoría se centró en proponer soluciones a corto y largo plazo, basadas en el análisis cualitativo y cuantitativo. Después de evaluar las alternativas a través de un análisis de beneficios y costos, se sugirió una solución final. Esta propuesta incluye cinco componentes principales para optimizar la gestión de facturación en el Departamento de Finanzas y Contabilidad, que son: tiempo de entrega especificado, solamente facturación externa, excelencia en la facturación, proceso eficiente y capacitación y claras instrucciones / talleres. Algunos componentes adicionales también se definieron para ser considerados como resultados a largo plazo. Además, el plan de implementación se diseñó teniendo en cuenta la disponibilidad de tiempo de la organización, los recursos humanos y materiales, para lograr un desempeño exitoso.

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Chapter I: General Situation of the Organization

1.1. Presentation of the Organization

Regatas Lima Club is a not-for-profit sport and recreational club, offering various services at six different facilities, all wholly-owned by the Club. Founded in 1875, its 143 years of existence make Regatas Lima one of the oldest clubs of its kind in South America (Club de Regatas Lima, 2018). The club's focus lies within providing sport and recreational services to the people of Lima, regardless of their demographic group (i.e. age). Another key focus of the club is cultural and community-oriented services and events such as theatre plays, musicals, art courses, dancing classes and community tournaments (Club de Regatas Lima, 2018). Besides, the club offers event spaces, accommodations in form of bungalows, and dining opportunities within the club owned locations.

1.1.1. History

Regatas Lima Club was founded on April 26, 1875, in the district of Chorrillos, province, and department of Lima, Peru and is one of the largest and oldest sports clubs in South America. (Club de Regatas Lima, 2018). The founding father of the club was Vicente Oyague Soyer, along with four of his friends, namely Francisco Pérez de Velasco, Domingo García, Francisco Rivera and Enrique Pérez de Velasco. Initially, Regatas Lima Club was dedicated exclusively to the sport of rowing. The traces of its historical origin as a rowing organization can still be found in the logo of the club, featuring two crossed oars or rudders (Club de Regatas Lima, 2018). Nowadays, the club offers various sports including rowing, football, basketball, swimming, volleyball, badminton, tennis, judo, windsurfing, water polo and many more (around 40 individual disciplines). With Chorrillos being the oldest and first location, the club additionally offers sport and recreational services and facilities at five other venues, being La Cantuta, Villa Deportiva, San Antonio, La Punta, and Paracas. Regatas is the biggest club in Lima and has a total of 20.473 members (Club de Regatas Lima, 2018).

1.1.2. Vision and Mission

The club's vision is to develop a highly competitive organization, with the adequate infrastructure and resources to provide full satisfaction and opportunity to all of its associates, with both modern technology and excellent administrative management. This vision will prepare the club for the future, establish long-term direction and indicate its intentions of development and institutional growth in a sustained and continuous manner (Club de Regatas Lima, 2018). Meeting the immediate needs and desires of their partners, providing quality services, a wide variety of sports disciplines, cultural and social activities in various venues, will enable the club to grow both organically and competitively in the landscape of sports and sports clubs in Peru. This mission must be translated into levels of excellence and quality, in all the services offered by the Club, to both members and their families, trying to cover all operational areas of the organization. Likewise, the mission briefly expresses guidelines to follow, in order to grow, ensuring infrastructure development, creating the right environment, and following its tradition.

1.1.3. Competitive Advantage

Regatas Lima Club is the most prestigious and well-established club in Lima. Its history and the broad range of offered sports and recreational services helped the club to develop and maintain this standard up until today. The club has a strategic benefit with its facilities located both at the beach and centrally within Lima. Regatas Lima Club has the prestige of being the only club in Lima that owns three private beaches, gifted to the organization by the City Council of Lima. Although the club has more members than its competitors in Lima and Peru, the club struggles to attract the generation Y as members of the club. Most of their current members are older people that have been members for a long period of time. Nevertheless, the Club attracts young generations through their parents because the members of the club can sign up its own family to become part of the Club.

1.1.4. Corporate culture

The corporate culture of the club puts focus on creating a strong identity, building a relationship with all its members, regardless of their demographic group. There are several values and traditions the club follows from its historic heritage starting as a rowing club. Today, it is the biggest sports and recreational club in Lima, Peru. The logo represents the basic cultural values of the club. It is designed in the colors blue, white and gold and features the three letters C, R, and L for Regatas Lima Club, including the foundation year of 1875 (see Appendix A). The logo incorporates two crossed oars (or rudders), in recognition of the club's history. They are proud of their heritage and feature the logo in all facilities and departments of the club, both outside and inside, on uniforms and clothing items of the employees, marketing material, and merchandise articles. Another distinct and special feature of the club is its own hymn. It is played every day at 12:00 and 18:00 on the premises of all locations. This hymn is also sung in any event or tournament inside the installations of the Club. The lyrics remember the club's heritage as a rowing club and the city of Lima:

*Bogas que del "Lima" son
Y que en el Club se hicieron,
saben bien lo que es corazón
desde el "go" hasta el final.*

*Sin carril, sin timón,
Con la cache del remo mojada,
Con un crab, o con dos,
Y perdiendo compás y palada.*

*Boguen los "turistas",
O boguen los campeones.
Y aunque sus muchachas boguen,
Siempre el "Lima" se impondrá.*

*En un mar, u otro mar,
Con "chupina", o con aguas
tranquilas,
Los de aquí, porque sí,
Al Club "Lima" harán siempre
triunfar.*

Apart from the obvious observable culture connected to symbols and rituals, the club also has shared common values with all employees and members. These cultural aspects should align the entire organization. The official propositions are displayed in all offices. The club values are teamwork, respect, open communication, compromising, and integration with a strong emphasis on performance. Additionally, the 2018's propositions feature the 5 Never-quotes by Steve Jobs, which are:

1. Never give up
2. Never pretend to be something you're not
3. Never stay still
4. Never cling to the past
5. Never stop dreaming

With these propositions and values, the Club wants to create a common identity and shared vision among members and all employees, in order to achieve the Club's strategic goals which are explained in the following section.

1.1.5. Company's strategic goals

The long term and strategic goals of the organisation are:

- To provide quality services with optimal levels of attention to members in the different facilities of the Club.
- To promote physical, cultural, as well as social activities and events that contribute to the personal development of body and mind, of members and their families.
- To develop highly competitive and worthwhile services for the members and their families, counting on modern and satisfactory infrastructure.
- To permanently improve the organic structure of the Club, through an agile and innovative management model; with control mechanisms that support both current and future development in accordance with the growth of its membership base.

- To establish policies oriented towards the conservation and maintenance of the physical infrastructure and equipment of the Club, guaranteeing high levels of comfort and quality for its members.
- To develop information and promotion strategies towards the Club's membership and the provided context and environment.

These strategic goals reflect that the Club has a long-term, well-structured and achievable vision. Therefore all its efforts are focused on the accomplishment of them in order to reach the final desired future.

1.2. Industry analysis

1.2.1 Sports and recreation industry characteristics

The sports and recreation industry has grown substantially over the last decade. In 2016, the global fitness and recreational sports centers' market size totaled US\$83,6 billion and is expected to increase to \$113,1 billion by 2023 (Allied Analytics LLP, 2018). This considerable market growth is attributed to an increase of disposable income per capita, the surge of the middle class, and a global consumer trend towards a healthy and fit lifestyle (Allied Analytics LLP, 2018). There is a considerable promotion of the latter, by marketing campaigns aiming at fighting obesity and other health-related problems. As such, there has been a rise in recreational sports centers offering a variety of utilities, such as fitness equipment, exercise classes, and swimming pools, among other physical and recreational services.

In Peru, sports and recreational activities have grown notably. This is partly due to the large industry built around sports through mass media, apparel manufacturing and the organization of major sports events around the world (Roitter, 2012). Sports and recreation have a strong educational impact on children and adolescents and are therefore considered a citizen's right. With a growing interest among the population, many non-governmental

organizations or other (independent) sports institutions have emerged to provide sports and recreation activities for children, youth, and adolescents (Roitter, 2012). These “clubs” do not only contribute to the empowerment of individuals, but also promote the development of inclusive communities. However, an estimated 66.4% of the inhabitants of Lima find that only a few organizations exist where one can practice sports (Lima Cómo Vamos, 2012).

This has been confirmed by the Instituto Peruano del Deporte, which only registered 25 sports centers in metropolitan Lima in 2011 (Lima Cómo Vamos, 2012). Besides, the high cost of the membership of sports and recreation centers hinder more growth in the market (Allied Analytics LLP, 2018). The Regatas Lima Club is a prestigious non-for-profit sports and recreation club which charges high membership fees, restricting access to sports facilities, just for the people that can afford the entry fee. They go beyond the traditional sports and recreation centers and therefore also beyond the industry. Thus, a more in-depth analysis is discussed in the later parts of this report.

1.2.2. Porter’s Five Forces

Porter’s Five Forces is a strategic business tool to assess the attractiveness and competitiveness of an industry. This analysis is conducted for Regatas Lima Club as it aids the understanding of the specific sector forces. An interaction of the five forces in the sports and recreation industry is shown in Figure 1.

1.2.2.1. Threat of new entrants - Low

The threat of new entrants refers to how costly and difficult it is for other businesses and organizations to enter the same industry. In general, there are few but rather high barriers to entry. The Peruvian market already has a substantial amount of high-end recreation centers with similar facilities: Country Club de Villa A.C., Club Cultural Deportivo Lima, Centro Naval del Perú, Rinconada Country Club, La Alameda y Hacienda Club, Certse FAP, and Sparza Club (Adonde, 2018). These clubs are considered direct competitors to Regatas Lima,

as they offer facilities as well as social, cultural and physical activities to a rather high-end market in a similar fashion. In addition, the majority of the clubs also follow a non-for-profit association model. The threat of new entrants is rather low as it requires a large investment to build a club with the necessary facilities, membership base and reputation. Besides, many of these clubs already have developed characteristics, such as an exclusive brand reputation and solid customer base. Therefore, despite the fact that a business can theoretically easily enter the market, because of low regulatory considerations, the threat of new entrants is considered low.

1.2.2.2. Threat of substitutes - Medium

The threat of substitutes occurs when businesses from other related industries are trying to move into the market. To a certain extent, there are substitutes in the market which can be considered indirect competitors. Basically, Regatas Lima Club is in competition with various companies that own, operate, or engage in attractions, recreation, sports, fitness and entertainment facilities, exhibitions, and lodging. Sports organizations may also include golf centers, dance schools and studios, motor racetracks, and organizations that operate or own professional sports teams. However, as these organizations usually do not offer the same amount of facilities and activities that the Regatas Lima Club provides, the threat of substitutes is medium. Because the Club has many facilities around the whole city and provides different sports that are not commonly practiced. However, there are many people (Peruvians or foreigners) interested in them and seek to be trained in those sports, plus its high-valued reputation for more than 140 years.

1.2.2.3. Bargaining power of buyers - High

The bargaining power of buyers relates to the customers who can exert pressure on companies to get higher quality products, better customer service, and lower prices. As the Regatas Lima Club is an exclusive not-for-profit club, customer service and product quality

are two of their main concerns and differentiation points. In order to improve the service and quality level, members of the club are included in the decision-making process. Generally, when the club wants to make a large investment (for example in new equipment or sports facilities), this needs to be approved by the General Assembly. This General Assembly includes all the members of the club. This means that every member of the Assembly is contacted to participate in the decision-making, and each can choose whether to join or not. Only the attendants to the Assembly have the power to influence the final decision. As such, if the majority of the members present approves, the club can go through with the investment. Besides, the members also have the right to formulate and enforce internal rules for the club. Thus, they are entitled to alter certain conditions of the club, such as the membership fee, application process, etc. An important change which had been made was the acceptance of women to the club in 2008. These two cases illustrate that the bargaining power of the buyers is considered high.

1.2.2.4. Bargaining power of suppliers - Medium

Suppliers can also have bargaining power when an organization is dependent on its suppliers and when one supplier is dominating the market, leaving no available alternatives. The Regatas Lima Club works closely together with a vast number of partners. Suppliers are selected for providing food, drinks, sports equipment, and machinery, among many more things that need to be offered for members. Over the history, Regatas Lima Club has built an extensive platform of suppliers, which provide different services. When Regatas Lima Club searches for a supplier, they post it online. Subsequently, they can make a bid, which is then evaluated by Regatas Lima Club. Based on several criteria such as the offer price and relation, Regatas Lima Club eventually picks one. This selection process gives only little bargaining power to those suppliers. However, Regatas Lima Club also works closely together on a regular basis with a few long-term, trusted partners. These do have some

bargaining power as they update their prices more frequently, often weekly. The price may fluctuate, onto which Regatas Lima Club has no influence. In conclusion, it can be stated that the bargaining power of the supplier is medium.

1.2.2.5. Industry rivalry - Low

Industry rivalry refers to the other sports and recreation clubs which compete for the same customers by price, quality, and Speed. As mentioned before, similar non-profit clubs operate in the area of Lima, such as the Club Cultural Deportivo Lima. The majority of these clubs target the same high-class customer segment. As Regatas Lima Club is very exclusive, they do not make use of any specific competitive moves like pricing competition. Regatas Lima Club has advertising and marketing campaigns, but these are limited by a budget that is available for the respective department. The same is the case for other not-for-profit organizations, whose aim is not to make a profit but to accomplish and develop the club's goals and mission.

Furthermore, Regatas is the most exclusive and prestigious club in Lima with only limited vacant spots each year. Limited capacity means that the club also has to reject a number of potential members, because the selection process is complex and detailed, according to the statute of the Club, any new member needs to have two signatures of current members that have been part of the institution for at least 10 years. After that, the Board of Directors will analyze the candidate's application for a period of 15 days in order to reach a final decision (Club de Regatas Lima, 2016). Therefore, there is no need for the Club to compete with the other competitors by lowering prices, increasing Speed or quality. This also means that the industry rivalry is low.

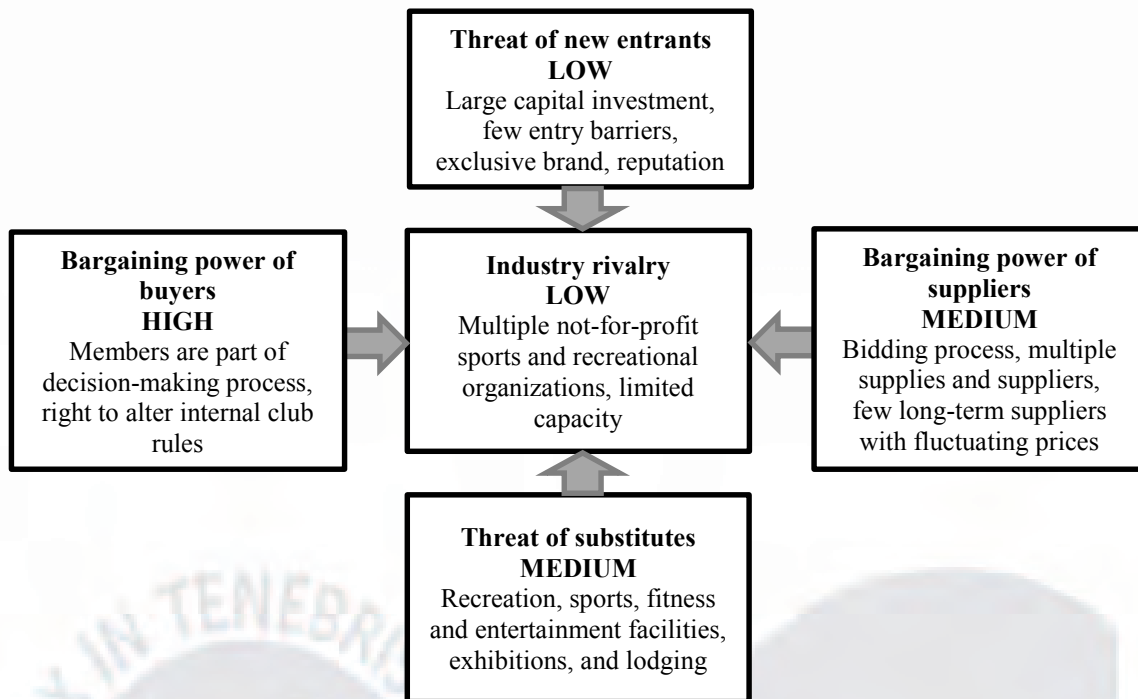


Figure 1. Porter's five forces interaction for the sports- and recreation industry. Adapted from "The five competitive forces that shape strategy", by M. Porter, 2008, Harvard Business Review.

1.3. External Analysis: PESTE

The PESTE framework is a business tool used to describe the external environment a company is operating in. This framework is used to assess the external context of Regatas Lima Club. The PESTE analysis is conducted in detail below, relating to the Political, Economic, Social, Technological and Environmental factors.

1.3.1. Political

The sports and recreation industry in which Regatas Lima Club operates is regulated by multiple government entities. Firstly, the Ministry of Education is the governing body of the national educational policies, including sports and recreation. Their main mission is to create opportunities and educational outcomes of equal quality for the population (Ministerio de Educación, 2018). The institution's activities consist of defining, directing, regulating and evaluating the industry, in coordination with the regional governments (Ministerio de Educación, 2018). Another important institution is the Instituto Peruano del Deporte (IPD), which is a decentralized public body of the Ministry of Education. The IPD works in

coordination with the agencies of the National Sports System, with whom they formulate and execute sports, recreational and physical education policies. Their main tasks consist of organizing, promoting, coordinating, evaluating and researching at the national level of the development of the sport, recreation and physical education (Instituto Peruano del Deporte, 2018).

Under the IPD, there are also sports federations for each discipline (e.g. basketball federation), and national departments of key activities, such as the Department of Recreation and Promotion of Sports (Instituto Peruano del Deporte, 2018). Besides, the IPD highlights the importance of sports and recreational activities as a tool for social change, which substantially helps to improve the quality of life of the Peruvian society. Therefore, a lot of time and effort is invested in the promotion of the sports and recreation industry and the financing of construction, improvement of infrastructure and sports equipment. In addition, they participate in sports management programs in which they hire and pay subsidies to athletes and coaches (Instituto Peruano del Deporte, 2018). They have collaborated with the Regatas Lima Club by promoting free classes at La Academia IPD, to encourage the participation of society in recreation and sports. For that, they have made use of the sports infrastructure of Regatas Lima Club for various events and tournaments, because the institution has the space availability for disciplines like rowing (Instituto Peruano del Deporte, 2018).

1.3.2. Economic

According to the World Bank (2017), Peru has grown remarkably over the last 15 years with an average GDP growth of 5% per annum. This growth was mainly attributed to the rich endowment of natural resources which stimulated large-scale investment in mining and other related industries, and the service sector which contributed to nearly 60% of the

GDP. However, productivity seems to be an issue in the Peruvian economy due to the inefficient allocation of capital and labor among firms, especially in the services sector.

In addition, there is a lack of technology adoption and integration by firms into the global value chains, which hamper productivity growth (World Bank, 2017). These productivity growth rates vary greatly among firms in different regions within Peru.

Companies in Lima have been significantly more productive than those in the Sierra and the Selva of Peru (World Bank, 2017). Lima has experienced a strong growth in employment and income, which had a positive impact on the poverty rates. The latter fell from an estimated 49.9% in 2014 to 26.1% in 2017 (World Bank, 2018). With the continuous improvements in the economic governance and political stability, which is why Peru registers the lowest inflation rates at the regional level. In addition, the economy has developed a favorable climate for investment. Peru is nowadays considered one of the most stable economies in Latin America.

1.3.3. Social

In 2018, Peru has reached a population of over 32 million, which has been a 1.2% increase since 2017 (Worldometers, 2018). Approximately 79% of the population lives in urban areas, with 33% of the entire population living in the capital city of Lima (Worldometer, 2018). Migration to Lima has led to a lot of social diversity and economic disparity. Many people inhabit urban squatter settlements, which are not defined by lease or rent agreements, and which suffer from a lack of basic services such as electricity and water. On the other hand, residents of the modern suburbs of Lima enjoy high living standards which are comparable to those in the United States. This upper-class is mostly found in Lima and makes about 3% of the entire population (Worldometer, 2018). There has also been a surge in the middle class in Lima and Peru, which is attributed to the high economic growth over the past decade (World Bank, 2018). Even though the country has improved

considerably over the past decades, Peru is still facing some social issues. To a certain extent, the country is still combating social problems, such as corruption, child labor, breaching of human rights, youth vandalism, racial problems, and black work (Life Persona, 2017).

As previously mentioned, the sports and recreation industry has grown rapidly over the past decade because of the consumer trend towards a healthier lifestyle. This was driven by Peru's high rate of obesity which can cause health-related problems like diabetes, cardiovascular problems and other diseases (Euromonitor, 2018). The Peruvian consumer is, therefore, becoming more engaged in physical exercise and nutrition. A search for healthier products is supported by the strong economic development and higher purchasing power of the population (Euromonitor, 2018). Products and services related to health and wellness are also expected to increase sales in the near future. Besides, companies offering such products and services are encouraged to build product portfolios with new options that meet the consumers' health requirements (Euromonitor, 2018).

1.3.4. Technological

Despite the strong economic growth in Peru, the country is lagging behind other Latin American countries in terms of technology and innovation (Stunt, 2017). Only about a 0.08% of Peru's GDP is invested in innovation, which is significantly below what for example Chile is investing 0.37% (Stunt, 2017). This is also reflected by the World Competitiveness Report (2017) in which Peru's innovation and technological readiness score are well below the Latin American average (World Economic Forum, 2017). Technological readiness includes the availability of latest technologies, technology absorption, tech transfer, individuals using the internet, innovation capacity, among others (World Economic Forum, 2017). Peru's low score is the result of Peru's weak capacity in research and innovation and rather small investments in Science and Technology (S&T) and Research and Development (R&D) compared to other more developed countries in South America. However, recently Peru

started to realize the importance of technology and innovation and therefore some initial steps have been taken. For example, the government has taken action to encourage start-ups, such as by increasing budgets and the promotion of such activity by programs as the Start-Up Perú Program and National Science and Technology Council (OECD, 2016).

Furthermore, Peru is also faced with a lack of human capital with expertise in innovation and technological development (World Bank, 2014). There are only a few graduates in S&T, mainly engineers and few researchers (World Bank, 2014). Further, few collaborations exist between universities and research institutions and the private sector. In general, private sector SMEs only invest little in innovation and technology. As such, technology adaptation, creation or adoption in the companies remains weak, hindering opportunities for increased productivity and growth (World Bank, 2014).

Moreover, the IT environment is still in its early development stage, offering many opportunities but also entailing risks (Bernstein, 2000). Lima has attracted most of the IT development, with relatively developed communications resources, such as Internet access and mobile telephony (Bernstein, 2000). However, the country does not have a real IT sector. Rather, IT tools, like custom software, are foreign-made and are used by foreign or international companies in Peru to improve its operations.

Consequently, IT support and the equipment suppliers are based in the home market of the foreign companies. This means that there is a lack of available local professionals to install, maintain and upgrade the IT systems (Bernstein, 2000). Therefore, local businesses are hesitant to implement Information Technology in their operations. The same is true for the sports and recreation sector, which operates on a local basis, they also do not invest in innovation and technology, which does not contribute with the optimization of their own processes inside the organization.

1.3.5. Environmental

Despite the great biodiversity and natural landscapes, Peru is facing a large number of environmental issues, such as air pollution, water pollution, soil erosion, and deforestation. (Nations Encyclopedia, n.d.). In order to combat these problems, the national government has introduced some regulations and laws to decrease the pollution levels and deforestation (Nations Encyclopedia, n.d.). Also, the Ministry of Environment promotes environmental conservation in which they ensure sustainable, responsible, and ethical use of the environment and the natural resources (Ministerio del Ambiente, n.d.). Strategic objectives to improve the environment are set in the Strategic Plan of MINAM for 2030 (Ministerio del Ambiente, n.d.).

Besides, the environment is one of the major concerns for the sports and recreation industry as it promotes health and well-being. In order to practice sports outdoors, it is important for the air and water pollution to remain minimal. Pressure on air quality is mainly due to the growing amount of vehicles, industrial emission and the use of fossil fuels (United Nations/OECD, 2016). Over the years 2003-2012, the automotive fleet in the regions of Lima-Callao and Tacna grew substantially to 135 vehicles per 1,000 inhabitants (United Nations/OECD, 2016). As such, Lima is particularly affected by air pollution. Another issue is the environmental quality of the coastal waters which are affected by industrial and domestic discharges. Statistics showed that the quality of the waters declined between 2003-2013, especially in the bays of Huacho, Callao, Chacay, and Chimbote (United Nations/OECD, 2016).

On top of that, Lima is particularly vulnerable to climate change and the frequent occurrence of natural disasters, such as earthquakes, flash flooding, tsunamis and extreme temperatures. As some of the facilities of Regatas Lima Club are located along the beach, there is an increased risk of such natural disasters. During 2003-2013, an estimated seven

earthquakes, 18 events of flooding, and nine events of extreme temperatures occurred, affecting a large amount of the population (United Nations/OECD, 2016). To conclude, the environment may have a negative impact in Lima, its residents, the members and facilities of the Regatas Lima Club.

1.4. Internal Analysis: AMOFHIT

For a complete understanding of the general situation Regatas Club Lima operates in, it is important to analyze internal contexts and factors. Therefore, the framework used to assess this aspect is the AMOFHIT methodology. It considers six functional areas of the company which are: administration and management (A), marketing and sales (M), operations and logistics (O), finance and accounting (F), human resources (H), and information technology (I). The analysis aids in the identification of strengths and weaknesses the organization has, providing more detail in order to assess possible problems and opportunities.

1.4.1. Administration and management

The administration of Regatas Lima Club depends directly on the Club's Board of Directors plus a General Manager, who exercises administrative and functional authority over the organic units and the personnel that belongs to the Club Administration. The General Manager exercises supervision and control over the sub-management areas as well as coordinates communication with the Board of Directors, the Qualifying and Disciplinary Board and Auditors. This position in the organization also communicates and works with public and non-public agencies, the local businesses, and other organizations that are concerned with rules and regulations affecting the club, on both a national and international level (Club de Regatas Lima, 2018).

The Administration is in charge of defining the structure of the organization which includes: Board of Directors, Qualification and Disciplinary Board, Account reviewers,

General management, Control management (Internal Audit) and sub-management departments of information technology, infrastructure, legal advice and institutional relations, sports, finance and accounting, maintenance, institutional image and marketing, operations and human resources. It also includes the administrative subsidiaries of San Antonio, La Cantuta, La Punta, Villa Deportiva, and Paracas (see Appendix B).

In order to regulate the organization, Regatas Lima Club has established internal rules such as the official Statute and a number of Board Agreements, which were related to the elaboration of the functions' manual, the inclusion of the new legal management, the institutional relations department and the new organizational structure (Club de Regatas Lima, 2018).

1.4.2. Marketing and sales

Regatas Lima Club has a sub-management department focused on institutional image and marketing. It plans and organizes the activities of communication, information, press, public relations and diffusion of institutional management, as well as the protocol activities in which representatives of the RLC at headquarters and subsidiaries level participate. This happens in strict compliance with the agreements and the statute of the Club.

This department is divided into three main areas, namely: (a) publicity, (b) marketing and (c) general edition. The first area is in charge of developing, executing and monitoring business strategies for all business units that generate revenues. The second one focuses on planning, developing and executing marketing strategies, ensuring that communication is available in all digital media. The last area develops, executes and monitors the commercial strategies corresponding to the institutional magazine, evaluating the content to be published and carrying out coordination activities with the advertising area (Club de Regatas Lima, 2018). Furthermore, this aspect of the organization can also be analyzed by the "4Ps" (product, price, place, and promotion), which reflects a simple formula to address the

marketing activities that are essential to bring products and services of the company to their consumers.

Product. Regatas Lima holds a high worldwide reputation in rowing, swimming, sailing, and windsurfing. Overall the physical activities the Club offers include more than 40 disciplines. Additionally, the venues and locations have developed into important centers of social, cultural and recreational life for its members. Some of the club's teams participate in national competitions, such as their volleyball and basketball teams. The football team currently participates in the Peruvian Cup and is the hotbed of several professional athletes. The organization has infrastructure that, nowadays, provides attention and comfort to its thousands of associates and relatives (Club de Regatas Lima, 2016).

Price. The Club has to define the scope of membership, i.e. how many members can actively be part of the organization. The admission of active members is conditional on the capacity of the Club's facilities and services. The price to acquire active associate status is equivalent to 500 times the current monthly ordinary fee (which is 330 soles) of active associates over 25 years of age. For family members, there is a price equivalent to 10% of the original entry fee for kids under 13 years of age. The price increases to 15% of the original entry fee for children above 13 years of age, as well as spouses who want to use the clubs services and facilities (Club de Regatas Lima, 2016).

Place. The headquarters of Regatas Lima Club is located in the district of Chorrillos, on the shores of the Pacific Ocean. It is an area of one hundred thousand square meters, including three fully implemented three beaches. The Club has five subsidiaries: La Punta (Callao), La Cantuta (Chosica), San Antonio (Cañete), Villa Deportiva (Conchan), and Paracas (Pisco).

The first subsidiary is located in La Punta (Callao) and mostly includes maritime facilities, such as sailing and motorboats. In addition, La Punta also offers spaces for official

celebrations and ceremonies. The second subsidiary is La Cantuta located in Chosica. It is known as the "paradise" for winter months and boasts living accommodations and cottages for its members. The third subsidiary is San Antonio. Currently, the subsidiary has one hundred twenty-two bungalows, eight shelters, five pool areas, two lagoons and twenty-two sports courts (Club de Regatas Lima, 2016).

The fourth subsidiary is Villa Deportiva which has a space for the practice of disciplines such as athletics, football, tennis, racquetball, aerobic gymnastics, badminton, taekwondo, volleyball, basketball, and karate. Finally, the fifth subsidiary is located in Paracas. It has green areas, manoeuvre yards, various warehouses, parking for cars and boats, as well as three old houses construction called: "Barlovento" (to the south with a view to the sea), "Sotavento" (to the north with ocean view) and "Ráfaga" (second row overlooking the interior gardens), this acquisition was recently made in order to expand the Club from Lima to Ica (Club de Regatas Lima, 2017).

Promotion. Regatas Lima Club offers a number of different promotions for different needs to its associates. It has agreements with companies (department stores, pharmacies, restaurants, jewelry stores, insurance companies, etc.) that benefit the members and the employees of the RLC. This includes discounts on personalized training, insurance, birthday celebrations, clothing, medicine, food, and drinks. This information is displayed in specific locations inside the headquarters and the five subsidiaries. It is also published online and can be found on the Club's app, which was created in order to make communication a lot faster for all the users. In the app, the user is able to identify the discounts, parking spaces, availability of the facilities, buses schedules, weather conditions, commemorative dates, and events or tournaments that the Club will be hosting during the year. In addition, it is possible to know if there is any play presenting in the principal auditorium of the Club (Club de Regatas Lima, 2018).

1.4.3. Operations and logistics

The Operations department is in charge of planning, organizing and coordinating the correct execution of the operations related to the services that the RLC provides to its members. In addition, the department has to monitor concessions, the organization of institutional and social events, management of services, management, and coordination of cultural activities, aspects of registration of associates and booking. These responsibilities are divided into four basic areas which are: (a) bungalow, (b) concessions, (c) events, and (d) general services.

The first area is related to the bungalows operations in the subsidiaries of La Cantuta and San Antonio. The employees in this area have to determine the availability of the bungalows, spaces of camps, spaces of trailers and hostel spots. The second area controls the activities that are required to manage and ensure the quality of infrastructure, service and food concessions in RLC. This area controls contracting, renewal or deregistration of concessions, according to the needs of the institution.

The third area is in charge of planning, organizing and supervising activities and events for the associates at headquarters and subsidiaries. In addition, they control and coordinate the events schedule, promote events and sell tickets. Finally, the fourth area supervises the activities of the Club's general services, guaranteeing quality to the associate, ensuring cleanliness and order in all installations of the RLC.

In some cases, the activities may need the collaboration of the different areas in order to provide the members with all the materials necessary to fulfill their needs. For this reason, communication within the operations is one of the most important aspects to take into account. The departments transfer information by using mobile phones or e-mail in order to communicate what goods or services need to be provided. The area of Logistics is in charge of receiving and delivering supplies for headquarters and all five subsidiaries.

1.4.4. Finance and accounting

The Club has two main areas that control the financial resources of the institution. The first is the Accounting and Budgeting department that has to issue reliable financial information plus manage the accounting process by applying accepted accounting principles and current tax regulations. They also control and provide assigned budgets for every department inside the Club. The second area is finance, its purpose is to supervise and control the registration of accounts payable, invoicing and on time payments to suppliers and others (Club de Regatas Lima, 2018).

Basically, most revenues the Club receives are based on member's monthly payments. The total number of associates plus their families are 54,673 in 2018 and this is projected to increase to more than 59,000 by 2026 (Annual Memory, 2017-2018). A secondary source of income is related to the concessions from companies that want to have their businesses inside the installations of the Club. An example of this would be banks, outlets or restaurants that are not operated by the Club itself. The amount of sales of these companies has been increasing gradually, nowadays is more than 25 million soles compared to 19 million soles in 2014 (see Table 1), from which they have to pay the Club a 10% of the total revenues (Annual Memory, 2017-2018). Finally, the entry fees for new members and monthly fees for current members are also a part of the Club's income every year.

Table 1

Concessions (thousands of soles)

Thousands of soles	Annually (April –March)				
	13/14	14/15	15/16	16/17	17/18
Total of sales	19,011	20,098	21,795	25,666	25,247
Lease 10% of sales	1,898	2,006	2,177	2,562	2,481
Services and others	1,623	1,718	1,821	2,000	2,203
Lease and Services	3,521	3,724	3,998	4,562	4,684

Retrieved from Annual Memory of Regatas Lima Club 2017-2018.

On the other hand, the Club has a great number of monthly expenses related to the maintenance of the buildings, sports facilities, and personnel salary. The last balance sheet presented by the Club's accounting department revealed that the institution has more than 300 million soles worth of assets, represented by the large number of buildings and equipment that RLC owns. The Club does not have much long-term financial debt, however, the accounts payable to suppliers is almost equal to half of its assets. Therefore, the total institutional fund of the Regatas Lima Club is more than 450 million soles (Annual Memory, 2017-2018).

1.4.5. Human resources

The Human resources department is responsible for the attraction, retention, and achievement of high levels of productivity and job satisfaction in the Club. The department is divided into three main areas which are: (a) Human Management, (b) Social Welfare, and (c) personnel compensations. The first area has to control the processes of recruitment, selection, contracts, and plans of induction, retention of personnel, promoting the satisfaction and development of the employees, in strict compliance with the policies and statutes of the Club.

The second area is in charge of questions or suggestions of employee's related to social welfare. It monitors the management and payment of insurance, subsidies in headquarters and all five subsidiaries, conciliating with the accounting area. The personnel compensations area has to ensure the efficiency in the process of payment, labor litigation, provisions, among others; as well as ensuring policies and procedures that are in compliance with labor legislation, in harmony between the Club and the employees (Club de Regatas Lima, 2018).

The number of employees per subsidiary is related to the number of members using the facilities (see Table 2). In Chorrillos there is a total of 856 employees working in different

areas. This represents 51% of the total number of employees in the Club (see Appendix C). The second most visited subsidiary is San Antonio, the largest subsidiary of the Club. It provides a great number of facilities in the summertime and has around 447 employees. La Cantuta is quite popular in the winter and has 189 employees in total. The Villa Deportiva has different kinds of facilities that are used by the football, basketball and volleyball teams most prominently. This subsidiary has 144 employees to ensure the availability of equipment's and fields. Finally, La Punta and Paracas are the smallest subsidiaries of the Club, the first one has 35 employees in total being one of the oldest facilities and the second one has just 3 employees (Paracas being the newest acquisition to the Regatas Lima Club).

Table 2

Number of employees per subsidiary

Subsidiary/ Year	2014	2015	2016	2017	2018
Chorrillos	849	693	761	774	856
La Cantuta	138	147	161	176	189
San Antonio	349	350	366	420	447
La Punta	30	27	30	32	35
Villa Deportiva	126	131	138	132	144
Paracas					3
Total	1,492	1,348	1,456	1,534	1,674

Retrieved from Annual Memory of Regatas Lima Club 2017-2018.

The employee's main responsibility is to satisfied the members' needs, therefore it is important to analyze the annual attendance to each of the subsidiaries, in order to identify is the Club has the appropriate number of employees to make sure that the member's quality experience is preserved among the years. The total amount of visitors has grown 6.2% in 5 years from 2,022 to 2,156, being the headquarters the most visited in 2018 with 1,7722, because of its different facilities and the three private beaches. The second most visited installation is the Villa Deportiva subsidiary with 169 people, however, the number of visitants has been reducing from 204 in 2013. The rest of subsidiaries' attendance record has increased in small proportions (see Table 3).

Table 3

Attendance record: members, family members and guests

Installations' attendance	Annually (April-March – thousands of people)				
	13/14	14/15	15/16	16/17	17/18
Chorrillos	1,546	1,523	1,562	1,707	1,722
La Cantuta	131	107	100	97	86
San Antonio	120	134	141	112	142
La Punta	21	20	22	23	36
Villa Deportiva	204	197	186	181	169
Paracas					1
TOTAL	2,022	1,981	2,011	2,120	2,156

Retrieved from Annual Memory of Regatas Lima Club 2017-2018.

1.4.6. Information Technology

The Department of Information Technology is responsible for managing technological resources; guaranteeing on-time provision of the various software, Apps, and

security of Club networks. In addition, the department is in charge of planning infrastructure projects, services, and security processes, managing the service of technology suppliers, in accordance with the requirements of the internal client, deadlines and assigned budgets. It is divided into three areas which are: (a) information technology helpdesk, (b) information technology development and (c) information technology support.

The information technology helpdesk centralizes and channels the solution of various IT requirements as well as facilitating the flow of documentation that enters RLC. This subarea also provides support by telephone, mail or through an application help desk for technical errors. The information technology development area implements and validates basic software, web, and mobile applications, keeping the Club updated according to the innovations in this field and the RLC needs. It promotes and trains users through manuals of the systems and applications developed. Finally, the information technology support defines and coordinates the preventive and corrective maintenance schedules of the equipment, plus it manages the implementation of outsourced services of the headquarters and all subsidiaries of the organization.

The Club used to have one system called Speed, for accounting matters. However, Speed did not support budgeting, which makes the organization unable to control the budget. For that reason, the Club decided to implement another software called COUPA, which is a global technology platform for spending management. This particular system had two basic benefits: (a) It could regulate the budget of every department and (b) all the information that was registered in the system was uploaded directly to the cloud, which meant easy access and quick communication. However, COUPA did not have a well-designed accounting system at the time of implementation. Therefore, the Club managed to pay for adaptations so that the two software could communicate with each other and have the information available so that everything is updated in both systems.

1.5. Conclusion

Regatas Lima Club is one of the oldest clubs of its kind in South America and the oldest one in Lima. The headquarters of the club is located on Lima's Coast in Chorrillos. The club operates five subsidiaries, offering different infrastructure and services. Overall, the club offers facilities and services for over 40 disciplines, as well as cultural and social gatherings, classes and events. Regatas Lima was founded as a rowing club and has heavily expanded since. With more than 20,000 members, it also counts as one of the largest clubs in Peru.

Competitiveness of the organization is rather high. The matter of fact is, that Regatas Lima Club is a not-for-profit organization; competitiveness is not as prioritized as it might be for a technological company, or in general for a for-profit organization. RLC is the most prestigious club in the Lima Area and has a strong reputation, for its high-end members. The Club operates facilities in different locations and offers such wide variety disciplines and cultural programs, that the club has not had problems attracting new members. Every year, new applicants apply to join the organization, however, just some of them are admitted. Demand is high, and the Club often has to decline applications for vacant member's spots. Despite the fact that there are other clubs in Lima and around Peru, Regatas Club has not had problems keeping membership up. There is competition in the city for sports and recreation clubs, but RLC is known as the most reputable.

Competition between the clubs is hence rather low. This also counts for the power of buyers, as all members pay the same membership fees and are only admitted to the club under strict regulations. Suppliers have a bit more market power. The club, as mentioned, does not compete for a profit, trying to offer the highest quality of infrastructure and service to all its members. This means that all suppliers need to be evaluated and also have competitive pricing. Overall, the club plays a zero-sum game, covering their expenses with

their revenues from membership fees and concessions. Regatas Lima Club is a high quality, high-end sports, and recreation organization in Peru's Capital City, Lima. It has existed since 1875 and has built a strong reputation and prestige over the last 143 years.

1.5.1 Strengths, Weaknesses, Opportunities & Threats

After making an internal and external analysis of the organization, it is possible to identify the opportunities and threats from the PESTE and Porter's five forces analysis; and the strengths and weaknesses from the AMOFHIT analysis. Therefore the overview of the four sectors that includes the SWOT analysis is detailed below in Table 4.

Table 4

Overview of opportunities, strengths, weaknesses and threats

Opportunities	Threats
<ul style="list-style-type: none"> ● low competition with similar organisations (direct competitors) ● excess membership demand ● low threat of new entrants to industry ● Society trend of being active 	<ul style="list-style-type: none"> ● highly demanding members, very high expectations ● Threat of substitution by specialized institutions (Gym, Sport clubs etc.) ● high reliance on suppliers/partners
Strengths	Weaknesses
<ul style="list-style-type: none"> ● strong reputation/heritage ● high membership count ● large number of programs/disciplines offered ● several subsidiaries/multiple locations ● membership loyalty 	<ul style="list-style-type: none"> ● zero-sum financial strategy (costs=revenues, no buffer) ● tall hierarchy/decision making lines ● low technological integration inside departments ● high number of departments (46) ● considerable membership-fees

Chapter II: Key Problem

2.1. Problem definition

2.2.1. Description of the problem

In our first meeting at the financial department of Regatas Lima Club, we were introduced to the club's purchasing and payment process. Since the first meeting with the Director of Finance, he mentioned several problems he observed along this process. Starting from the initial investment application, to the purchase order process via Coupa (the Club's finance system); the matching process of invoices to Speed (the accounting system) and the purchase orders to the final forwarding of the invoices. Smooth and efficient finance and controlling, as well as invoice payment processes, are the backbone of every organization. This process involves all orders made by the Club from various departments, e.g. sports and recreation, restaurants or marketing. After analyzing the full purchase order and payment process, the consulting will focus on the part of the process once the invoice gets issued and needs to be matched with the initial purchase order in the interest of succeeding with the payment process of the invoice on time.

The objective of Regatas Lima Club at this particular part of the process is to optimize its invoice management in the Accounting and Finance department. The current procedure faces inefficiency, double approvals, and unnecessary manual processes, due to a lack of technological integration. The goal is to analyze the process from the point of receiving the supplier's invoice until the final payment to the supplier is made. The current process is a mix of two purchasing and accounting systems, Speed, and Coupa, that are only able to communicate to a certain extent. The task is to develop a solution along this process, which eliminates the inefficiency and unnecessary steps along the whole procedure, in order to achieve both invoice and process excellence as well as a more transparent process.

2.2.2. Dimensions of the problem

The main problem that needs to be addressed by this project is the process of invoice management within the financial department, that includes the accounting and finance area. From the definitions of the roles and responsibilities, the implementation of a new software or updating an existing tool that can meet the Club's requirements and the cultural change that will cause initial resistance. The upcoming sections will provide specific information about the key problem in terms of its substance, ownership, location, magnitude, and timing.

2.2.2.1. Substance

After having met with the owner of the process, some issues could be identified. First of all, before an invoice gets registered it has to be checked by an employee who is not professionally educated in accounting or finance. Sometimes the information that should be included with the invoice is not complete, so it cannot be registered in the software. This lack of expertise causes a delay in the process which brings down the quality and efficiency.

The second issue is that once the invoice is fed into the Coupa software, it has to migrate to the Speed software and for that to be done it is necessary to ask for approval first, even though the order has actually been approved before. This unnecessary second verification check slows down the whole process when registering a purchase order of a good or a service.

The third issue is related to the availability of information in order to control which suppliers have been paid and who are still missing. The problem is that the Speed software does not provide a summary of payments to date, but a list of suppliers. Therefore, in order to check the needed information, it is necessary to check each supplier separately. The information is then manually put into an Excel spreadsheet, where everything is reorganized. The lack of technological integration in the institution does not align with the strategic goals previously proposed in Chapter I.

The final issue is related to the cultural clash that implementing a new process and system will bring to the organization because the majority of employees working in the Club have many years dealing with this problem in a specific way. Therefore, there will be resistance to change. Knowing that it is crucial that the consultancy activities also include communication techniques so that the final users could be aware of all the benefits and advantages that the new solution will come with.

2.2.2.2. Ownership

The identified problem affects the entire organization because the invoices come from every single department of the Club. All areas use the Coupa system to register their order at first, but it is the accounting department that is in charge of registering information on Speed after the invoice is registered in Coupa in order to control the budget of the whole institution. Therefore, the main responsible for the process is the finance and accounting department. These two teams are using the systems and have to monitor the expenses of the entire organization, including the headquarters and five subsidiaries.

Nevertheless, there is another key area of the organization that is involved in the process, which is the storage department that provides a confirmation number, once the equipment or other supplies have been delivered. Other important people are the ones assigned to check the information attached to the invoice and the chief or head of the department, which is the one that approves the purchase order and the information transfer from one system to another. For this reason, the Chief of Finance cannot control every step of the process which makes it more complicated and challenging.

2.2.2.3. Location

The problem is located primarily in the finance department including both areas: finance and accounting. However, because the invoices come from different departments inside the Club, this issue affects the entire organization. It also affects the relationship with

the suppliers because of the efficiency of the systems and the on-time payment that the organization is not currently accomplishing every month. For this reason, some suppliers have some inconveniences with the Club.

2.2.2.4. Magnitude

Based on the issues identified, the problem has a high importance regarding time efficiency and high costs of maintenance for both systems. It is important to optimize the process to ensure updated and available information to facilitate the budget and expense monitoring of the entire organization. The problem will continue if the process is not changed. It is also necessary that the owner of the process can supervise every key person related to the problem so that everyone is in line with requirements and proposed goals. Furthermore, it also involves redundant approvals that need to be addressed with a new integrated information system that should include every need of the Club. If the problem is addressed, the organization will gain time, efficiency, costs reduction and increase availability time for employees to spend it on some other tasks.

2.2.2.5. Timing

After having several meetings with the team in charge of the financial department, it can be determined that this problem has been present in the organization for more than 5 years since the acquisition of a second system that provided some benefits for the organization in a short-term basis. However, in the long-term, it brought complications with it because it needed to communicate with the pre-existing system. The problem has not been solved in the past because the Club is a very traditional organization, and its workforce is conservative.

There were some occasions when the financial department requested an optimization of both system but the requirements were never addressed by the Board of Directors. With the election of a new board for the Club, they identified that it was time to analyze the

process from the beginning and optimize or use more modern technology in order to become more efficient and competitive, thinking about the long-term goals of the organization.

2.2. Conclusion

The problem the Regatas Lima Club is facing is an internal and operational problem that has been prominent in the organization. After initial trials of implementing technology into the purchasing and payment process inside the organization, a mistake has been made. Due to a focus on short-term results, a second system has been implemented 5 years ago. Therefore, the organization uses Coupa, a budgeting and ordering system, as well as Speed, a pure accounting tool, in order to have a complete overview of budgets, invoices, and orders.

After an order has been placed with the correct system and the goods and/or services have been delivered by the supplier, the problem stated begins. The invoice reaches the financial department and from this point onwards, a crucial number of inefficiencies slow down the payment process. There are redundant approval processes for feeding data from one system into the other. Data input has to be double-checked due to personal reasons. Previously approved invoice payments have to be double approved because they have to be checked by both the accounting and finance area, despite the fact that they are part of the financial department.

Overall, the process of invoice arrival until final payment, i.e. the completion of an order, is strongly inefficient and the ideal outcome of the project would be an improved process, that would not only free up valuable resources (such as time, less workload, costs, etc.) but make the system easier to use and more precise and efficient.

Chapter III: Literature Review

This chapter will focus on a review based on available literature about key topics that are going to be analyzed in this thesis. There are several papers about not-for-profit organizations, which fits with the Club's description. Therefore, this section will present research on this topic in books, academic publications, and journals.

3.1. Literature Mapping

Using the mapping technique, the most important ideas and concepts to analyze were identified from the process of searching information related to the principal topic that will be discussed. This topic is "An implementation of Financial and Accounting Systems for not-for-profit organizations", from which some subtopics were determined, such as (a) management in not-for-profit organizations, (b) accounting management in NPO's, (c) financial management, (d) Systems for Spend Management in NPO's., and (e) Cultural Change in NPO's. In addition, each subtopic is analyzed in detail to expand the existing knowledge in order to have a clear view of the general topic, because the thesis has been developed from a consulting perspective.

For a better understanding of the general topic, some subtopics were selected to make a literature review in-depth, which were mentioned above. These subtopics are shown in Figure 2 as well as the specialized authors found during the literature research. The literature mapping shows that there are subtopics that are more researched in academics. For example, management in not-for-profit organizations is a widely developed topic. There is lots of current literature related to the development of accounting information systems. What is more, dealing with cultural change is also a well-developed topic. On the other hand, there are some subtopics that do not provide as much information as expected, such as financial management in sports clubs in Latin America.

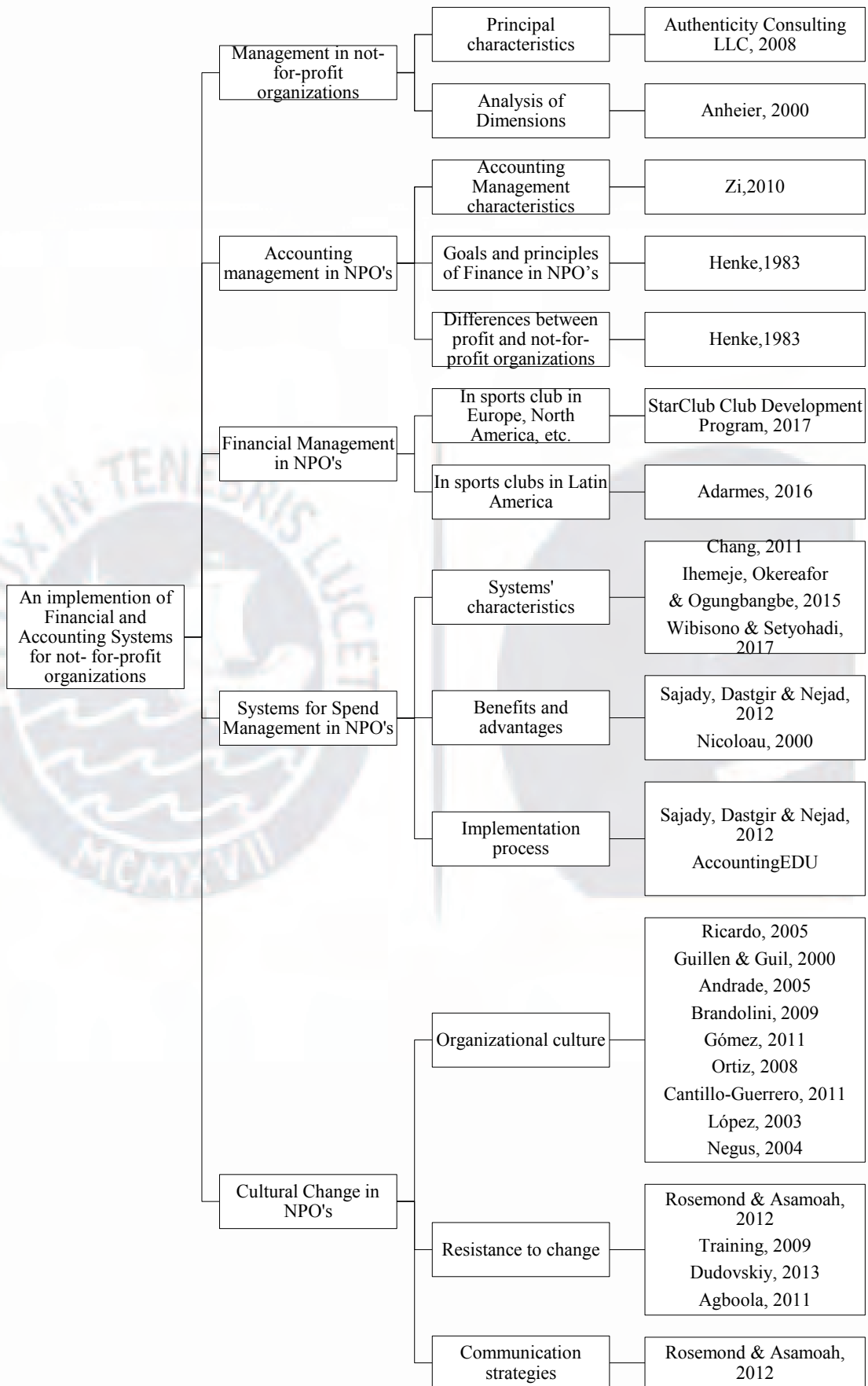


Figure 2. Literature mapping

3.2. Literature Review

3.2.1. Management in not-for-profit organizations

Regatas Lima Club is defined as a not-for-profit organization; therefore, it has a variety of organizational components that differentiate the institution from a commercial organization. The distinctions are focused mostly on how the organization is being managed. One main difference is that a non-profit organization is owned by the public, serves the public and has a success in meeting the public's needs. The Club is basically run by members that want to preserve the current institution's situation and try to improve areas that have problems or need to optimize activities. Moreover, in a not-for-profit organization, the money earned needs to pay for all the expenses and the rest should be retained to spend soon on meeting the public needs. Also, apart from having a Board of Directors, it is important to define an Executive Officer, which does not belong to the Board, which have expertise and knowledge on managing a not-for-profit organization (Authenticity Consulting LLC, 2008). In addition, there are some key factors regarding the nature of a not-for-profit organization, which are a holistic conception, a strategic development, a normative dimension, and an operative dimension.

For the first key factor, a holistic view is necessary for this kind of organization because it generally works as a public-private system of service delivery. Regatas Lima Club works with a board of directors that are also members of the Club, meaning that they are direct clients. It is fund by the associates with their monthly membership payment which makes it a private company, however, the Club is also considered as an Institute for Sports, therefore it is regulated by some public organizations such as the Ministry of Education. This entity regulates the requirements and conditions needed to provide the sports service to the Peruvian community. Nevertheless, there is an upside-down condition, that because having a

public system, the operation and information available to the management is frequently incomplete and not updated (Anheier, 2000).

The second factor for a not-for-profit organization is the strategic development dimension of its operations. Normally, the management changes constantly throughout the pass of the years, which cuts the continuity of activities proposed. What is more, there are new perspectives that will come to a place, and the efforts will be focused on different criteria's according to the new members of the board (Anheier, 2000). Most of the times, projects that have been developing may stop because of the upcoming requirements, therefore it creates confusion and frustration, mostly inside the administrative department of the organization.

The third factor is focused on the normative dimension of a not-for-profit organization. This includes the values and the impact of politics. On one hand, because the organization changes management continuously, it is fundamental that the corporate culture is preserved as a base for all the employees in the organization. The values, colors, symbols, and language that define the Club need to remain stable (Anheier, 2000). On the other hand, politics in Regatas Lima Club is conceived as a natural aspect, because in order to choose their own Board of Directors, the members follow an election process, in which everyone is required to participate. There are some candidate groups that propose their work plans for the institution and members after analyzing the information vote for the ones that most suitable for the jobs. The entire Board of Directors change every two years, this process is regulated by the Club's electoral committee.

Finally, the last factor is the operative dimension, which is related to the everyday functioning of the Club, such as accounting, finance, and administration of the personnel and the service provided to the members. This is the most important dimension of not-for-profit organizations, Regatas Lima Club as a traditional organization focuses on this aspect because

the members want to preserve the quality of services and installations. What is more, members 'principal desire is to increase the awareness of the Club's accomplishments and to build strong relationships with different institutions in order to develop strategic alliances when is needed to fulfill the member's requirements. In this particular case, the Board of Directors looks for new opportunities to build strong relationships with the suppliers, sports team, and national organization related to education and sports, etc.

3.2.2. Accounting management difference between a commercial organizations and NPOs.

A not-for-profit organization is an organization that provides assistance to individuals, groups or causes, rather than generating profits for itself (Zi, 2010). There is a wide range of NPOs: Charities, churches, hospitals, schools, as well as associations with purposes of science, literature and in this particular case: arts, sports, and recreational services. (Zi, 2010). In today's society not-for-profit organizations or so-called NPO's play a more powerful role and have more influence on our lives than years before (Zi, 2010) With ongoing development and growing organizations, the accounting is a crucial component for NPO's, although, this kind of organization does not seek for money in return. It needs to be able to manage their revenues in order to cover all the expenses, otherwise, the organization will cease to exist rapidly (Zi, 2010).

Financial reports for not-for-profit organizations should reflect the service story of the entity, rather than the net income or net loss realized by the entity. In sharp contrast, accounting reports for profit enterprises must emphasize the extent of achievement of the profit objective and the ability of the entity to support itself (Henke, 1983). Therefore, the not-for-profit organization should communicate all the activities and acknowledgments the institution has acquired. The following table shows some of the key characteristics that differ in accounting from commercial organizations versus NPO's.

Table 5

Differences between commercial organizations and NPOs

Characteristic	Commercial Organizations	NPOs
Motivation:	Profit earning.	Provide programs and services that are of public benefits.
Ownership:	Partners, shareholders.	Members (no financial benefit).
Management Control:	Partners; Board of Directors.	Trustees (unpaid).
Capital Structure:	Fixed-interest loans; Equity shares.	Voluntary funds.
Sources of Income:	Sales; Provision of services; Investments.	Voluntary funds-, Grants (statutory and non-statutory); Fees/charges; Investment.
Performance Measurement:	Profitability; Dividend growth; Capital growth.	Quality; Economy of service; Outcomes.
Planning decisions based on:	Technological improvements; Expansion of activity; Quality enhancement; Diversification.	Expansion/contraction of activities; Funding changes; Impact of statutory changes; Research findings.

Retrieved from Zi, 2010.

The motivation of a commercial organization is, as mentioned, to generate profit whereas NPO's focus on programs and services provided to the public respectively the members. Commercial organizations are owned by partners or shareholders whereas NPO's are owned by members that do not expect a financial benefit. The management control mechanism is usually run by a board of directors or partner with a paid salary whereas NPO's are usually controlled by a board of directors on a volunteer basis. NPO's don't have to pay equity shares to their shareholders compared to commercial organizations. Typically, NPO's are financed by membership fees, sponsors, grants or donations and therefore not by typical market transactions which make the accounting process distinctively different from a commercially operating company or organization (Zi, 2010).

In many cases, the incoming resources have their unique usages and the NPO focuses more on the efficient process and on the flow of money rather than the profit perspective like a commercial company would do (Zi, 2010). The focus of NPOs in terms of performance measurement is based on quality, especially the quality of the services offered to its members compared to profitability, dividend growth and capital growth for commercial organizations. The decision-making process is based on the expansion/ contractions of offered services and activities as well as the dependency on the funding structure and impact of statutory changes.

3.2.3 Financial management in sports clubs

Clubs are an essential part of every community because it provides benefits to the members of the organization. Some of its operations are based on the receipt of donations, fundraising or receipts from members as the principal source of income. In addition, the clubs can supplement their income with trading activities, such as lending its installations for National or International competitions to the government or private companies that want to use some spaces for different reasons. Even though, sports clubs operate on a not-for-profit basis, they still need to have an appropriate good financial management that will assure that

the resources are meeting the objectives proposed, which are basically focused on maintaining the availability of the sports club for the entire community.

For this reason, it is important that it develops sustainable practices, clubs need to ensure they have the adequate monitoring strategies to assure the achievement of the organization's own goals (StarClub Club Development Program, 2017). The most important factor is to determine a financial management department with role and responsibilities well-designed in order to scheduled bills and expenses and to verify that the budgets are being monitored and the money comes from the appropriate account. These activities are needed to ensure that the Club can fund all its programs and all other contractual obligations.

Moreover, financial resources are a necessary condition for the development of sport and athletic careers within a sports discipline. Human and financial resources are the inputs of sports policy. The countries that invest the most in sport (high performance) can create greater opportunities for athletes to train under ideal circumstances. There are many examples of countries that have improved sports performance after increasing investment in elite sport. The investment in sport happens after a failure in important sports events, in these events the attention of the political authorities is focused on proposals for the improvement of the plans of elite athletes. Having the financial means can increase the chances of success, but it certainly does not guarantee it (Adarmes, 2016).

3.2.4 Accounting systems in NPOs

An accounting system is considered one of the prime decision-making tools of management because it is used to gather and organize information about different transactions which help the business operations (Ihemeje, Okereafor, & Ogunbangbe, 2015). Besides, Chang (2011) argued that it is important for managers to use accounting information as it reduces uncertainty before making decisions and results in a better understanding of the main tasks. Recently, it has been emphasized that the system should not stop at the limits of

data and financial information, but rather also encompass descriptive and quantitative information which is useful for various users. These users are part of the not-for-profit organization, for example, current and potential employees, investors, lenders, suppliers, customers, governments, etc. (Ihemeje, Okereafor, & Ogunbangbe, 2015).

With the advanced technology at the forefront, computer-based accounting information systems have been introduced to facilitate the organization's to draw up the accounting reports more accurately and reliably. Accounting Information Systems (AIS) are usually considered a subsystem of the Management Information Systems (MIS). Generally, the AIS collects, processes and stores data that provide information which is needed for the users in the business in order to efficiently plan, control and maintain the business activities of the company (Wibisono & Setyohadi, 2017). The AIS is comprised of several subsystems to process the financial transactions in question: the Transaction Processing System which supports the firm's operations every day with various documents and messages that can be accessed by the users; the General Ledger/Financial Reporting System which includes traditional financial statements such as income statements, balance sheets, cash flow statements, among others; and finally the Management Reporting System which provides the internal management with the financial statement with specific purpose and information that are crucial for the decision making process (Wibisono & Setyohadi, 2017).

Furthermore, the importance to have an accounting system relies on the five main function, which is: data collection, data processing, database management, data control, and information generation. These functions provide the organization to have a full understanding of the financial management process and assure that the objectives are being accomplished with the appropriate amount of resources (Wibisono & Setyohadi, 2017). The main elements of any Accounting Information System for a not-for-profit organization are shown in the figure below.

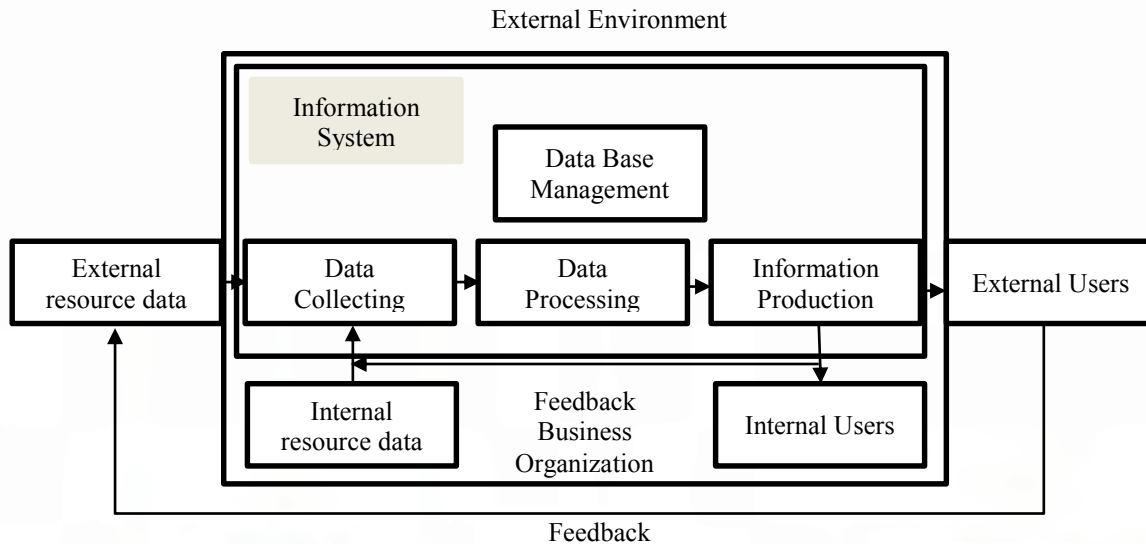


Figure 3. General model of accounting information system. Source: Wibisono & Setyohadi (2017).

Moreover, implementation of the Accounting Information System is crucial in order to provide benefits and advantages for the company. Studies argue that a successful implementation of the accounting systems requires a fit between three factors: Firstly, the AIS has to match the dominant view in the company or the perception of the situation; Secondly, there has to be a fit when problems are normally solved in the organization, e.g. the technology; Thirdly, it is important to match with the culture, such as the norms and value system that characterizes the company (Sajady, Dastgir & Nejad, 2012).

This means that the effectiveness of the AIS does not solely depend on the purpose of the system, but also on specific characteristics of each company. In addition, effective implementation requires the reliability of the Accounting Information System as much valuable business information is stored. The American Institute of CPAs (AICPA) has introduced five basic principles which are deemed important to AIS reliability: Security in terms of access to the system and data; Confidentiality which entails the protection of sensitive information for unauthorized use; Privacy ensures the disclosure of personal client information; Processing integrity refers to the accurate, complete and timely data processing

with proper authorization; Availability means that the system is able to meet operational and contractual obligations (AccountingEDU, n.d.).

Finally, when the implementation of the AIS is done properly, the systems will provide improved efficiency in the organization. The study conducted by Sajady, Dastgir & Nejad (2012) highlights four benefits: better decision-making by managers, more effective internal control systems, improvement of the quality of the financial reports, and facilitating financial transaction processes. However, improved performance measures were not significant in their research. Another noteworthy study was conducted by Nicolaou (2000), who investigated specific system design constructs in relation to AIS effectiveness. The design was based on the three internal dependence factors: Interdependencies in information needs between functional areas within the company; Degree of formalization in the organizational structure; Dependencies resulting from internal information sharing and electronic data interchange links (Nicolaou, 2000). The results of the study showed that the internal dependence had a significant impact on the requirement for organizational coordination and control, which should be addressed by the design of the system. A fit between the AIS design and those requirements also resulted in increased effectiveness and to positive perceptions of about the accuracy of the information output of the system.

3.2.5. Cultural Change

Organizational culture. The definition of organizational culture, has not been changed over time, but they have added characteristics to it, for example, Ricardo (2005) affirms that culture, is understood as the degree of agreement and commitment to the values and norms and has relation with the organizational performance. With the development of research, the concept of "intangible" is inserted to qualify the organizational culture. For Guillen and Guil (2000), the organizational culture provides a cognitive, emotional and perceptive program with which the internal and external integration problems are solved, the

uncertainty is reduced, the behaviors of its members are justified, it defines the treatment of clients, coordinates and cooperates in teams, among others. However, each culture has its own parameters, its own rhythm, and its own way of interpreting reality. Each one values things differently (Andrade, 2005).

In addition to the way of acting of the members of the organization, within the organizational culture is also the set of values, traditions, policies, assumptions, behaviours and essential beliefs that is manifested in the symbols, myths, language that it is used and is characteristic of the organization, and the behaviours and constitutes a shared frame of reference for everything that is done and thought of in an organization (Brandolini, 2009). Likewise, Gómez (2011) calls the organizational culture the result of group learning of the members of an organization, which makes it particularly because it corresponds to a social construction in a clearly delimited context. Defined as the beliefs, behaviors, values, and assumptions that are presented in the company, allows it to evolve, and there is a social and regulatory glue for its members to develop an identity, which enables them to communicate and cooperate around a common project.

The organizational culture is not based only on internal emotions and desires but is built from the reality that is generated in the environment, which must be determined by a specific and defined destination, so that, in this way, it is constituted as the basic elements of the orientation of organizational management. If not, it is established and consolidated through the history of the organization, the internal structure, the hierarchical relations, the degree of cohesion of values, the management of communication and social projection, which must go hand in hand with the management motivating the founders of the company and their team to formalize a corporate identity (Ortiz, 2008).

Therefore, the business culture includes the rules and effective rules of professional conduct, the boundaries between competitive and unethical behavior and the application of codes of

conduct in negotiations. Through secondary socialization processes, individuals learn cultural knowledge relevant to their performance. The business culture provides the value scheme that establishes the meaning of a system of relationships between the characteristics of the organizations and that of their main actors (Cantillo-Guerrero, 2011). To understand the culture, it is necessary to recognize that every human being lives in a community and lives in what is called a cultural universe. That means that all the meanings that surround that collective, that can include values, attitudes and ideas belong to that cultural universe of the organization (López, 2003).

Moreover, the organizational culture includes all those shared values, habits, customs, codes of conduct, work policies and objectives that are shared among the members of an organization. The real impulse to the establishment of organizational culture, as the backbone of relationships in an entity, begins at the moment when it is already profitable to have ethical conduct in organizations, provided that the organizational policy is based on pre-established values aligned with the of the majority of workers and with the society with whom they live (Negus, 2004).

Resistance to change. Many studies have demonstrated that when there is a proposal for changing a process inside the organization, employees most of the time are not willing to change, instead they present resistance attitudes and do not put any efforts for trying to understand the needs for the change's implementation in the first place (Rosemond & Asamoah, 2012). Then is when the work of the team, who is managing the change, should take into account that the employees will follow what their manager expresses in order to feel part of the general decision as a group. For this reason, when dealing with the resistance of change it is important to analyze the factors that make employees not consider the possible benefits that the new process will bring with it. There are several numbers of strategies that

can be used to incentive the change within an organization, however, it necessary first to analyze information and organizational culture of the company's employees.

Moreover, it is important to identify some of the basic causes for employees of the organization to resist the change. One of them is that they have created a number of habits that have been practiced for a period of time and have contributed to develop and embrace their personal comfort zone, which they highly valued. Changing it will mean that they have to invest time and efforts to acquire the new habits that the company demands, plus learning about new procedures and rules (Training, 2009). All of these combined, obstructs their own way to work, how they deal with problems around their environment, and their normal decision making processes.

Another cause for the employees do not comply with the new requirements of the organization are the economic considerations. It is very common that people refuse to change when they have a reduction of their direct income or salary because it will be perceived as if some managerial employees are being benefited, meanwhile other group is being affected. If it is the case it will create a dissatisfaction between colleagues and will also break the teamwork's flow that finally will lead into poor results, a lot of confusion, annoyance, and people leaving the company (Dudovskiy, 2013).

What is more, a really important cause is related to the organizational culture of the organization because indicating what is going to be modified within an area or a department takes away their decision power from them, which results on encouraging managers to have lack of authority when dealing with their teams. Therefore it is necessary to include the personnel involved with the process of implementation so that they can feel owners of the change and can transmit the message in a suitable way for their employees (Agboola, 2011). When applying new procedures it directly affects their daily routine which produces an instant rejection of the requirement because it includes replacing the known with the

unknown, that if it is not explained well, employees will not be able to identify what it offers and how can it optimize their current workload.

For this analysis to be done properly, it should also include the list of skills that are required to implement the changes needed and what is exactly that has to take place inside the organization. First of all, the focus must be on people controlling the fear of the unknown, and the anxiety it might generate because the employees do not understand how this situation will affect their current jobs and how vulnerable they are in order to decide whether to agree with the changes or disagree. Creating an environment of fear is based on non-transparency of information will result in low work productivity levels, blocking the flow of the entire implementation.

Communications Strategies. The first solution when dealing with change is based on training the employees and help them to understand the necessity and logic of the changing process. This technique is mostly used when there is an IT system implementation in order to optimize the current procedures, reduce costs and save time. It is highly recommended that the training programs are delivered by external consultants or internal experts. The goal of this approach is to achieve clear awareness of the new change, increase the understanding of the people involved and develop acceptance from the whole organization. What is more, this process should also include the support of the management, which is the one that will practice the cascade methodology in order to get everyone on board, so that success could be achieved (Rosemond & Asamoah, 2012).

A second solution will be having an effective and active communication, which means transparent and clear information provided from the management to the entire organization through the complete process of implementation so that in every step the employees are informed of what is going on. This is also because employees should never lose sight of the principal objective that is pretending to be acquired. However, not only the

good news should be communicated but also an impact that could negatively affect the employees, this is part of being honest with the workforce avoiding any confusion and false information. Rumours are the worst enemy when implementing a new process because it does not help to develop a clear understanding but complicate the communication generating a negative attitude towards the change (Rosemond & Asamoah, 2012).

A third solution is related to the participation of the employees in the whole process so that they can also contribute with their own ideas and opinions. Generally, people tend to be more supportive with initiatives that they have been directly involved with and have their own contributions. It has an extraordinary advantage because the employees have already agreed with what is going to be implemented in the long run. The changing process will be nurtured by experience, commitment, and creativity of the entire organization, which will create a friendly environment. The management should also consider the organizational culture and if the change fits appropriately with the culture, values, language of the company in order to have synergy between departments so that everyone can transmit the same message (Rosemond & Asamoah, 2012).

With the adoption of good management of organizational culture increases the value of people in all senses. This is due to the fact that there is a substantial improvement in the relationships among its members, firstly because there is better knowledge of the entity by all its members (people, processes, products or services, etc.) and, secondly, because it considerably increases the feeling of belonging and, therefore, the motivation and implication towards one's work. The management of the intangible organizational culture is paramount in modern organizations since it is no longer considered as the main economic resource, but rather the human resource, which is why the organization is sustained. The identification of employees with the company reflects a good organization and loyalty.

3.3. Conclusions

Not only from an ownership perspective, but also from a goal perspective, not-for-profit organizations heavily distinguish themselves from profit-driven organizations. Profit organizations, as the name suggests, focus on creating a margin between costs and sales. On the other hand, not-for-profits operate with a goal of service and infrastructure provision in mind. Therefore, all the efforts of the not-for-profit organization are based on the quality and availability of services for the members. Also, people that work inside are always part of the group members, for this reason, every activity that is made focuses on people and trying to provide the best service possible considering all resources are available.

What is more, in the case of sports clubs all over the world fare now using finance and accounting systems that help them monitor their budgets. Even though this type of organization is not-for-profit, there is a necessity for regulating the spending for different aspects. First of all, to ensure that the sports club will have enough amount of money in order to comply with all the requirements of the teams, in terms of facilities and equipment. What is more, in most of the cases the installations of the sports club are used to hold national and international events which make the preparation phase crucial for developing the activities. For this reason, the Club has to put together its own budget in order to accomplish their short-term and long-term goals.

Moreover, it is important to consider the organizational culture of the employees in any organization, because it involves their values, habits, customs, and language they use in their daily routines. With that into consideration, the management that wants to implement the change will be able to identify which strategies are the most suitable for the situation. Apart from that, it is necessary to consider that even though there is a previous preparation to select the steps that need to take place, resistance to change will be always present. Therefore, any organization has to be aware of the unexpected events that might happen.

Chapter IV: Qualitative and Quantitative Analysis

This chapter will be focused on analyzing the internal problem that the company is presenting in its finance and accounting department. The information included here is based on interviews with all the personnel involved in the process of invoicing until the payment of the supplier. Everyone provided the information during different sessions inside the organization's installations. The questions asked are focused on topics such as teamwork, systems, cultural and communications, organizational structure and functions within the process for the qualitative analysis. On the other hand, for the quantitative analysis, the information was provided by the Chief of Finance. This includes the number of invoices in a monthly basis, number of people involved, time for the payments and the efficiency/effectiveness of the systems that are currently being used in the finance and the accounting department.

4.1. Qualitative Analysis

Functions within the process (Appendix D). The process starts with the physical reception of the invoice at the Club's reception desk. Most of the invoices are received directly at the headquarters in Chorrillos. Even though the invoices for the subsidiaries are registered at each location separately, these invoices are sent physically to the finance and accounting department for further processing of the information received. Once the purchase order is delivered, the proof of delivery status (POD) is processed. After the delivery of materials or services that were ordered before, the supplier has to present its own physical invoice.

The supplier comes to the club, goes to the receptionist, with the physical invoice plus some other documents. There is an initial invoice check according to a standardized procedure, in order to verify that the invoice is issued correctly and all required documentation is attached. There is a differentiation between the invoices according to its

nature because it could be a service or a good. After he has received the invoices, he classifies them into internal or external invoices. The difference between the two is in regards to the precedence of the document. Internally delivered invoices are stamped with a red stamp, while externally delivered invoices are stamped in blue. Theoretically, there should only be external invoices, but some suppliers of Regatas are also members of the club and deliver their invoices in a different fashion. They approach the department where the purchase order was issued and deliver the invoice generally to the secretary of the area. The stamps verify that all the information is delivered with the invoice, following the list of instructions that he follows. After he collects around 6 to 8 invoices at a time, then he goes multiple times per day to the accounts payable coordinator, with a checkbook that she signs, every time she receives invoices, so they do not miss any invoice in the way.

After this process, the accounts payable coordinator comes into place and she receives all the invoices classify with the stamps. She basically verifies again but more in-depth the additional documents that have to arrive with the invoice. She also checks in the SUNAT web page if the supplier is obliged to submit electronic invoices. In many cases the supplier does and it is not presented as it should be. Therefore, she has to call the supplier so that the change can be done. Also, if there is any information missing she calls the user (the one that orders the purchase) so that he or she can submit the other information required according to the type of invoice.

When she has all the required documents with the invoice then she proceeds to register them in the Coupa system (see Appendix E). There she has to fill in the data so that it can be transferred to the second system called Speed. There are two different situations that can happen: (a) if the invoice describes the purchase of a good, then the storage department is the one that is in charge to update the information, if the good has arrived at the company then is when the information from Coupa is transfer to Speed, and (b) if the invoice describes

the payment for a service the person in charge to verify if the service has been delivered is the user that ordered it. Therefore, in most of the cases, the process slows down because the user does not enter to the system to do that revision. For this reason, the information does not migrate to Speed for the accounting department to process the invoice.

Next, when she finishes registering all the invoices in the system and are transferred to the second system, she divides the documents between investments or services and goods. Then, the process goes directly to two accounting assistants depending on the nature of the invoices being registered. The first accounting and budget assistant has to deal with invoices that have relation with investments (building or improvement of facilities). He also checks if the invoices have the exact information needed and if there is any detraction required (payment for the SUNAT because of the service provided). The same procedure is followed by the second accounting and budget assistant, he is in charge of invoices related to the acquisition of goods or services. They both check if the invoice is matching with the suitable account where the money to pay the supplier is located and they register the number in the Speed system.

After that, if the invoices have a detraction the document goes to the third accounting and budget assistant. She is the one that issues the pre-voucher which contains the final amount to be paid to a single supplier or to a group of suppliers. This document has to be signed by the Chief of accounting and budget and the Chief of Finance before transferring it to the finance assistant. He is in charge to organize the payments for the suppliers regarding the date of the order, the currency (could be in dollars or soles) and which bank is going to transfer the money to the suppliers' account or issue the cheque. He also checks if the company has any withholding that has to be paid to SUNAT. Also sometimes, he analyses if it is necessary to send money from an account to another from bank to bank, because of the supplier's preferences to receive the payments. Furthermore, he writes the letters for massive

payments to different suppliers in the same pre-voucher, otherwise, he writes the cheques when there is a single supplier to be paid (most of the cases is because it is a service and they have to wait until the work is done to pay the supplier).

The final step of the process includes a revision of the invoices and extra documentation, plus the letter or cheque by the Chief of Finance and the Sub Manager of Finance and Accounting before it is delivered to the Treasurer and the President of the Club. This part of the process is in charge of the administrative assistant of the Department. She has to track the documents so the Treasurer signs them and then the President or Vice-President (in case they cannot find the President, he also has the authority to make the decision). Finally, the documents return to the Club and our transfer to the cashier. He calls the suppliers so they can pick up the cheque and when they approach he verifies that the supplier brings the copy of the original invoice before giving the cheque. In the case of the letter, all the transactions are from bank to bank, for this reason, the financial department just has to monitor is the transaction was finally made to the suppliers so they do not have any inconveniences in the future.

Teamwork. The main characteristic of the payment process for invoices is that two different teams that have to work together in a horizontal and cross-functional way. This can be taken as an advantage because both groups can always communicate in their daily routine about the payment procedure, however, it is also a disadvantage because the owner of the process which is the Chief of Finance cannot monitor the entire team. This issue affects the flow of the process because it goes and comes back from the finance to the accounting department. What is more, the two teams use a different system to register and check the information. Basically, the finance department uses the Coupa system and the accounting department uses the Speed system, therefore, there are some cases where the information provided from team to team is not complete.

Another common problem identified is related to the missing information that is not attached to the invoice respectively. In this case, Regatas Lima club has to ask the supplier to return with the complete information, some other times they have made mistakes when writing the Club's information and that is when the process starts to slow down. The suppliers have been informed about the documentation requirements, but the problem kept occurring. In the majority of the cases, the "internal" invoices are the most problematic because the employees do not collect the entire information, a high percentage of the invoices are returned. The majority of the invoice he receives are from "internal" areas and the rest from "external" suppliers. And because the invoices that were received internally were accepted without appropriate documentation from a supplier, the invoice has to be returned in order to collect the entire information. This issue has been addressed with an e-mail that was sent to the entire Club so that every invoice goes first to the reception of the Club at first so that none invoice is accepted without the appropriate documentation.

Furthermore, the interviewees have stated that in the past there were some training programs. However, most of the employees do not have the attitude to do things in the appropriate way because they are aware of the appropriate information that needs to be collected with the invoices but they choose to ignore it. This makes the process more complicated because most of the time they have to go back and ask for the documentation that was supposed to arrive in the first place. As a result, the process slows down and requires more time than usual.

Finance and Accounting Systems. The Club nowadays uses two different systems that are supposed to complement each other. However, because some people use one and other people use the other one, they cannot build a synergy between them. The interviewees think that Coupa has complicated the situation. The system's main advantage is that it helps to monitor small amounts of money that have to be pay at once. On the other hand, for big

amounts, the system does not help at all, which means that the person that registers the invoices in the financial department has to control manually the payments using an Excel spreadsheet (in case the payment is divided into phases). Moreover, no one else in the accounting department uses this system so the only one that truly understands its functions is just one person in the headquarters and one in each subsidiary.

Another complication with the system is that, the person in charge of registering has to reject invoices because the supplier is not known and was just called for an emergency, this is because otherwise, the supplier needs to be registered in both systems so that the information can be transferred and this effort is not worth it because the supplier will not be contacted in a regular basis and all the information provided will be useless. In addition to this problem, when the migration process has to take place, if the system finds a mistake in a registration nothing that was registered at the same time will migrate, that also slows down the process and the only way to identify the mistake is when the register calls the IT department and they explain what was the error so that it can be corrected.

Finally, an issue identified that has caused a lot of inconveniences and redundant work is that in many cases the same supplier issues one invoice per good delivered, instead of accumulating the information in one single invoice with a total amount of all the things delivered to the Club. This creates a lot of unnecessary paperwork because each invoice has attached to it the appropriate documentation. What is more, when introducing the information in the Coupa system, the register has to go one by one and it is also transferred one by one to the Speed system, which generates worthless and repeated information.

Culture and communications. Regatas Lima Club has conventional and traditional channels of communications. Based on the interviews with the entire team that involves the payment of invoices, they stated that they have not received in the last two years any training program to be aware of the changes regarding the normative when checking the

documentation that needs to be attached to the final invoice. The only channel of communication that the management of the department has been used the last couple of years is just written documentation without any further explanation or asking if there is any problem or question about the information provided.

With the lack of training programs to introduce new procedures and documentation required there have been many delays in the payment process. Plus, the person in charge of receiving invoices has not received professional accounting education before getting admitted to work inside the organization. For this reason, there was a need for external help to understand the documentation that was not provided by the Club but was found with personal resources. As a result, there have been documentation mistakes when dealing with the invoices that had to be corrected in the middle of the process instead of rejecting the invoice in the first place and ask for more documentation according to the rules that the Club gave the person in charge.

Organizational structure (Appendix F). Basically, within the process, there are interventions in both areas: the accounting department and the finance department. Firstly it starts with the accounts payable coordinator, who is the account payables coordinator in the finance department and she just focuses on registering the information on the invoices. Then the process jumps to the first and the second accounting and budget assistant, however, they have other responsibilities, therefore this procedure should not take too long for them to focus on their own activities.

On one hand, the first accounting and budget assistant works directly with the Chief of Accounting and Budget. On the other hand, the second accounting and budget assistant works with the Accounting and Budget Analyst. After that, the process goes to the third accounting and budget assistant, who deals with the documentation to create the pre-voucher in order to deliver it to the finance assistant, who writes the cheques and letters. With the

current organizational structure, the process has many delays because there is no single coordinator that monitors the entire steps in between, which creates a huge disadvantage when verifying the information and the total invoices already paid.

4.2. Quantitative Analysis

Invoices daily/monthly. The person in charge of the registration of the invoices in the Coupa system stated that on a daily basis the Club receives an average of 50 invoices (this can be internal or external). Around a 70% are internal and 30% are external, therefore, the problems have not disappeared because the employees still accept incomplete information, and that is how they hand-in the invoices to the start the payment process. Therefore, the workload increases exponentially on a monthly basis.

In 2016, the minimum amount of invoices issued on a monthly basis was 715 in July compared to a maximum of 1,163 in October. These numbers express that the Club has no order or control of the number of invoices each supplier delivers. In 2017, the minimum amount of invoices issued was 888 in February and the maximum was 1,307 in March. This follows the same trend as the previous year of having to register and process a variable number of invoices without any order. Furthermore, it is possible to determine that Regatas Lima Club has to register more than 980 invoices per month from different suppliers (table 6).

Moreover, compared to 2018 statistics this trend has continued, however, it is starting to reduce since June with 904 invoices issued (table 7). According to the levels of approval that can vary between 0 to more than 49,500 soles and more, each type of invoice requires more or fewer people involved so that it can be issued appropriately based on the statute of the Club.

Table 6

Number of invoices per month (2016 - 2017)

Year	Month	0 a 660	From 660 to 3,300	From 3,300 to 6,600	From 6,600 to 19,800	From 19,800 to 49,500	From 49,500 and more	Total
2016	Apr	370	399	104	78	29	16	996
	May	390	339	89	71	17	13	919
	Jun	346	354	76	74	21	14	885
	Jul	260	284	69	74	13	15	715
	Aug	388	377	74	68	23	19	949
	Sep	393	382	131	72	18	16	1,012
	Oct	505	426	116	71	21	24	1,163
	Nov	416	391	124	76	29	39	1,075
	Dec	398	444	140	96	38	35	1,151
Total 2016		3,466	3,396	923	680	209	191	8,865
2017	Jan	302	370	96	72	32	18	890
	Feb	274	415	92	56	30	21	888
	Mar	544	498	129	92	24	20	1,307
	Apr	363	372	76	51	30	15	907
	May	412	446	90	74	27	16	1,065
	Jun	392	367	76	66	13	18	932
	Jul	385	416	79	61	11	15	967
	Aug	447	439	87	78	8	10	1,069
	Sep	358	379	62	67	14	17	897
	Oct	436	494	110	97	19	21	1,177
	Nov	424	461	128	104	33	22	1,172
	Dec	438	470	139	96	34	21	1,198
Total 2017		4,775	5,127	1,164	914	275	214	12,469

Retrieved from the Finance Department of Regatas Lima Club from 2016 to Jun 2018.

Table 7

Number of invoices per month (2018)

Year	Month	0 a 660	From 660 to 3,300	From 3,300 to 6,600	From 6,600 to 19,800	From 19,800 to 49,500	From 49,500 and more	Total
2018	Jan	450	521	131	91	29	30	1,252
	Feb	388	450	91	71	21	24	1,045
	Mar	434	549	117	96	33	29	1,258
	Apr	403	437	99	92	18	21	1,070
	May	409	422	115	78	11	8	1,043
	Jun	388	337	72	78	13	16	904
Total 2018		2,472	2,716	625	506	125	128	6,572

Retrieved from the Finance Department of Regatas Lima Club from 2016 to Jun 2018.

The levels of approval are determined by the total amount of an invoice for a supplier and it starts with the agreement of the COM (the monthly membership fee). The COM currently is being defined as s/.330.00. In the case, the invoice is issued until ten times a COM the sub-manager of the area is the one that has to approve. If it is more than ten times until 20 times the COM (around s/. 3,200.01 to s/. 6,600.00), the purchasing manager and the general manager has to approve the order. The next level goes until 60 times a COM (from s/.6,600.01 to s/.19, 800.00), these kinds of invoices have to be approved by the Director of the area. From 60 to 150 times a COM, the Treasurer has to approve the order. More than 6,000 times a COM means that the General Assembly has to meet and discuss the approval of the payment (table 8).

Table 8

Purchase approval levels - goods and services

Level	COM	S/. without IGV	Approvers in COUPA
1	Until 10	Until s/.3,300.00	Sub manager of the area
2	More than 10 until 20	From s/.3,300.01 to s/.6,600.00	Purchasing manager and General manager
3	More than 20 until 60	From s/.6,600.01 to s/.19,800.00	Director of the area
4	More than 60 until 150	From s/.19,800.01 to s/.49,500.00	Treasurer
5	More than 150 until 6,000	From s/.49,500.01 to s/.1'980,000.00	Treasurer
6	More than 6,000	From s/.1'980,000.00 and more	General Assembly

Retrieved from the Finance Department of Regatas Lima Club in 2016.

Moreover, the workload of registration of invoices can fluctuate according to the Club's needs and seasonality of the sports teams that play inside the installations, also the tournaments that take place can alter the number of invoices because of the number of purchases needed regarding services or goods depending on the area's requirements. In addition, the Club also hosts activities for national and international competitions that require some additional expenses and implements. Therefore, the organization has to order the equipment in advance, which needs to pass through the payment process too. Because of the different activities the Club offers to the members during the summer (January, February, and March) more invoices are issued in those months (figure 4).

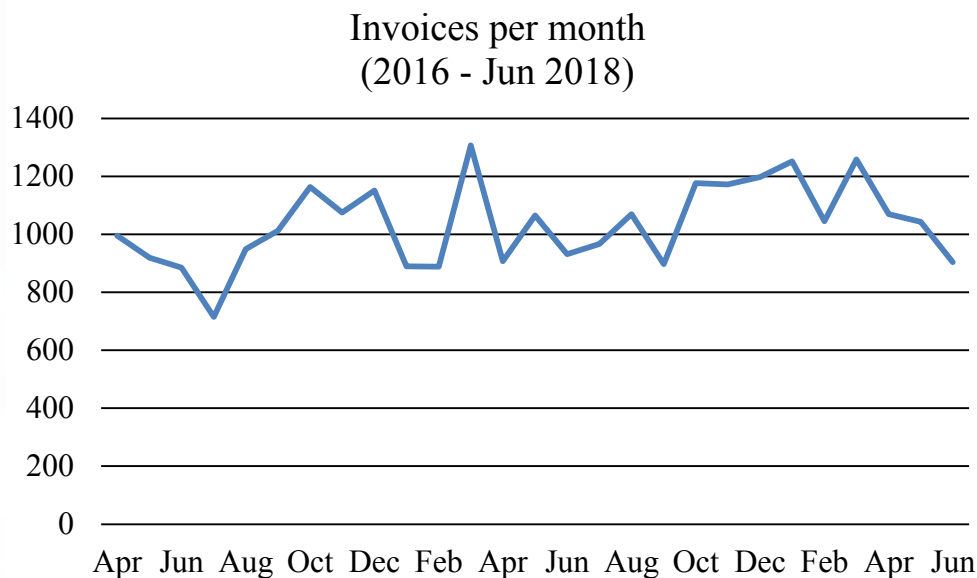


Figure 4. Seasonality of Invoices per month (Financial Department of Regatas Lima Club 2016- Jun 2018).

After analyzing the data of a number of invoices per year, comparing 2016, 2017 and 2018, it can be identified that there is a tendency of issuing less amount of invoices. This new trend was communicated because the total amount of invoices were increasing per year. For this reason, the management team has established that a supplier cannot present a separate invoice per item, but instead, they have to issue objects in a single invoice so that the additional required information is not repeated every time the same supplier provides a service or good to the Club. This normative has helped the registration process and has achieved a reduction of workload.

However, a specific day or period of time has not been established yet, therefore the reduction of invoices is small and slow because the supplier continuously approaches to the headquarters to deliver the physical invoice plus the required documentation. The modest benefit of the implementation of this new agreement can be reflected comparing the numbers the total amount of 12,469 invoices in 2017 to 6,572 invoices until June 2018 (figure 5).

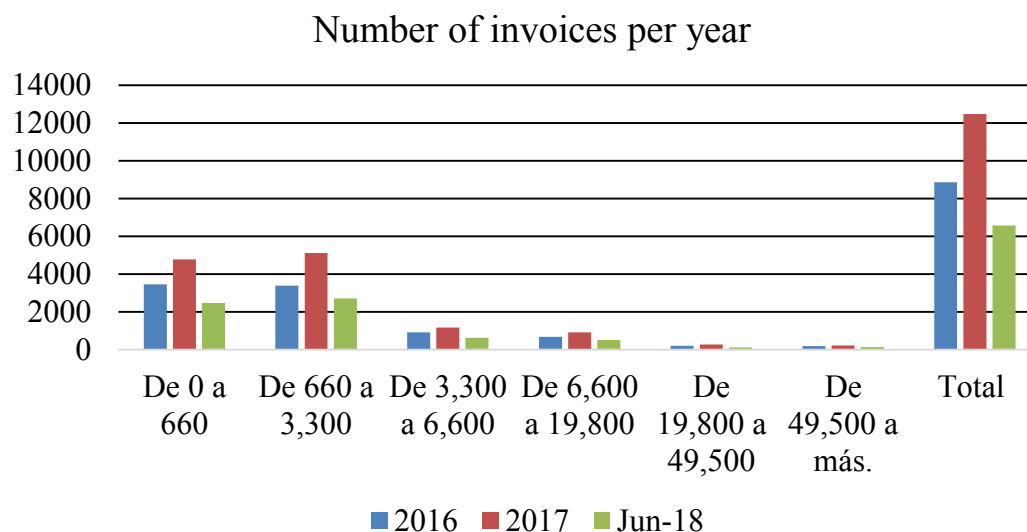


Figure 5. Number of invoices per year (Financial Department of Regatas Lima Club 2016-Jun 2018).

Number of suppliers. Regatas Lima Club has been working with a total number of 1,873 suppliers, which are registered in the Coupa and Speed system in order to transfer the information so it can be processed by the accounting team. From the list of suppliers provided by the Chief of Finance, it can be identified as 10 most recurrent suppliers that have issued from 943 to 320 invoices from 2016 to 2018 (figure 6). Although there is a reduction in the number of total invoices, there is still the tendency of registering plenty of invoices in both systems.

These companies are Corporation Lindley S.A. (CL), Restaurant Castañeda S.R.L.(RC), Julio Cesar Service E.I.R.L.(JC), Impresiones Gráficas Pirámide E.I.R.L. (IG), Telefónica del Perú S.A.A.(TP), Zeta Gas Andino S.A.(ZG), NC Distribuidora y Servicios S.A.C. (NC), Corporac. de Inversiones Comerciales S.A.(CIC), Consorcio de Inversiones Farmasalud SAC (CIF) and Sein S.R.L.(S). Each of them provides different services or goods to the Club and have established a long-term relationship with the organization. For this reason, they are always asked to provide different materials, equipment, etc. for internal and external events that the Club hosts and participates on.

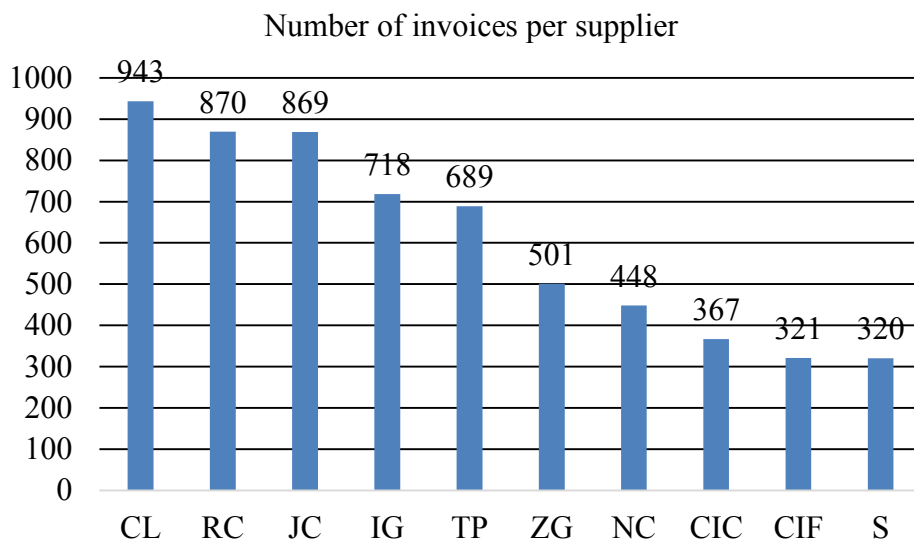


Figure 6. Number of invoices per supplier (Financial Department of Regatas Lima Club 2016- Jun 2018).

Number of people in the process. Almost 15 people are involved in the process, which creates overlaps when they perform their activities (table 9). There are at least three employees inside the process that repeat the revision of the required documentation based on the type of invoice registered. Instead of having a unique person in charge of this activity so that the time currently invested can be reduced, in order to leave time for other relevant activities that are crucial in the process (like calculating the detraction and retention of money according to the nature of the invoice).

What is more, there is one participant that just has the responsibility of organizing the documentation according to the payment schedule, bank accounts and currency. This classification should be optimized so that the Club can save time and increase efficiency. In addition, the amount of people involved is more than necessary for the payment process because the information is being checked several times from different perspectives that in some cases are not specialized, therefore they need more explanation in order to understand how and why the supplier is being paid.

Table 9

People involved in the payment process

Position	Department	Function
Receptionist	Administration	First check of the invoice and documentation
Accounts Payable Coordinator	Finance	Second check of the invoice and documentation Registration of the invoice in Coupa
Accounting and budget assistant	Accounting	Check the information in Speed and calculates deductions for investments
Accounting and budget assistant	Accounting	Check the information in Speed and calculates deductions for goods or services
Accounting and budget assistant	Accounting	Issues the pre-voucher for massive payments or a single one
Finance Assistant	Finance	Issues the cheque and the letter
Chief of Finance	Finance	Approves the payment of the invoice and signs the pre-voucher
Manager of Finance and Accounting	Finance and Accounting	Approves the payment of the invoice and signs the pre-voucher
Administrative Assistant	Finance and Accounting	Sends the invoice and documentation for the final signature
Director of Finance	Board of Directors	Approves the payment of the invoice and signs the cheque or letter
Vice-president	Board of Directors	Approves the payment of the invoice and signs the cheque or letter
Cashier	Finance	Delivers the cheque to the supplier
Manager	All Areas	Issues the purchase order in Coupa
Storekeeper	Storage	Confirms the delivery of goods to the warehouse in Coupa

Data from the Finance Department of Regatas Lima Club.

Time for the payment (see appendix G). According to the present flowchart, the process should take a maximum of 11 days. However, after having the interviews, it was stated that most of the cases it can take more than 30 days and even months in order to pay the suppliers. Because in order to get the signature of the Treasurer and the President for the letters when is a massive payment for different suppliers or a cheque for a single supplier takes a long time. This is because, it can take 2 to 3 days to localize the Treasurer because his position does not require to stay inside the Club installations every day, and the same situation happens with the President. All the documentation goes first to these two people before transferring the money to the supplier's account or having the cheque ready to deliver.

4.3. Conclusions

From the qualitative analysis, it is possible to identify that there are many functions that are repeated within the process, which duplicates the time of the activities. In addition, the employees that deliver the invoices to be registered by the financial department are not willing to comply with the requirements that the normative indicates, which makes the process slow. Having two systems for different departments is complicating the process, plus the participants have not received a proper communication of the new normative, nor even explanations or a time for discussion. This happens because the organizational structure of the Club is vertical, so the orders come from the high management team to the assistants that just have to follow the requirements.

From the quantitative analysis, the Club does not work with an exact date to receive the invoices so that means that they have to issue the invoices on a daily basis which creates a lot of work. Plus having separate invoices for the same supplier increases the number of registrations in the system, instead of having a single invoice that contains all the information. Having almost 15 people involved in the payment of invoices creates confusion in the team and overlaps. This results in delays in the supplier's payments.

Chapter V: Root-Cause Analysis of the Problem

5.1 Identified Causes

A root-cause analysis has been performed to analyze the causes of the main problem. The possible causes were mainly identified in chapter two about the key problem and the qualitative and quantitative analysis conducted in the previous chapter. Roots of Regatas Lima Club's efficiency problem lie in four main areas: technology; the personnel working for Regatas Lima Club; the long work processes that are in place; the materials used, the timing of the process, and the communication. These general causes were divided and explained in differently related subcategories, such as the lack of training and education of the personnel. The fish-bone analysis is shown in Figure 7 below and explained hereafter.

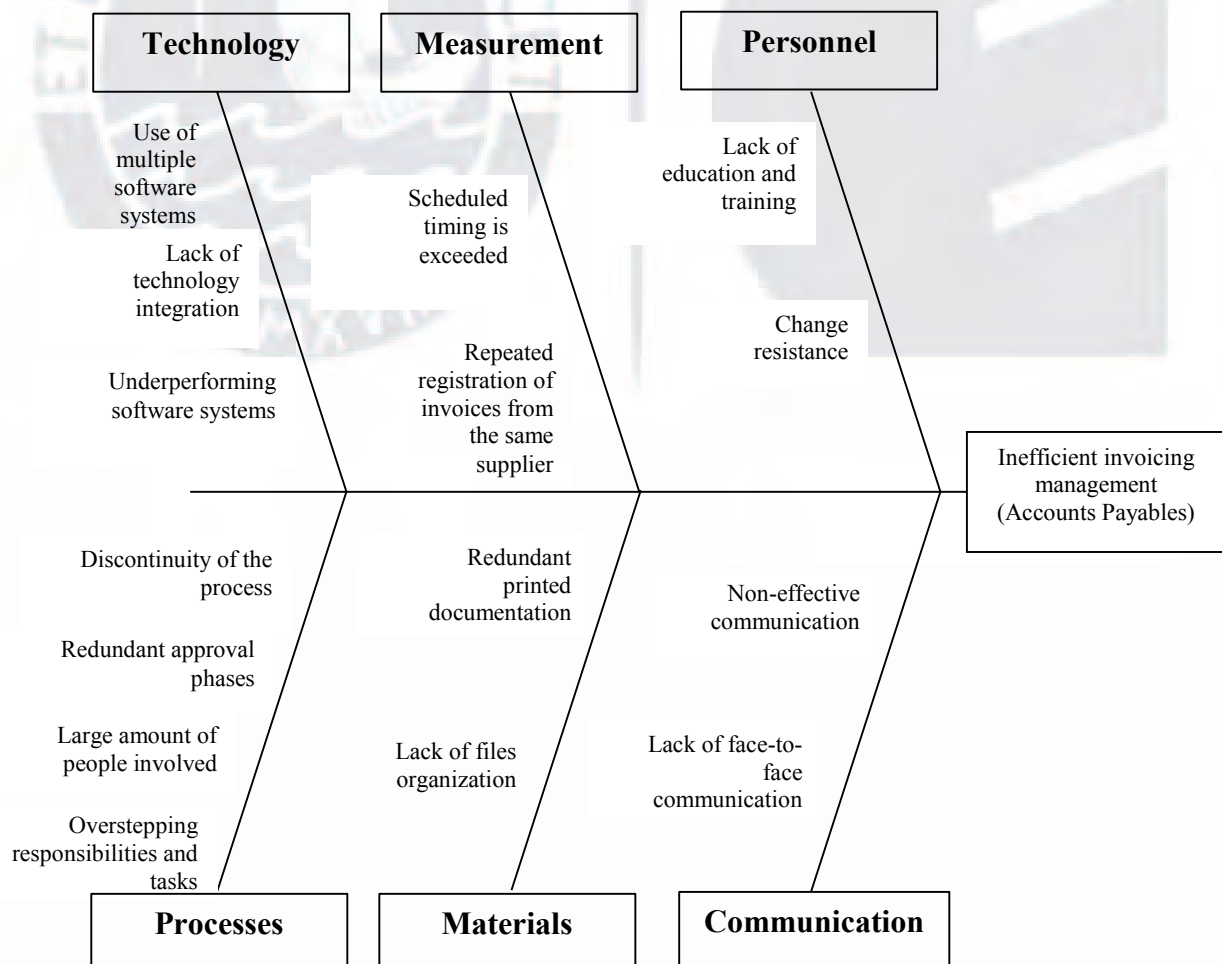


Figure 7. Fishbone Diagram.

5.1.1. Technology

Use of multiple software systems. As stated before, Regatas Lima Club works with multiple software systems to process the invoices. The first ERP system that the club uses is called Speed, which was introduced about a decade ago. Speed is a complete Business ERP Software that keeps track of inventory and accounting related data. The automation of all the documents, reports and statements ensures accuracy and efficiency. The software is used by the Accounting Department. However, as this software was considered incomplete for the invoice processing, Regatas Lima Club decided to purchase an additional software about five years ago, named Coupa. Created in 2006, Coupa is a global technology platform for business spending. The software helps companies in gaining visibility, control, compliance and agility regarding the expenditures and resources in the organization (Coupa, n.d.). This software is only used for the accounts payable by the Finance Department, who received a short explanation on how to use it when the system was incorporated, in order to integrate both systems and process the invoices correctly, a migration of data from Coupa to Speed is required. Finally, Regatas Lima Club draws on a third system called 'AS/400'. This program is the base of Speed and it is used to change the status of the cheques to, for example, paid or canceled. It, therefore, complies with the final step in the process of the invoices.

Lack of technology integration. The three software systems have been used for years, even though it is rather complex and inefficient to process invoices in multiple systems. A lack of technology integration exists among the different systems, which causes delays in the process. For example, after migrating the data from the Coupa to the Speed software, some data disappear, such as the summary of the payments to date. This means that the personnel using Speed will have to enter the missing data manually in the system. On top of that, it is

also a timely process to migrate the data from one system to the other. It takes approximately 30 minutes to transfer the data from Coupa to Speed.

Underperforming software systems. Besides the lack of technology integration, the software systems do not meet the specific needs of the Regatas Lima Club. End users of the software recognize a lack of system updates. With the information in the system not being updated frequently, some information has to be inserted manually in excel. For example, information about the current status of the payment of suppliers cannot be inserted into the Coupa system. As a result, it can be stated that there is a lack of adaptation of the systems to the work practices. Adaptation of the software to the needs of the company is crucial as it generates Speed, competitiveness, and performance.

5.1.2. Personnel

Lack of education and training. Many of the employees have been working at the Regatas Lima Club for multiple years. By serving the club for a long period, the employees are able to climb the career ladder within the organization. This means that an employee can enrol in a new position or take on increased responsibilities without having the proper qualifications. This is, for example, the case for the receptionist, who has been working for Regatas Lima Club for more than 27 years. He is in charge of receiving the right documentation from the suppliers, for which he has not received any proper procedure training nor does he have the accounting qualifications to perform these activities.

Another example is the accounts payable coordinator, who is in charge of reviewing and processing the invoices in the Coupa software. The accounts payable coordinator has basic qualifications, but not an accounting or finance background. Relying on under-qualified personnel to perform finance- and accounting-related tasks are worrisome to the management and Board of Directors of the club. This is also the reason why multiple approval phases and checks exist throughout the invoicing process. Besides, the personnel working in the Finance

and Accounting Department did not receive training to use the new technology. The company that installed the software only provided short explanations to the employees on how to use the system. This basic knowledge of the personnel implies that much had to be “learned by doing”. Therefore, a lack of education and training brings down the quality and efficiency.

Change resistance. The majority of the employees have been working for Regatas Lima Club for a long time. As the systems have been introduced many years ago, the employees became accustomed to using it on a daily basis. This is regardless of the many inconveniences the software causes, such as delays and frustrations. Employees are afraid that implementing a new system will result in more inconveniences and a long process to learn and adapt to the new technology. In their mind, the old system works and there is no urgent need for change. In addition, the Board of Directors has also been neglecting the inefficiencies of the software for the past decade. The Board has not taken any actions to tackle the problem. This is because they hold on to the traditional way of working, and therefore also resist change to some extent. However, it is important to emphasize that some employees do realize that change is crucial. The Chief of Finance has already taken some initial steps to improve the process by suggesting changes. However, these were not implemented yet.

5.1.3. Processes

Overstepping responsibilities and tasks. The roles and responsibilities of each employee of Regatas Lima Club have not been properly developed. Even though each employee has a clear function defined, the complexity of the process has led to many employees dealing with the different phases of the invoicing process. For example, the receptionist is responsible for receiving the right documentation even though he is not qualified to do so. After receiving the invoices, the accounts payable coordinator has to check the documentation again. This double checking of documents slows down the whole process.

Large amount of people involved. To process each invoice, around fifteen people are involved in performing different activities. As aforementioned, the process starts when the physical invoice gets delivered at the reception, and ends when it is processed in the software systems and approved by the President and the Director of Finance. Involving many people slows down the whole process as well as increases the number of errors.

Redundant approval phases. Because of the different systems used and a large number of people involved in the process, many approval phases were introduced. These approval stages serve as a follow-up of the documentation and the information on the invoices. For example, when transferring the data from Coupa to Speed, there has to be approved first. This approval has to come from a specific person on a specific time in the process. When the person is not present at the moment, the whole process gets delayed.

Discontinuity of the process. Moreover, there is no continuous flow or cohesion in the invoicing process. Documentation tends to go back and forth, which is not the logical way. This is especially the case when an error is found in the invoice and it has to be corrected. The invoice then has to reach back to the supplier and thus the process has to start all over again. Also, some documentation is received by one person, sent for approval to another one, and then sent back. As such, the lack of cohesion results in a rather timely process.

5.1.4 Communication

Lack of face-to-face communication. Face-to-face communication is regarded as the most effective and preferred method of communication in businesses. However, in Regatas Lima Club, most of the business communication consists of less personal ways such as phone calls, e-mails, and typed electronic documents. These methods often do not have comprehensive instructions nor offer clear explanations. This may result in a lack of understanding and confusion from the employees. For example, when the receptionist

received many invoices with missing information, he decided to send an e-mail to the suppliers with some instructions about what information had to be included. This, however, did not significantly change the situation as he still receives incomplete invoices from time to time.

Non-effective communication. Furthermore, there is a lack of two-way communication between the subordinates and the Board of Directors. The inefficiency problem was recognized by the employees many years ago. When they asked the Board of Directors to help them to solve the problem, the Board did not listen carefully. Other priorities were set and thus the proposal was largely neglected. Effective communication is more about engaged listening and less about talking. By not being an engaged listener, the Board of Directors did not fully understand the problem of the employees. This also hindered a deeper, stronger relationship between the Board and subordinates.

5.1.5 Materials

Redundant printed documentation. The Club has to register from 30 to 100 invoices per month because different objects and services are required in order to keep the member's needs covered. However, the big disadvantage that the organization is currently dealing with is that every time a supplier provides something, the registration of the invoice has to include all the documentation previously asked, when the supplier applied to be the provider of the good or service. Therefore, with each invoice, there is a big amount of paper attached, and it does not matter if the information has been already validated, every time the supplier gives an invoice the Club has to print the documentation once again. This generates that most of the people involved in the process have a stack of paper in their desks, making it difficult to work on other activities and responsibilities.

Lack of files organization. What is more, because there are many people involved in the process, the documentation that is attached to every invoice sometimes is lost or it is

difficult to find because there is no established place or space to file the invoices. In most of the cases, the employees have to ask each other, if they have seen the documents or some of them at first were registered but then it went missing. Furthermore, after the registration process, the documents have to be saved for at least a year in order to comply with the internal audit protocols. There were times that the employees had to track the documents in order to find out who had them and valuable time is invested in non-important activities.

5.1.6 Measurement

Scheduled timing is exceeded. Currently, the Club has established 11 days from the beginning of the invoice registration until the payment. Although, there is a well-designed flow of the process, which includes all the participants and responsibilities of each one. The established time is never fulfilled, it slows down primarily because of the lack of documentation, the redundant approvals, the overlap of responsibilities and the need to look for the Finance Director and the President of the Club's signature. This last step can take from 1 to 3 days because they are not inside the organization's installations every day at any time. Therefore, Regatas Lima Club has to send the invoices via mailing, first to the Finance Director and then to the President or Vice-President.

Repeated registration of invoices from the same supplier. The registration step gets more complicated when there are more than 10 invoices from the same supplier in the same month for a small amount of money, instead of having a complete invoice with everything that was purchased from a specific supplier. This creates a constant repetition of registration, increasing the workload and investing time in non-valuable activities. Also, it impedes that the process accomplishes the scheduled time in order to pay the suppliers on time without causing any inconveniences. This happens in consequence of the suppliers' bad practices because they are used to issuing an invoice per good or service, even if they have a good relationship with the organization and trust was built.

5.2 Main causes of the problem

After analyzing the fishbone diagram of the problem, Regatas Lima Club agreed to have a small meeting to clarify if the causes identified reflected the current situation according to the activities performed on a daily basis. In addition, after having the conversation the most important causes were highlighted. These were related to causes on categories such as processes, personnel, and technology (see table 10).

Table 10

Main causes of the problem

Category	Main causes
Processes	Discontinuity of the process Redundant approval phases Large amount of people involved Overstepping responsibilities
Personnel	Lack of education and training Change resistance
Technology	Use of multiple software systems Lack of technology integration Underperforming software systems

Data from root-cause analysis of the problem from Chapter V.

Firstly, the aspects of the process were chosen as the main causes of the problem. In order to solve the efficiency problem, the most important measure to take is to improve and optimize the current work processes. There are multiple steps and tasks in the process that require several incremental changes. The fish-bone analysis clearly shows that the current process is incredibly time-consuming due to the many overlapping and redundant tasks

performed by multiple employees. The alternative solutions will, therefore, include a redefinition and elimination of several tasks and responsibilities.

Consistently, the personnel is one main cause of the problem as they are at the core of these work processes. Employees do currently not feel the need to change because they have been dealing with the problem for several years. When change resistance continues, the organization may be negatively affected. Common outcomes of resistance are increased employee turnover, loss of motivation, and conflict. As such, to successfully implement the solutions to the problem, employees need to be able to embrace the proposed changes. This means that also a particular communication and change strategy need to be suggested.

Finally, the technology is another main cause of the problem as it is currently underperforming and a lack of technology integration exists among the three different systems used. Working with multiple systems to process an invoice is unnecessary and an extremely inefficient way of working. Therefore, the solution could consider looking at different software which is capable of processing invoices completely and correctly. One system would be the ideal solution, as it would decrease the time of the process and the people involved. However, this is a radical change for the Regatas Lima Club as it would affect the overall operations and is rather hard to implement. Therefore, the solution could also focus on the current systems used and how they could better align the current work processes. Most of the software systems have broad functions and could be adapted to the needs of the organization.

Chapter VI: Assessed solution alternatives

This chapter provides a list of possible solutions that Regatas Lima Club can implement to solve the Invoicing process problem identified in previous chapters. In order to solve the problem a list of criteria was identified to assess the possible solutions for Regatas Lima Club. The goal is to make the accounts payable and invoicing process more efficient either by using a more technological approach and lean and simply more efficient processes. In this chapter, the identified possible (partial) solutions will be presented and evaluated.

6.1 Criteria

Here are the identified criteria to assess the proposed possible solution. These six criteria listed below will be used to evaluate the solutions proposed to Regatas Lima Club to be able to identify the final solution which will be the one recommended to Regatas Lima Club. Using this criteria will help the process of assessing different alternatives and as a result eliminating infeasible solutions and coming up with the best possible solutions to implement. The aspects addressed in this criteria are six, which are the following:

- Cost and investment
- Feasibility
- Effectiveness
- Ease of implementation
- Reliability
- Ease of follow up

6.1.1 Cost/ Investment

This is a very important criterion that will be used to assess all the proposed solutions. It is important to assess the cost-benefit analysis of each solution. This will be used to determine if a particular solution is costly to implement and if the benefits to be derived from a solution is worth the cost. The benefit of implementing the solution must outweigh the cost of implementation. The solution has to be economical with high price/performance ratio. It is to mention that large investments within the Finance and Accounting department have not been made in the last years. For a recommended solution it has to be determined if it is worth the amount of money being invested or if there is another possible solution that is less expensive to solve the problem. For the evaluation, there will be a cost-benefit analysis.

6.1.2 Feasibility/ Cultural Change (Resistance)

This criterion will also be used to evaluate each solution. Analysing how feasible a solution is respectively how easily it can be implemented due to technical and other restrictions. The resistance to change will also be under consideration at this point. It will help in determining if the solutions are doable while taking into account all the factors that might affect it. It includes economic, technological, legal, and other related factors. The processes that need to be changed have developed over the years and became habits or simply developed from the culture and environment of the club. Checking the feasibility of a solution consist of determining if the solution is actually practicable, logical, useful, understandable and finally, do-able. Also, the solution should not be overly difficult for the intended benefits.

6.1.3 Effectiveness

This criterion will be used to measure the degree to which each solution will be successful to produce the desired result; in this case, the desired result is to solve the problem of lack of roles and responsibilities on the Finance and Accounting department faced by the

company. Some of the solutions only solve a partial component of the problem respectively concentrate on one particular component. Therefore, it is important to measure the degree of the scope of each solution.

The following questions will be asked in order to assess the effectiveness of each solution: Will there be an all-in-one solution or are there several solutions of a smaller scale that will be implemented together. Can the solution be used to solve the problem completely? How well does the solution help to solve the problem? Is there any better solution to the problem? Does this solution benefit the accounts payable and invoicing process of Regatas Lima Club or is it just a workaround?

6.1.5 Reliability/ Sustainability

Reliability helps in determining how much a solution can be relied on and its sustainability and long-term usability. Is the solution able to work overtime or is it just a solution for a short-term perspective? The consistency plays a crucial role here. For this reasons, the following questions will be asked: Can the solution be relied upon over a long period of time? Will the solution stop working or fail at any given point in time?

6.1.6 Ease of follow up

This item is important for the final implementation process. Can the proposed solution be implemented and followed up on by an internal or external person? To what extent is insight knowledge necessary and will the solution be able to be implemented in the short and long term.

6.2 List of Alternative Solutions

1. **Monthly Invoicing:** Develop a contract based monthly payment for standard suppliers. In regards to the payment date, the number of days needs to be reduced to 14 days instead of 30 in order to avoid a disadvantage for the payment receipt of the supplier as invoices are issued somewhat later than the actual service date from the view of the supplier.

Invoices are received on the 29th/ 30th of every month for all items delivered at that month. Several purchase order numbers on one invoice need to be clearly stated so they can be matched in Coupa. This change of process will reduce the total invoice amount immediately. Less work for both suppliers and Regatas Club. However, the amount of work at the end of the month will be more concentrated and higher during this particular time.

2. **Digital Invoicing:** Suppliers register their invoice digitally directly in Coupa and it will be matched and uploaded to Speed automatically. A communication method between the ERP (Coupa) and the Accounting System (Speed) needs to be implemented. The benefit for the supplier includes that invoices don't need to be physically transferred to Regatas Lima Club as well as rejected invoices can be corrected immediately with no transfer time lost. In the end, this equals in faster payment of the invoice which is of high interest to the supplier. The benefit of Regatas includes higher invoice quality. Invoice arrives already digitalized and correctly uploaded to Speed. The Elimination of a large amount of the physical process is the consequence. In case an invoice needs to be rejected it gets transferred back to the supplier automatically. Costs for huge amounts of paper will be decreased. However, an initial investment for software as well as training instructions for all suppliers and Regatas Lima Club is necessary. An extension of Speed or a new software development is necessary.

3. **One stop invoicing** for paper invoices is introduced. This process is for suppliers that are not able to proceed with digital invoices or if no digital invoicing solution is developed. No invoices are accepted manually anywhere else than at the reception desk. This is technically simply a change of the invoice acceptance process. It is necessary because of the mentioned problems with so-called internal invoices due to the supplier's grown relationship with the club as members. It is necessary that the so-called internal invoices are not accepted any longer. All invoices are considered external invoices and are submitted in one standardized process only.

4. Lean Processes / virtual documents/ Pilot project: This solution focuses on several steps and partial processes within the entire invoicing process. Second Approval process must be executed more smoothly. Approval just per "OK" click online or within Speed by the Finance and Accounting Department. Manual transport between different approvals stages needs to be eliminated because of time issues. Several processes need to be questioned about their importance and necessity. In general, the amount of paper needs to be reduced drastically by trying to digitalize documents and processes where possible. In addition, uploading the documents into the system rather than having them printed. Within the lean process component, the number of bank accounts needs to be reduced as well in order to allow a transparent and smooth accounting and payment process. So that the Club can pay from bank to bank, avoiding cheques and letters.

5. Invoicing Excellence: Clear invoice instructions for suppliers to improve invoice quality is suggested. All suppliers use an invoice layout provided by Regatas Club for both paper invoices and digital invoicing. The number of mistakes and returns of invoices can be minimized as well as the manual checking process of the invoice. For this to accomplish is important that the following data must be standardized and be recognized easily within 5 - 10 seconds after the invoice receipt:

- Address
- Cost Center
- Amount
- Purchase Order
- Date
- Account No. TAX ID etc.
- Documents that are necessary

6. Training & Clear Instructions/ Workshops: For a better understanding of invoicing and accounting related processes, employees need a basic understanding of financial processes. For that reason, there is a need to create workshops where the people involved in the process would be communicated with the last normative in a dynamic way (with friendly documents that they can use to consult in their daily routine), plus a spare time for discussion for any unclear details that need to be clarify and also to consolidate the employees as a team, so that the process can go smoothly.

6.3. Benefit - Value Analysis

In the benefit value analysis, the presented solutions will be rated according to the in 6.1 mentioned criteria. Each solution will be rated individually on a scale from 1 (low) to 10 (high value for the club). Each criterion has a certain value depending on its importance to the project to Regatas Lima Club. These values will be considered to determine the final result. Finally, the suggested solutions will be ranked according to their final score. The following table shows the final results for each proposed alternative.

Table 11

Benefits and value Analysis

Benefit/ Value	Monthly Invoicing	Digital Invoicing	One Stop Invoicing	Lean Processes/ Virtual Documents	Invoicing Excellence	Training & Instructio ns
Cost	7	1	8	8	5	4
Value (x%)				25		
Feasibility	5	4	5	8	6	9
Value (x%)				25		
Effectiveness	7	10	8	8	8	6
Value (x%)				30		
Reliability/ Sustainability	7	10	5	5	4	3
Value (x%)				15		
Follow Up	5	2	1	5	5	5
Value (x%)				5		
Result	640	585	645	740	600	575
Ranking	3	5	2	1	4	6

The results show that the overall range is between 575 and 740. Under consideration of all criteria the improvement of lean processes and use of virtual documents scored the highest. Digital Invoicing scored only 585 points as it is the most cost intensive alternative in this rating. Training & Instructions also scored rather low due to the Sustainability component as the workforce can change and instructions need to be repeated and lived. The score of components of monthly invoicing, one stop invoicing and invoicing excellence are in the medium range of the final scale.

Chapter VII: Suggested Solution

The previous chapter introduced the first ideas and alternatives, which can potentially be implemented by Regatas Lima Club, in order to improve their invoice payment process, the problem at hand. It also introduced a framework to assess the different alternatives, based on a point scale. This allows for a quick overview of alternatives and also makes them comparable. This chapter focuses on a suggested solution, based on that framework. The suggested solution is based on the information and problem statement outlined in the previous chapter and has been co-developed with the internal staff of Regatas Lima Club. During an actual implementation phase, and because Regatas Lima Club is an operating entity, the following information might be subject to change.

According to the Finance and Accounting Department of Regatas Lima Club, the very first step, before any new structures and guidelines are introduced is to create a baseline and to validate all current suppliers and invoices. The current and already known future invoices are being organized by supplier and by due date. The invoice amounts are consolidated and checked. The purpose of this reorganization is, to validate that all current financials are in order and that all current and future invoices are reflected on the balance sheet. This reorganization has already begun and marks the start of further changes to the invoicing process.

The following steps that are being highlighted should, in theory, improve the invoicing process significantly but are short term. The following components of the solution should improve the process and reduce the problem at hand, but they are simple enough to not disturb the current operations in a harming way. This has to be established before a more drastic, long-term solution can be implemented. In addition, the suggested solution is a combination of the alternatives assessed in chapter 6 (see table 12).

Table 12

Suggested Solution

Components	Description
Component 1	Specified Delivery Time
Component 2	External Invoicing only
Component 3	Invoicing Excellence
Component 4	Lean Processing
Component 5	Training & Clear Instructions/ Workshops
Additional components	Digitalization and a new ERP system

7.1. Main Solution**7.1.1. Component 1 - Specified Delivery Time**

The first component of the solution is to introduce monthly invoicing. Depending on operations, this can also be adapted to weekly, or biweekly invoicing. What is meant by that is, that contrary to the way it is handled currently, invoices can only be delivered to Regatas Lima Club during a specified time. This can be one day during the week, or one day during the month. When the exact time of invoice delivery is, has to be negotiated with suppliers and has to be in accordance with the financial and accounting departments of Regatas. Having a specified invoice date would allow the suppliers to pool their invoice requests into one document. The result of that would be a heavily reduced number of transactions, approvals and payments by the Club to the same supplier. Instead, Regatas would issue one payment process per supplier during the specified time period. In addition, this would make it easier for the finance and accounting departments to cope with the number of invoices and provides the ability to focus their resources on the invoice arrival days.

An obvious drawback of this component, as already described in Chapter 6, is the potentially prolonged period of time until the supplier receives the actual money. For

example, with monthly invoicing, the payment for deliveries at the beginning of the month would only be fully paid more than a month later. This is an issue that has to be negotiated with the suppliers and could potentially be solved by paying a small premium, or by reducing the payment grace period. Nevertheless, by introducing a specified delivery time, there will be fewer transactions that have to be issued, there will be a clear understanding of work surges and it will also make it more convenient for the supplier, as he has to send or deliver fewer invoices.

7.1.2. Component 2 - External Invoicing only

As described previously, in the current payment process, invoices are sorted into either external or internal. External refers to the fact that they are “standard” invoices, brought to the club by the suppliers. Internal refers to the fact that they are invoices delivered by suppliers that are additionally members of the club. This means that they deliver their invoices in by just bringing them to the financial department while they partake in the clubs activities. The simple solution here is to treat all invoices as external. That way this ensures that every single invoice that arrives at the club goes through the exact, hopefully soon, standardized process.

With component one implemented, there will already be a reduced amount of arriving invoices. The drawback of this component is, that current members who are also suppliers, might feel like they should not be made to go through the same process of invoice delivery as any non-member supplier does, as they are active members and thus have a different relation to the club. While these internal suppliers are active members, there has to be a clear distinction between their role as a supplier and their status as a member. This can be done by issuing information on the matter, introducing a transition period in which internal suppliers are introduced to the change, up until a certain deadline from which it will only be possible to

deliver invoices via the official external way. As there is payment involved, it should not take a long amount of time to adjust to the new system.

7.1.3. Component 3 - Invoicing Excellence

Currently, when an invoice arrives in the finance and accounting department, the person in charge immediately checks the documentation for completeness. This is done with the help of a checklist, which describes all the needed documents that the receptionist has to check for. Often this either takes a lot of time, as each supplier writes their invoices a bit differently, or there are documents missing. The idea of invoicing excellence is a two-sided solution. Invoicing excellence is the idea of creating a standardized layout for invoices. This means that the layout has to follow a certain order of documents and specifies exactly what documents need to be provided. On the one side, there is the supplier, who provides these documents usually. With the new system, they are simply required to deliver them in a certain order. On the other side, the person in charge has to check the invoice. If every invoice that arrives follows the same layout and order, it would be a quicker, more effective and thus more efficient checking process for the receptionist.

This would not only free up time for the supplier, but also for the Club. The result would be a quicker processing time for both parties and a more efficient process. With an invoicing excellence guide, there would also be no discrepancies between required and non-required documents anymore, as the guide specifically describes what has to be delivered. To implement this component, Regatas would need to issue a guide and communicate it to their suppliers. While there might be a bit of resistance at the beginning, with components 1 and 2 in place, the supplier would know when to deliver the invoice, where to and what to bring. The result would be an already more efficient process.

7.1.4. Component 4 - Lean Processing

Lean processing involves two steps. Currently, there are two approval processes, once before and once after feeding the invoice data Speed. As described previously, the second approval process can be described as redundant, but still has to be performed. The first step to lean processing would be to digitize the second approval so that the Accounting and Finance department is able to check it. After entering the invoices into Coupa and transferring the data to Speed, the complete invoice is digitalized.

The second part of lean processing involves the payment of invoices via online banking. This means that instead of a physical cheque, that is signed by the board and the heads of the financial departments, an online transaction would be issued, that would transfer the money directly to the bank account of the supplier. This would make the payment process quicker, easier to monitor and would involve less invoice transportation. Some suppliers do not use online banking, so the old, but improved, the process still needs to take place, at least for some time. If a supplier wants to utilize the new system, he can voice that and can be introduced into the scheme.

Currently, Regatas club is already working on implementing this. Employee payrolls are already paid through online banking, so the ability is definitely present. The financial departments, as well as the IT department, are currently checking is the bandwidth of the IT system would be able to handle the transactions. Subsequently, Regatas is planning to implement a pilot program with chosen suppliers, to test the payment process and scheme. If successful, a full implementation is suggested and planned.

7.1.5. Component 5 – Training & Clear Instructions/ Workshops

A training process needs to be done, because as stated before there are many changes to be implemented. Therefore, all employees that are part of the process required to attend to face-to-face meetings and workshops, where the new procedure is going to be explained in a

dynamic way (with manuals and flyers with useful information). Apart from that, these workshops can also be spaces where the team can exchange information and ideas to improve the process or ask for any clarification. The main reason is to build a strong relationship between the members in order to consolidate them as a well-established team that is aligned to the objectives and is aware of the benefits for implementing a new procedure for the payment of suppliers.

7.2. Additional components

In addition to the above-mentioned components of the solution, the club is currently working on the stepping stones to implement them. The Club is trying to reduce the amount of paper that is used and arrives at the club. Every invoice includes the contract, all receipts, the order number, the invoice number and a lot of additional documents. The idea is that there will only be the purchase order that will be delivered to the club, as it includes all important pieces of information, including the amount, the invoice number, and the date of delivery as well as the date of order. It is assumed that both parties have the contract and that it does not need to be delivered with every invoice. This would reduce the clutter in the departments, as well as intertwine with the above-mentioned components, as less documentation needs to be checked for completeness.

What is more, currently RLC operates 27 bank accounts. The number of bank accounts can be optimized. By reducing the number of bank accounts, the accounting and finance department will have an easier time to oversee the financials. In addition, looking at the documents online and approving them by a simple okay it is also part of the improvements. This would speed up the invoicing process tremendously and free resources in the executive positions. What is more, Regatas is already beginning with this solution and is currently working with the IT department to see if there is an easy way of enabling the system to upload information into the system so that the printed paper is reduced.

Another additional component is related to the implementation of a new ERP system, that can eliminate the two currently use systems. This new ERP will bring more advantages to the company because people will have more time for more important activities that just registration of different documents. It also will save money because currently, the Club has to pay 60,000 dollars annually for maintenance of the Coupa system, instead of having one Club is losing a lot of money. This will be a long-term component of the suggested solution because of the magnitude that takes implementing a new software, not just because of the budget, but for the major cultural change required.

7.3. Conclusion

The suggested solution above would make the invoicing payment process more efficient, quicker and easier, not only for Regatas Club Lima but also for the suppliers. By combining all 5 components, invoicing would require a detailed specified amount of documentation that is delivered at a specific point in time, to a specific location. Payment would be approved twice, once physically and once digitally and be performed. Overall this would reduce the paper clutter, it would make checking for invoice accuracy easier, it would quicken up the process and it would introduce new control checkpoints for accounting purposes. The components can all be implemented in the short term and would most likely lead to immediate, or at least very quick results, without a large amount of investment, effort or changing the structure too much.

Chapter VIII: Implementation Plan & Key Success Factors

8.1. Implementation Plan

This chapter explains how the suggested solution will be implemented in the Finance and Accounting department in order to address the problem stated before. Because of the magnitude of the solution and after having a meeting with Regatas Lima Club, the components of the proposed solution was approved. Therefore, it is necessary to divide the implementation process into phases according to the components described in the previous chapter. The information will be detailed and a calendar of activities will be displayed too. This is because the consultancy aims to provide the organization with the specifics tasks to be done in order to accomplish the optimization of the payment of suppliers.

Preliminary activities. Before starting the implementation process is necessary that the leaders are committed to the plan because they will be the role models for the rest of the team. In addition, they have to become the owners of the process and the ones to solve all the questions or problems that may appear along the way. Apart from that, because the Club has a Board of Directors, it is crucial to present the implementation plan to them in order to gain credibility and authority when dealing with resistance to change. With the approval of the authorities of the organization plus the commitment of the leaders, the implementation process will start on the right track.

After that, there should be a responsible person that keeps track of the completeness of each phase. This person will be in charge of monitoring of the activities and collect feedback from the team to improve or adapt any task that is not well-adjusted to the reality of the organization, therefore it is necessary for him or her to be approachable, friendly and to have a significant amount of time being part of the organization, because this creates trust and transparency. What is more, this leader has to assure that there is no delayed between phases or how to minimize this risk. With this said, the phases can start.

8.1.1. Phase I: Specified delivery time

After analyzing the daily routine of the person in charge of registering invoices, it was essential to include the specified delivery time of invoices in order to have an organized reception. The specific time and day were coordinated with the Regatas Lima Club's team and finally, Mondays and Thursdays were defined as the allowed days to receive invoices. This was defined because of a situational analysis. Currently, most of the invoices were delivered on Mondays, additionally because it is the beginning of the week and the majority of suppliers preferred to issue their invoices rapidly in order to get pay on time. Thursdays were established to provide a second chance during the same week for the supplier to approach the organization with the invoice and appropriate documents. This was considering the suppliers missing some information at first, so they have an opportunity to amend the mistake without waiting a whole new week. The specific time for each day is shown in table 13, plus the exact day of implementation.

Table 13

Schedule for invoices' reception

Days	Time	First Day of Implementation
Mondays	From 9.30am to 12.30pm.	September 3 rd , 2018
Thursdays	From 9.30am to 12.30pm.	September 6 th , 2018

Before the first day of implementation, it is necessary to communicate all suppliers via e-mail, flyers, and posters in the reception area the new schedule for invoice's reception. This information has to be displayed in an attractive and friendly way, in order to avoid resistance to change, it is important to communicate the benefits that will bring this new practice to the supplier. If they feel it as an order the responses will definitely be negative and the implementation will have delays and complains. Therefore, the Accounting and Finance

department should ask for an internal communicator in the area of Human Resources or hire an external communicator to develop eye-catching infographics for the suppliers and employees to be aware of the new agreement for invoices' reception.

From September 1st, invoices will not be received on other days or time. If there is a case of a supplier that approaches the Club's in a wrong day or time with an invoice, the receptionist will have to reject accepting the invoice and communicate the appropriate timing. In contrast, there will be a grace period for the first week, however, during this period the person in charge of receiving the invoice has to communicate the supplier and if there is a flyer with the information, it is necessary to hand in it to the supplier. Also, e-mails will be sent as reminders of the new schedule. This e-mail will be sent by the person in charge of the registration so he/she can keep track of which supplier is following instructions and which others are not.

For the invoices' reception, the Club will select a suitable person to be located at the reception desk, which is in the entrance to the Chorrillos headquarters and will be in charge of revising all invoices. This step will allow to reduce errors in reception and plan the documentation, also will reduce the time in the payment process, because the current receptionist will not have to deliver the invoices to the person in charge of registering every time a document arrives at the organization, it will also eliminate the checkbook that the needs to be signed each time an amount of invoices is received (figure 8). This reduces using notebooks, which is reducing printed paper and valuable time for other important activities.

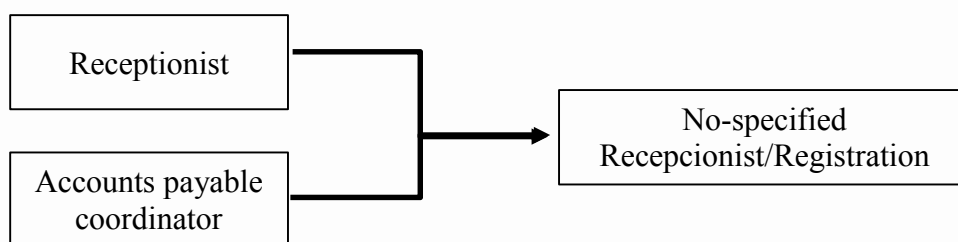


Figure 8. New receptionist and registration responsible

What is more, payments to suppliers with cheques will be made initially two days a week, on Tuesdays and Thursdays. The supplier can come to the organization to receive the cheques in the cashier section. This schedule is also established to reduce the number of people come in and out of the installations on a daily basis and avoiding having long lines of suppliers waiting to receive the cheques. This information will also be communicated to the companies via e-mail, through posters and flyers that the Club has to develop in order to implement the new plan. In addition, this information has to contain the benefits of applying the new agreement so that the suppliers feel more confident about the changes. The following table 14 shows the hours available for the suppliers to pick the cheques inside the Club's installations and the starting day of the agreement.

Table 14

Schedule for picking up cheques

Days	Time	First Day of Implementation
Tuesdays	From 9.00 am to 5 pm.	September 4 th , 2018
Thursdays	From 9.00 am to 5 pm.	September 6 th , 2018

The implementation will take place on September 1st, Regatas Lima Club will no longer admit the entrance of suppliers to pick up cheques in different hours than the ones proposed above. If some suppliers come to the organization on other days or time, they will be communicated with the new schedule. Even though, this schedule will be sent to all suppliers a month before the actual day of implementation, in order to warn the suppliers and to avoid confusions or inconveniences. Moreover, for this phase to be successfully implemented is necessary to regularize the terms of payment to the suppliers within 30 days after receiving the final invoice in the organization, it will differ between a good or a service. This agreement is based on the Club's current purchase manual. In consequence, the Club will always accomplish the right time to pay the supplier maintaining a strong relationship.

8.1.2. Phase II: External invoicing only

This phase is crucial for the total optimization of the process. The percentage of internal invoices comparing to the external ones exceeds 40% according to what the receptionist stated in his interview (figure 9). The so-called internal invoices come from a current member of the organization that has a company and provides services or sells goods to the Club. Therefore, these internal suppliers deliver the invoice in an appropriate way, giving the invoice to the secretary of the area where the order was registered. In most of the cases the suppliers bring incomplete documentation, however, is received and delivered to the receptionist as it is, causing delays in the process because the information has to be searched again. This issue will be eliminated if every single invoice is considered external, this means that no invoice will be received by secretaries of any area of the organization. The invoice and appropriate documentation has to be handed into the new receptionist/registration responsible.

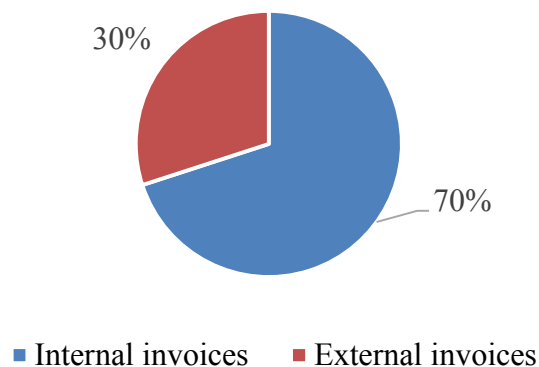


Figure 9. Percentage of internal and external invoices

Currently, the internal invoices come from different administrative offices inside the Club, which are more than 30 offices. When there was not enough information attached to the invoices, the person in charge of registration had to be contacted each of these offices in order to find out about the supplier and how they can complete the documentation. Because otherwise, the Club could not pay the supplier during the 11 days established for this process.

With this phase of the implementation, the organization will consider all invoices as external, so in the case, there is information missing, they can tell directly to the supplier, so this last one can bring back the invoice with the appropriate documents. This action will drastically change the invoice managing (figure 10).

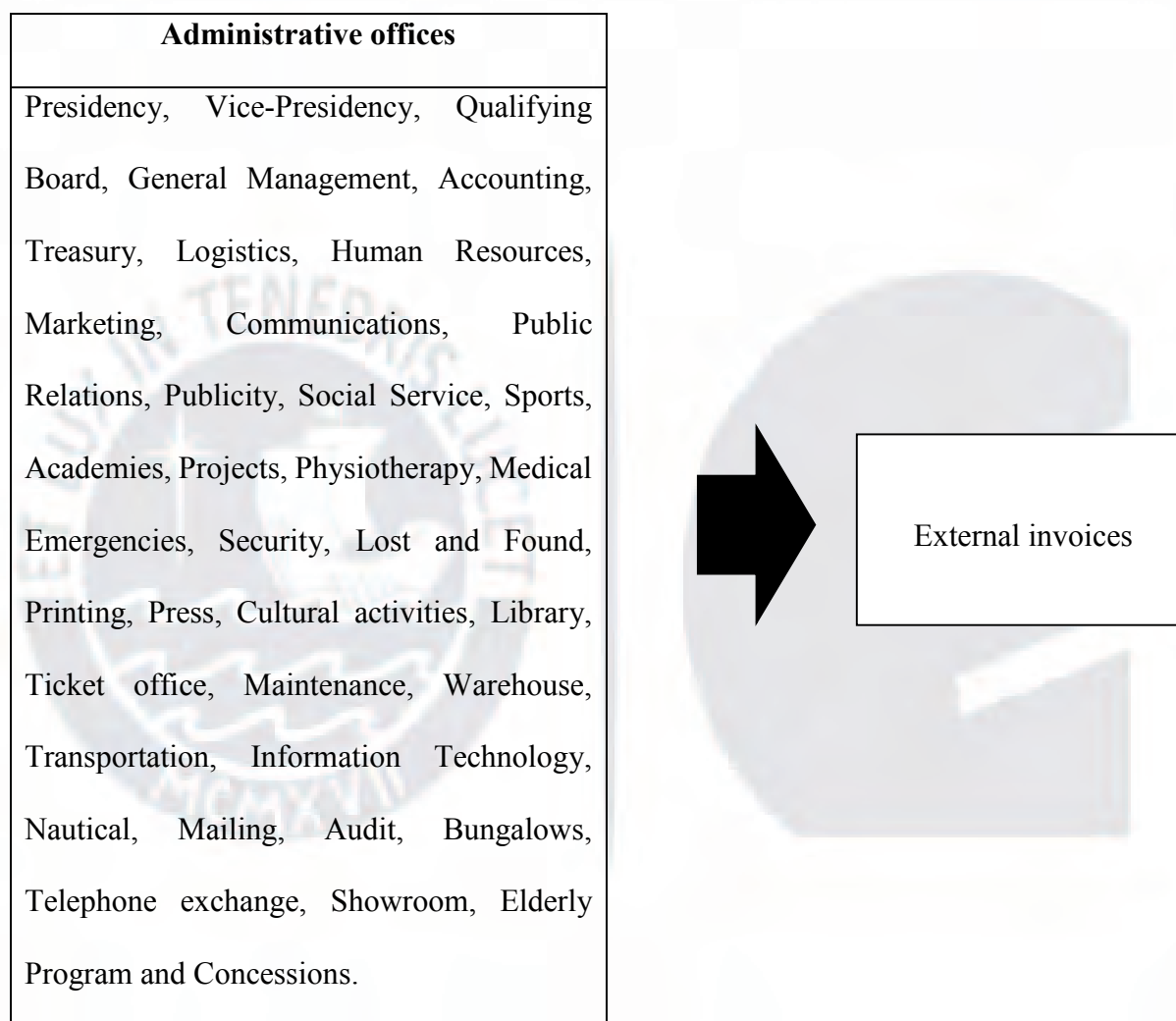


Figure 10. Internal invoices to external invoices.

This phase will reduce the classification part for the registration between internal and external invoices. Previously The receptionist had to stamp every single invoice, red for internal invoices and blue for external invoices, so when there was an information missing they can contact the secretary so that he/she contacts the supplier in order to provide the documents needed as soon as possible. Now the contact can be direct to the supplier, in the case, there is documentation required that were not checked before. This action will make this

step of the process a lot easier and faster. In order to accomplish this objective, this normative will be implemented during the next month and every administrative office will receive an e-mail with the indications, along with benefits in detail so they can be aware of the improvements. The normative will be sent at the beginning of September to all areas, however, it will need reminders and a period where employees to get used to the new agreement (table 15).

Table 15

Implementation of external invoicing

Topic	Date for e-mail	Date of actual implementation
From internal invoicing to external invoicing	September 4th	September 18 th

8.1.3. Phase III: Invoicing excellence

In this phase, the objective is to achieve an excellent management of invoicing. Therefore, it is important to start with the ordering of the accounts payable process. It means to have all information updated to verify if there is any information missing from the current payments for suppliers. There is a need to establish some steps for this phase to be completely implemented. The most important aspect is to get the access to every single invoice of 2018 for the Finance and Accounting department, plus its current status in both systems in order to compare the information provided.

First step. It is necessary to sort and file all invoices received and that are pending for payment, and identify in which part of the entire process the invoices are and how long will it take to pay the suppliers. This aspect is crucial because the Regatas Lima Club will have all information in order and accessible to everyone that wants to check how the process is going, and in order to have a successful implementation of the entire plan. It is basic to get things

organized, starting with previous invoices that have not been approved yet with the suitable signature that nowadays the Club is using.

Second Step. It will be based on a document conciliation process between the accounts payable information reflected in the Balance sheet and the invoices pending for payment. This is important because it is the only way the Club can be aware of the current process has any serious problem with money not being indicated in the Balance sheet. In addition, this step will make sure that the Club has all the documents when an internal audit process takes place, and in case of not having, make some arrangements to get the information missing from the suppliers.

Third Step. With the interests of improving the reception and registration of the invoices. The invoicing excellence phase takes into consideration developing a guide for the person that will be in charge of these activities. In contrast with the current practice, the consulting process has determined that it will be easier and faster for this step to implement a small list of necessary information according to the specifications needed and explained by the Club when delivering invoices. Each invoice has some differences regarding documentation, however, there is basic information that should be attached always. The documents that will be requested to receive the invoices are explained in table 16.

Table 16

*Necessary information when receiving invoices***Description**

-
1. Invoice issued correctly on behalf of the Club and that complies with all SUNAT requirements.

 2. Purchase orders with a date after the invoice will not be accepted. It is understood that all purchase orders have been issued and approved with supporting documents such as contracts, directory agreements, etc.

 3. Referral Guide / Compliance record

 4. Infrastructure: when valuations are presented (as established in the contract signed for the job) to do the work, they must be included in the Record of conformity.

Data from the Finance Department of Regatas Lima Club

Fourth Step. Once the person in charge makes the physical reception, validation of the invoices, registration in the Coupa system and the users have given the reception of the Record of conformity. The invoices will be delivered to the accounting team for them to make an accounting record. It is not necessary for the accounting area to perform all the validation of the documentation again, however, in case of identifying any missing documents, the invoices will be returned to the Finance department to complete the documentation provided. These cases should be an exception because it is a way of eliminating redundant activities and taking advantage of the reduction of time invested.

Fifth Step. Once the invoices have been registered in the system by the accounting department they must be delivered to the person responsible for accounts payable again so that the information can be filed. The file will be made according to the type of payment (ordinary or extraordinary), due date and alphabetical order in an established physical place inside the department, that must be accessible for the people involved in the process to check the information when it is necessary. Because the Chief of Finance and the Sub-manager of the whole department are the ones that need to constantly approve all the invoices in order to

verify if the payment was done. Finally, it is necessary to implement an accounts payable report that indicates the payments that are being processed each week to keep information updated, this can be done in an Excel spreadsheet to be prepared by the Finance department. In the following figure 11, the steps are shown graphically in order to demonstrate how invoicing excellence will be achieved.

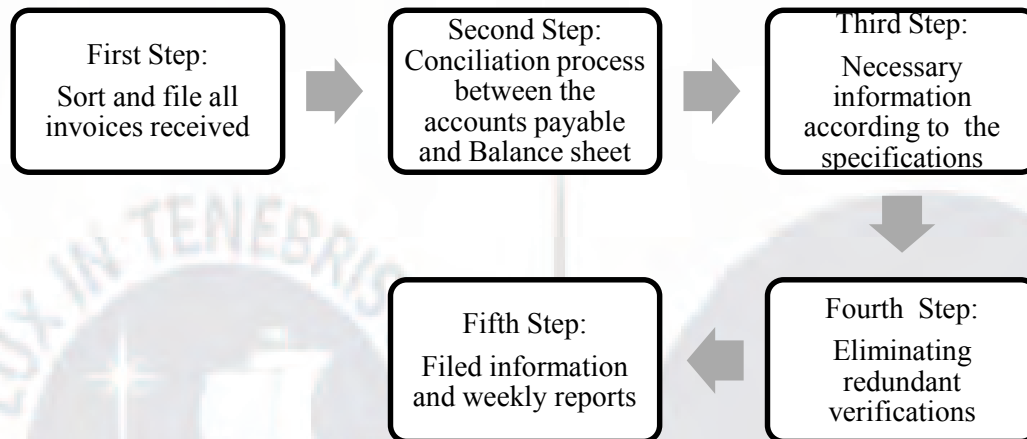


Figure 11. Five steps of invoicing excellence.

8.1.4. Phase IV: Lean processing

The basic aspect of Lean processing is to reduce transactions with cheques and letters that currently are being done every day. For this phase to be implemented it is important to coordinate with the IT department area, because they need to prepare the data to be charged for the online payments through a bank account to a bank account (it is a txt document with all the information necessary for each supplier). The process is similar to the one that has already been implemented to pay payroll every month. However, it is important to involve the IT department in order to get things efficiently done and according to the time provided for this activity.

The payments will be implemented in an online manner. Initially with the Club's BCP accounts and in parallel the options to pay via BBVA Continental (this decision has to be made by the Board of Directors according to the Club's needs). It is important to consider that 70% of the suppliers have an account in the BCP, so this will be easier for the

organization when paying through bank accounts, in order to reduce financial costs and time consumption when issuing the letters and cheques manually. The following figure shows the percentage of suppliers that have bank accounts in different Peruvian and international banks (figure 12).

Suppliers' banks accounts

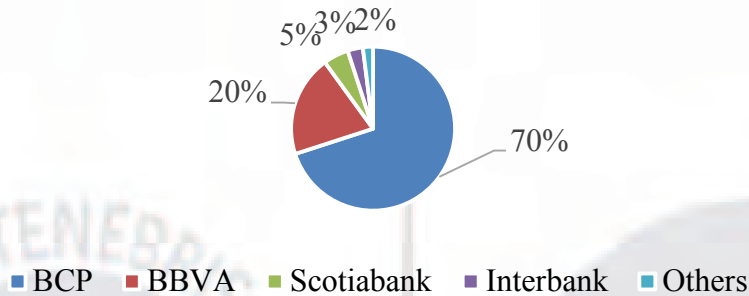


Figure 12. Suppliers' bank accounts percentage per bank

A pilot will be carried out to initiate online payments to suppliers from the month of. The process to follow will be similar to the payment of payroll. The payments of invoices that have services will be applied via bank accounts from the month to avoid cutting them in parts, which makes it more difficult when monitoring the payments in the Balance Sheet. Once invoices are processed, the physical documents (invoices plus attached information) must be sealed as canceled, in order to maintain all information updated and organized. The following figure 13, graphically explain how this process will be developed.

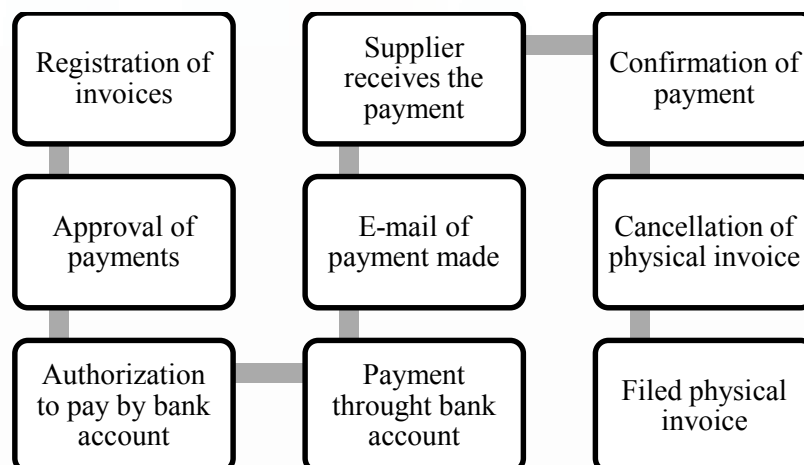


Figure 13. Lean processing for online payments.

8.1.5. Phase V: Training & Clear Instructions/Workshops

This particular phase is decomposed into three basic periods: before, during and after the implementation (table 17). Because it is necessary to have all the employees updated of the information that is being discussed in order to build trust and establish transparency. This is important because commitment and engagement are the starting point for the success of the implementation. Communication techniques are crucial to take into consideration regarding the effectiveness of the message that is being transmitted. Therefore, it is important that the Finance and Accounting department gets some training and suggestions from the Communications and Marketing department, so the leaders of the process can develop the communicational characteristics.

Before the implementation. When introducing a new procedure in an environment that includes people from different generations, it is important to consider that not everyone is good at handling change. For this reason, communicating the intentions of a new implementation is optimal. Otherwise, it will be like imposing rules and not sharing information. The element of surprise, in this case, has a negative impact towards the efforts of optimizing the invoice payment process, people will always want to know what is going on and the reasons behind before implementing the phases. Therefore, it is necessary that the leaders arrange team meetings during the previous months of the implementation, where questions can be solved and everyone can feel part of the change.

During the implementation. When the new normative is launched, the leaders have to organize meetings with all areas that are involved in the payment process in order to communicate and solve any doubts that they have because they will act as spokespeople to the suppliers that will come to the organization to deliver their invoices. With their commitment, it will be easier to get the suppliers on board with all the new rules of the Club. These meetings have to consider employee's workload, important events of the organization.

In addition, these gatherings should not take more than 30 to 40 minutes, however, it has to follow a pattern of at least once a month in order to monitor the progress and how well the team is feeling or what order clarifications are necessary to consider.

After the implementation. Arranging meetings after the implementation process is beneficial because the leaders will have the opportunity to communicate if the expected outcomes were met according to all the steps being implemented successfully. This will create a sense of accomplishment for all employees, resulting in great gratitude and better levels of motivation. What is more, it will become an antecedent for any other future implementations inside the organization. It is well-known that if the employees were part of the implementation process and it has good results, it will be easier to engage and convince to become part of other innovations and optimizations. These meetings should also need to be arranged by the leaders of the project because they have the authority and credibility to show the results of the improvement. Moreover, it is recommendable that these achieved objectives are published in all internal communications in order to gain more visibility of the achievement.

Table 17

Training meetings before, during and after

Period	Date	Responsible
Before	August – September	Owner of the process (Leader)
During	September – October	Owner of the process (Leader)
After	October - November	Owner of the process (Leader)

8.1.6. Phase VI: Additional components

One important additional component for the implementation plan is to consider an upgrade of both systems currently uses. With the online payment from bank to bank, it is

important to think about having all documents digitalized from the invoices and required documents to the cancellations of them and organization of information via files in computers. Because this will be an advantage for the Club in order to have an easier search of information when there is an internal audit, also to reduce paper consumption and less physical files that cover a lot of space, necessary for other purposes. However, the organization has to decide if this upgrade is possible to afford and furthermore if both systems can have this option implemented in the long-term.

Moreover, the Club needs to consider the purchase and implementation of an ERP system according to their own needs. There have been some meetings with companies that implement the SAP system and according to the first observation of the organization, it has determined that the Business 1 model will fit the Club's requirements, because of its dimension, the massive invoicing, the automatic payment and the level of approvals that need to be considered in order to follow the Club's statute (figure 14). This model is currently used by El Golf, Villa, Country Club and the National Federation of Football. These organizations have similar characteristics and capabilities of the Regatas Lima Club, however, none of them can be compared to the number of members and its capacity to hosts different events and tournaments.

What is more, with the implementation of this new ERP system the information will be more reliable and it will include the purchasing process, sales, warehouse, accounting, etc. This implementation as to start with information gathering in all departments in order to analyze the process that currently is taken place. Because one of the objectives is to ensure that all areas are connected and no manual processes are carried out. The investment will approximately be 250,000 dollars, however, it will save the 60,000 dollars that the Club is currently paying for the Coupa system's maintenance. In addition, with the SAP's implementation, the IT department needs the alliance of the Human Resources department,

because they have the expertise on how to handle resistance to change. It is compulsory that the organization adapts to the ERP and not the other way around, because the system is based on best practices in the business world.

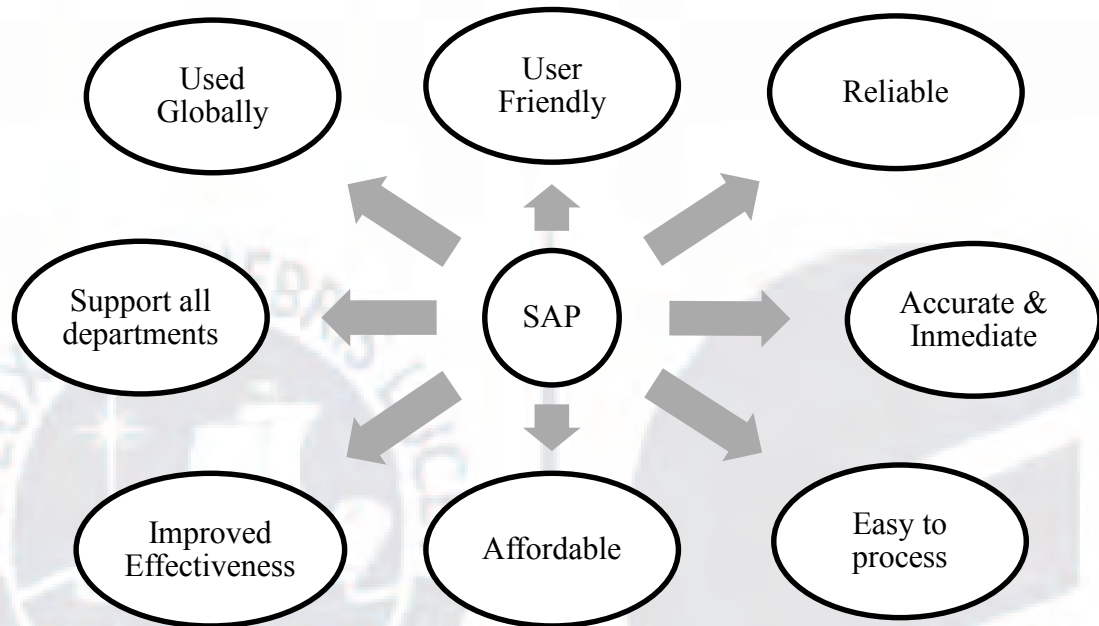


Figure 14. SAP's implementation benefits.

8.1.7. Implementation Cost

The costs of the implementation are really low, because almost all the phases includes activities using human or material resources that the Club already have inside its installations. Phases I, II, III and V are based on approvals, publishing information on communication channels (web page, app, wall newspapers, etc.), having meetings, organizing, and analyzing previous data. Phase IV requires a monthly payment of 220 soles to implement the web platform in order to pay online to the suppliers that have bank accounts in the same banks Regatas Lima Club has and Phase VI needs an investment of 250,000 dollars for the new ERP system (table 18).

Table 18

Implementation costs per phase

Implementation	Required Cost	Quantity
Preliminary activities	No	
Approval from the Board of Directors		-
Phase I: Specified delivery time		
New Schedule for invoices' reception	No	-
New Schedule for picking up cheques	No	-
Phase II: External invoicing only		
From internal invoicing to external invoicing	No	-
Phase III: Invoicing excellence		
First Step: Sort and file all invoices received	No	-
Second Step: Conciliation process between the accounts payable and Balance sheet	No	-
Third Step: Necessary information according to the specifications	No	-
Fourth Step: Eliminating redundant verifications	No	-
Fifth Step: Filed information and weekly reports	No	-
Phase IV: Lean processing		
Development of the adjustments by the IT department	No	-
The online payments will be implemented	Yes	S/.220 per month
Phase V: Training & Clear Instructions/Workshops		
Training meetings with the people involved	No	-
Phase VI: Additional components		
Implementation of digital invoicing and new ERP system	Yes	\$ 250,000

8.1.8. Implementation Gantt Chart

After the description for each phase of the implementation plan, it is necessary to provide the organization with specific guidelines for them to put the project in motion. Therefore in table 19 each phase and activity is specified, it also considers who is the responsible to develop the task according to the days available for implementation. The duration for each activity was coordinated with the team in the Finance and Accounting department because they had to consider other activities that they are currently doing in order to accommodate the dates and provide an achievable period of time.

For the preliminary activities phase, the approval from the Board of Directors is the main task. For this reason, the person in charge of accomplishing this task is the Finance and Accounting manager, because he has the authority and credibility to convince the Board of Directors to approve the implementation plan as soon as possible. This process should take at least 3 to 5 days to get it done because it is difficult to organize a meeting with all the Directors. Moreover, for the first phase, which is Specified delivery time, the responsible is the Chief of Finance, because he is the owner of the process. Between publishing the new normative and giving some time for the team and suppliers to adapt to the new requirements, the phase should be completed in 15 days. The Finance and Accounting Manager is responsible for the second phase because it involves achieving the other department's commitment. He has the authority and reliability to get the other managers involved in this process, approximately this task will take 15 days.

What is more, for the third phase the Chief of Finance and the Accounts payable coordinator have to work together in order to get the tasks done, because it includes data collection and analysis of the current information, in order to provide a final report. These activities should take an approximate of 25 to 35 days to get it done. Furthermore, for the Lean Processing phase is necessary to get the IT department involved in order to get some important information to develop the online payment, therefore the Chief of Finance has to take responsibility of this task. In addition, he has to coordinate with the banks on how to change the web platform to implement the online payments. Approximately all these tasks should take a number of 25 to 35 days in total, however, this will depend on how fast the banks develop the web platform.

Finally, for the implementation of the Training & Clear Instructions/Workshops is necessary to have the Chief of Finance as the responsible for guiding the team because he is the owner of the process. This particular phase has to take place as previously explained

before, during and after the implementation process, because communication will facilitate the responsible to achieve the proposed goals. For the additional components, the IT department and Chief of Finance have to work jointly in order to establish digitalization in the whole invoicing management process with the new ERP system.

Table 19

Responsible and duration per phase

Implementation	Responsible	Timing
Preliminary activities		3-5 days
Approval from the Board of Directors	Finance and Accounting manager	3-5 days
Phase I: Specified delivery time		30 days
New Schedule for invoices' reception	Chief of Finance	15 days
New Schedule for picking up cheques	Chief of Finance	15 days
Phase II: External invoicing only		15 days
From internal invoicing to external invoicing	Finance and Accounting manager	15 days
Phase III: Invoicing excellence		25 - 35 days
<i>First Step:</i> Sort and file all invoices received	Chief of Finance	5-7 days
<i>Second Step:</i> Conciliation process between the accounts payable and Balance sheet	Accounts payable coordinator	5-7 days
<i>Third Step:</i> Necessary information according to the specifications	Chief of Finance	3-5 days
<i>Fourth Step:</i> Eliminating redundant verifications	Chief of Finance	3-5 days
<i>Fifth Step:</i> Filed information and weekly reports	Accounts payable coordinator	5-7 days
Phase IV: Lean processing		25 - 30 days
Development of the adjustments by the IT department	IT manager	5-7 days
The online payments will be implemented	Chief of Finance	15-20 days
Phase V: Training & Clear Instructions/Workshops		4 months approx.
Training meetings with the people involved	Chief of Finance	4 months approx.
Phase VI: Additional components		
Implementation of digital invoicing and new ERP system	IT manager and Chief of Finance	8 months - 1 year

Apart for facilitating the table above, it is also necessary to develop a Gantt chart for the Regatas Lima Club's team in order to translate the information into a simple graph, to make the monitoring of activities easier and faster. The next figure includes only the activities to be implemented in a chronological order, some activities from different phases overlaps, which means that can be completed approximately during the same period of time without further complications, and considering the organization's input of available time for this project.



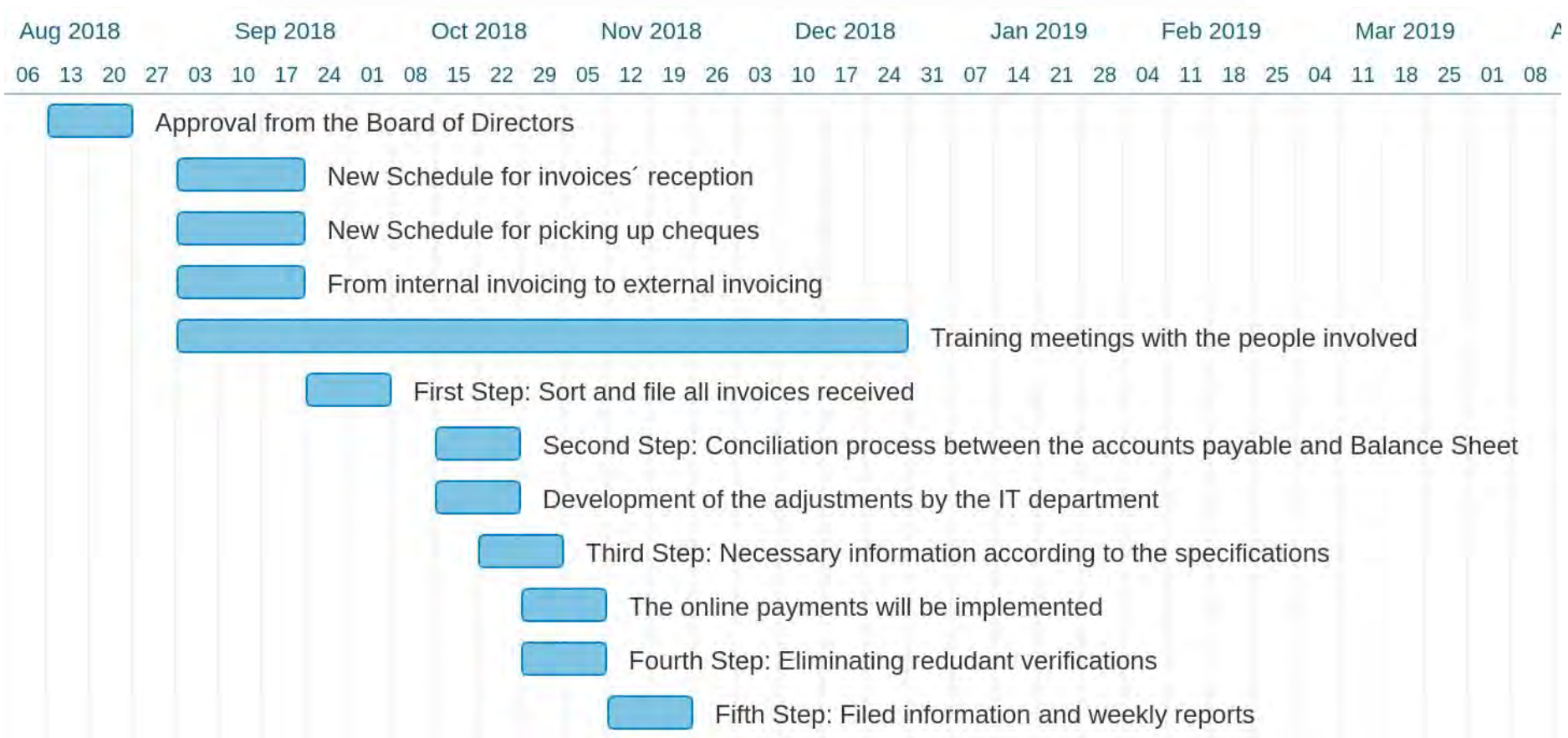


Figure 15. Gantt Chart of the Implementation Plan (without additional components)

8.2. Key Success Factors

In order for the consulting project to be completed successfully, it is essential to identify key enablers and risks for this project to be effective and beneficial both for the corporation and for the consulting team. The consultant continuous development in understanding and expanding their expertise in the field will lead to the polished consultation process and create space for innovative knowledge transfer concepts. For this project, we identified the following enablers in order to assure the successful implementation of the project without any delays and further complications (table 20).

Table 20

Enablers for the Implementation Plan

Enablers	How to ensure it
Department Alliances (Marketing)	Communicate progress and tasks with dependent departments
Commitment of Leadership	Transparent reporting to Board of Directors about progress and difficulties of the project
Involvement of team members	Constant meeting and clear communication of future steps. Keep them up to date. Generate trust among employees for project/ upcoming changes
Supplier's Engagement	Ensuring advantages related to their own needs
Trainings by the owner of the process	Selection of company's talent pool. Selection of soft skills, knowledge/ expertise and experience.

Moreover, it is also important to determine what risks could bring down the proposal in order to be prepared if those events happen. Thinking about unexpected events beforehand is a useful technique because this process will provide the implementation team with some ideas to prevent them. The following table explain which risks the organization could face during the implementation period and how they can avoid them.

Table 21

Risks for the Implementation Plan

Risks	How to avoid them
Suppliers technical abilities	Training, communication, support
Suppliers and Members resistance to invoicing excellence/ e-invoicing	Clear instructions from Board of Directors, clear change communication and explaining
Change Resistance of Employees	Show benefits, efficiency, responsibilities, sensitive about why it is necessary, future benefits (positive reinforcement), cultural values and pride of employees
IT Restrictions	Prioritize project from top management, commitment from CIO
Change of Board of Directors	Written and approved consultant report, clear and communicated timeline
Performance of external parties (Banks)	New platform for payment process after bank conciliation process' implementation. Responsibility of the bank

For the implementation of the phases, some enablers and risks have been analyzed to prepare and create awareness for all Regatas Lima Club's employees. This action is because it is necessary that the team communicates the project beforehand, in case of possible events that can jeopardize or facilitate the success of the improved payment process. It is paramount that understands that the following five factors are critical for the success of the proposed solution: (a) Department Alliances, (b) Commitment of Leadership, (c) Involvement of team members (d) Suppliers engagement, and finally (e) Training by the owner of the process.

Department Alliances. The purchasing department is dependent on other departments, preferably the Marketing department. Clear Communication about the progress, goals, and challenges are crucial for the success of the project as it will facilitate the collaboration. This alliance is crucial because generally, the Finance and Accounting department develops non-attractive communications for the entire organization, which makes it difficult to engage the employees in collaborating with the new agreements. What is more, the Marketing department has specialists in communication techniques, therefore, including them in the implementation plan is necessary to involve all key stakeholders of the project.

Commitment of Leadership. The commitment of the top management for this project is crucial because it will mean that they approved all the steps of the implementation plan. Finally, the decision will be top-down and needs to be fully promoted by the top management to all departments and employees. If the Board of Directors does not follow their own instructions, there will be no guarantee that the employees will follow the new normative, because the role models are not demonstrating the importance of applying the practices established.

Involvement of team members. Constant meetings and clear communication with all team members involved are necessary. They need to be updated about future steps and processes in order to generate trust among employees and get their full commitment to the

project and upcoming changes. Transparency is fundamental when a change is being implemented. In this particular case, because the majority of employees have been doing the same procedures for more than 10 years gaining their trust is necessary so that they buy the idea and become spokespeople of the project, not just for the members of the Finance and Accounting department but for all the employees of Regatas Lima Club.

Supplier's Engagement. The suppliers are deeply involved in the purchasing and payment process. Therefore, there needs to be a clear advice about the benefits the supplier will receive from implementing and adapting to the changed process. A clear solution and benefits need to be outlined and explained to the suppliers. This will basically increase the chances of success because gaining their attention to the new requirements will definitely impact the whole process in terms of less workload and time required for the registration of the invoices.

Training by the owner of the process. It is important to make a selection of the company's own talent pool to recruit a suitable person for this job. The Selection needs to consider soft skills, knowledge/expertise and experience related to the Finance and Accounting department and the payment process. This role is meaningful because he/she will be the person to approach when there is a question to be answered or an adaptation to be made. What is more, he/she has to keep the team motivate and focus on the objectives to be achieved in each phase of the implementation.

The following six factors are risks that have to be taken into consideration when it comes to implementing the project. These factors are critical to the success of the proposed solution that needs to be avoided: Supplier's technical abilities, (b) Suppliers and Members resistance, (c) Change Resistance of Employees (d) Board of Directors Approval (e) IT resistance and (f) performance of external parties.

Supplier's technical abilities. There is a risk when it comes to implementing online payment because not all the suppliers from Regatas Lima Club has the expertise in using this kind of technology, nor the tools to implement them. Therefore, the ability of the supplier to adapt to the new invoicing and payment process is a crucial component for its success. The suggested solution must be easily transferable and adaptable for the suppliers. To avoid possible pitfalls there needs to be training, support and a direct communication line for questions and further support. It is necessary that all supplier are aligned with this new procedure and all aspects included.

Supplier and Member Resistance. An implementation of a new process causes resistance. In this case, clear instructions and communications from the management and the Board of directors about the reasons of this change process is needed. However, it is not a matter of ordering the team and employees in general but to try to sell the project in an effective and friendly way. Clear explanations and reasonable argumentation from the beginning to the end of the implementation is necessary to overcome change resistance of both suppliers and members.

IT Restrictions and Capacity. The IT component plays a central role in the project as the use of technology is one of the most important components and it helps to facilitate and reach the goal of e-invoicing. IT departments have limited capacity and therefore having an alliance with the Chief of Information Technology is a clear priority recommendation for this project in order to keep the implementation process smoothly.

Change of Board of Directors. To implement this project the Board of Directors needs to give its approval. As the Board can change it is necessary to have a clear and written recommendation in form of a report to support the implementation of the project. Only with a written document, there can be security in case the Board changes in the future and the officials can refer to the report provided so that the implementation process is not prejudiced.

Performance of external parties. Regatas Lima Club is not the only party contributing to this project. For the online payment, the banks provide contribution and work as a new platform for the payment process needs to be implemented. This development is under the responsibility of the bank and has limited influence possible by Regatas Lima Club. Therefore, constant checking and meetings about the progress are recommended in order not to lose valuable time in the implementation process.



Chapter IX: Expected Outcomes

After implementing the suggested solution successfully, there is a number of outcomes expected to improve the invoicing management in the Finance and Accounting department that will result on benefits for the entire organization, because this process has an impact in every department of the Club. With an analysis of the implementation process it was possible to identify some short and long-term outcomes of the optimization of invoicing management including all five components plus the additional ones. Talking about short-term outcomes, the most important ones are: (1) improved invoicing management, (2) cost reduction, (3) time-saving, (4) less manual activities, (5) digitalization, (6) updated information, (7) order and control and (8) team-building. Moreover, there are some long-term benefits for the organization which are: (1) efficient invoicing management, (2) 100% digitalization, (3) competitive staff, (4) well-established teams, (5) capabilities for managing change. These outcomes are related to each phase of the implementation plan (see table 22).

Table 22

Short-term and long-term outcomes per phase of implementation

Phase of implementation	Short-term outcomes	Long-term outcomes
Phase I: Specified Delivery Time	Time-saving	
Phase II: External Invoicing only	Order and Control	
Phase III: Invoicing Excellence	Improved invoicing management Updated information	Efficient invoicing management
Phase IV: Lean Processing	Cost Reduction Less manual activities Digitalization	
Phase V: Training & Clear Instructions/Workshops	Team-Building	Well-established teams Capabilities managing change
Phase VI: Additional components		100% digitalization Competitive staff

9.1. Short-term outcomes

Improved invoicing management. The first outcome of this entire project will be a clear invoicing process, with specific steps to follow in order to avoid any delays or extra costs for extraordinary payments. With a clear definition of roles without any overlaps of responsibilities or activities, it is possible to have a smooth process. What is more, the solution considers every aspect and people involved in the Finance and Accounting department, which are the ones that are closer to the problem than anyone in the organization. Fewer frustrations for information missing also improve the work environment and the level of commitment to the delivery of payments according to the established timing.

Cost reduction. Currently, every letter and cheque have to be issued by a bank. Therefore, in the case of letters the bank charges for every letter and approximate of 40 soles, (including all suppliers because the Club uses the letter for massive payments) and in some cases if the letter has an excessive number of lines the bank starts charging five soles more and so on. In a month the Club issues more than 117 letters.

Therefore, with the implementation of the projects, these costs will be reduced because of the online payment from bank to bank. From now the Club will just need to pay for interbank payments which each transaction costs from one to 1.50 soles. However, most of the suppliers have BCP or BBVA accounts which are the same banks that the Club has its accounts in. The following table shows the financial costs for issuing letters every month. The information covered is based on data from January to July of 2018 in the four most important banks the Club uses to pay the suppliers, which are: BCP, BBVA, Interbank and Scotiabank. From August to December the data was projected, in order to calculate an approximate of spending that the Club will need to afford. However, with the implementation plan, this spending reduces drastically.

Table 23

Reduction of financial costs

2018	BBVA	BCP	INTERBANK	SCOTIABANK	Total
1	-772.38	-1,928.63	-330.17	-1,383.15	-4,414.32
2	-850.88	-1,330.80	-310.69	-1,381.00	-3,873.37
3	-1,151.44	-2,176.52	-315.00	-1,378.85	-5,021.81
4	-802.54	-3,627.41	-227.95	-1,376.70	-6,034.60
5	-1,346.53	-1,742.16	-303.72	-1,374.55	-4,766.96
6	-1,274.76	-2,063.57	-227.77	-1,372.40	-4,938.50
7	-1,533.43	-2,347.77	-233.12	-1,370.25	-5,484.57
8	-1,592.60	-2,500.78	-212.33	-1,368.10	-5,673.81
9	-1,840.08	-1,962.04	-210.43	-1,365.95	-5,378.50
10	-1,908.96	-2,386.36	-176.86	-1,363.80	-5,835.98
11	-2,102.48	-2,330.06	-174.75	-1,361.65	-5,968.94
12	-2,231.85	-2,260.45	-155.84	-1,359.50	-6,007.63
Total	-17,407.92	-26,656.55	-2,878.63	-16,455.90	-63,399.00

Data from the Finance Department of Regatas Lima Club.

With this information provided, it is possible to conclude that the Club will spend from 4,000 to 5,000 soles in a monthly basis. However, if it is analyzed annually, it will be a total spending of more than 60,000 soles that could be used for other important investments needed to improve other processes. In the case of cheques, the cost that will be reduced is the total price of buying a checkbook, because nowadays the bank does not charge the company for paying the supplier in that fashion.

Time-saving. With the elimination of the overlap of responsibilities, the project is offering the Club with free time for other activities, more analysis and less registration.

Having just one central focus of reception of invoices makes the entire process easier to follow and stricter in order to have all information required, this will eliminate delays because the checking process will be done by a capable person that has the experience and expertise required for the job. Without having to write down letters and cheques because of the online payment, time will be saved for analyzing information and come up with new innovative ideas to improve day to day activities.

Less manual activities. When dealing with payment to suppliers, it is important to have accurate information. The Club needs to pay the exact amount nor less or more than required. When doing these activities manually there will be chances for error, because typing down a letter for the bank or writing the cheque can create confusions and it takes concentration and detailed verification to ensure that the payment is the correct number to the correct supplier. Otherwise, the Club will have to check again all the information in order to find the initial error that drags down the entire process. Using technology as it is proposed by the implementation plan can generate to have more capable people because it increases knowledge of new platforms and ways of doing things, it also contributes with more rigorous and reliable information.

Digitalization. Nowadays almost all companies want to be competitive, because of the dynamics of the environment that surrounds them. Competitors, new entrants, and substitutes are part of the field the company is playing in, therefore, it is important to keep up with innovations and basically new technology. The implementation plan proposes to increase the Club's level of competitiveness by applying the online payment of suppliers, from bank to bank, in order to compete in the market and because this era is based on making everything digital so the information can be better controlled and researched when necessary. The digitalization process boosts the company to acquire new practices that will result in optimizing their flaws.

Updated information. With the elaboration of weekly reports of the payment of invoices, the owner of the process will be able to check if all the information necessary was considered. In addition, it will allow to monitor the objectives' fulfillment of every week and organize the payments for the week to come. This is important to have because when it is time for an internal audit, the Finance and Accounting department will have all the invoices and attached documentation updated. What is more, in case there is any problem with a particular supplier, the Club will have the all the support to defend themselves.

Order and control. Having all documents organized alphabetically and chronologically inside the Club's installations is compulsory to keep track of the invoices payments in order to not miss any payment and not negatively influenced the relationship with the supplier. This situation can play against the Club because when there is something urgent to acquire (service or good) the supplier may refuse to pull some strings in order to get what the Club asked for. That response could be aligned to bad experiences the supplier previously have with the institution. For this reason, the implementation plan considers this aspect to improve the relationship between both of them in order to get benefits from the supplier for future requests.

Team-building. Involving all employees related to the invoicing management throughout the entire process of designing the implementation plan was beneficial for developing a good team. Because everyone is part of the change and become owners of the process. Having different opinions and perspectives improves the quality of every new activity needed to be implemented because the best source of information is the people that work on those tasks. Through interviews and small meetings the members of the team were excited to be part of the project, therefore their trust in other team members will increase rapidly, building these relationships leads to better organizational climate.

9.2. Long-term outcomes

Efficient invoicing management. After the implementation of the new system (SAP), this process would not only be improved but completely efficient, because this software considers all departments in the entire organization, plus it compiles the best practices in the whole business world. It will reduce even more the time needed for paying the suppliers and everything will be standardized and organize for better ways of searching for information. The system will be easy to use and understand so everyone will be capable of dealing with invoicing payments. In consequence, the Club will become more competitive in the market and will optimize the majority of its processes.

100% digitalization. In the long-term, the Club will no longer need to print information because everything will be digitalized with the implementation of the new system. All documents that now need to be attached to the invoices, will be uploaded to the platform to facilitate the approval process because the person or chief that needs to approve the payment will be able to verify the entire information just by using its own user. This achievement will positively impact the time currently invested in these activities. Employees in the organization will also be more detailed oriented. Checking important documents through the platform will take less time and the information will be more accurate.

Competitive staff. Implementing the SAP system will result in developing employees' skills because they have to deal with new technology. After the training sessions, they will probably be certified to use this new tool. For this reason, employees will increase their level of competitiveness in comparison to other people working in the same field. This will be a total advantage for the organization because its staff will expand its knowledge of technology and improve its analytics skills. The Club requires people to analyze not just registering documents.

Well-established teams. With the reduction of overlapping responsibilities and the new flow of the process, all team members will know who is responsible for each step and how they can help each other to keep improving the process. Moreover, all members will have more free time to come up with new ideas and innovations to implement in the Finance and Accounting department that can contribute with a creative way of achieving proposed goals in less time with fewer resources. Although having well-established teams is difficult to pursue, it is possible if the leader makes room for constant group meetings where they can share knowledge and create a safe space for brainstorming activities.

Capabilities for managing change. The owner of the process plus the team will develop capabilities to manage the change. This project was the first trial in several numbers of years to be considered for implementation, because of the cultural change it implies. Managing generational differences at once is a difficult task because first of all an analysis has to take place in order to identify the possible problems the new procedure will generate with the employees that are not used to change routines. After that, considering communication activities this inconveniences can be reduced with time and reinforcement. This is exactly what the project considered in phase five, therefore, if it is implemented successfully, the majority of employees will feel confident when another innovation comes to the organization in order to improve performance.

9.3. Quantitative Indicators

The consulting project expects quantitative outcomes from the implementation of the previously described plan. These outcomes are related to indicators such as the number of invoices per supplier, number of people involved in the process, an average time for payment, number of cheques, number of letters, financial costs for letters, and days of registration of invoices. The following table shows a comparison between the actual figure and the expectations of the project.

Table 24

Quantitative indicators

Indicator	Actual	Expectation	Percentage Reduction
Number of invoices per supplier (monthly)	23 invoices (average)	8 invoices (maximum)	65.2%
Number of people involved in the process	14 people	10 people	28.6%
Average time for payment	> 30 days	11 days (maximum)	63.3%
Number of cheques (monthly)	66 cheques (average)	56 cheques (average)	15%
Number of letters (monthly)	117 letters (average)	35 letters (average)	70%
Financial costs for letters (monthly)	4,000 – 5,000 soles	1,200 – 1,500 soles	70%
Days of registration of invoices (monthly)	20 days	8 days	40%

Data from the Finance Department of Regatas Lima Club.

Number of invoices per supplier. After analyzing the data provided by the Club, there is an average of 23 invoices that the top 10 most recurrent suppliers deliver to the organization in a monthly basis (it can fluctuate from 4 – 61 per month). However, after implementing a new schedule of invoice's reception of two days a week, the organization will just receive a maximum of 8 invoices per supplier every month, it means that the supplier can deliver one invoice per day. This will result in a reduction of 65.2% of the total number of invoices the Club used to register.

Number of people involved in the process. There is a reduction in the number of people because of the elimination of redundant verifications and manual activities. There will just be one person to receive and register invoices. What is more, with the online payment, having a particular person to write letters and cheques will not be necessary. Furthermore, the administrative assistant will not have to send the letters and cheques to be signed, and the cashier will not have to deliver cheques to suppliers, this all is because of the implementation of the online payment. In consequence, there is a reduction of 4 people in the process. This can be translated into savings of 12,000 soles per month (considering the average wage of 3000 soles), and 50,000 soles for a whole year.

Average time for payment. Accomplishing the previous establish number of days for the payment is one expected outcome from the implementation process. Currently, they take 30 days or more to pay the supplier. In consequence, the supplier will benefit from the new schedule of invoice's reception because the Club will have an organized and controlled process without delays and redundant verifications. What is more, with the implementation of the online payment, this process will take around 11 days, which indicates a reduction of 63.3%.

Number of cheques. With the implementation of the online payment, writing cheques will start to disappear gradually and according to the supplier's technical capabilities. Therefore, after the implementation process, the number of cheques is expected to reduce at least 15% because 20% of the suppliers have bank accounts in BBVA, which is a bank the Regatas Lima Club will also use to pay online. This means that instead of having to write an average of 66 cheques, after 4 months the total number will be approximately 56 cheques. Nevertheless, the cheques will continue to be used when there are services that need to be delivered first in order to pay back the supplier.

Number of letters. Currently, the Club writes an average of 117 letters a month in order to pay the suppliers. On average inside one letter, the Club can pay from 10 – 16 suppliers. However, because 70% of the 1,873 suppliers have a bank account in the same bank the Club has its own accounts (BCP), it is possible to indicate that after the implementation process just 562 suppliers will get paid by letters. In consequence, this will mean that the organization will have to write 35 letters per month approximately. This percentage will increase according to the numbers of suppliers that will be register in the web platform in order to pay from bank to bank.

Financial costs for letters. With the reduction of the number of letters, there will also be a reduction of the total cost. Currently, the Club spends from 4,000 to 5,000 soles, however, after the implementation plan, the Club will just need to spend from 1,200 to 1,500 soles a month (because the Club will just write 35 letters). This can be translated to 33,600 soles savings for a year because of the web platform implementation. This percentage can increase according to the supplier's technical capabilities to get the payment through their own bank account.

Days of registration of invoices. The new schedule of invoice's reception will reduce the days of registration from 20 days to a maximum of 8 days. This means that working hours will be saved because instead of using 1 -3 hours each day of the week, the person in charge of registering invoices will just use around 3 hours two days a week. This will mean a reduction of 684 soles per month and an annual saving of 8,208 soles.

In conclusion, the total implementation plan will bring to the Club savings of 50,000 soles by reducing people involved in the process, plus 33, 600 soles by eliminating 70% payments by letters, and finally, the organization will save 8,208 soles by reducing the days of registration of invoices. This gives a total amount of 91,208 soles of savings approximately for the whole year.

Chapter X: Conclusions & Recommendations

10.1. Conclusions

Regatas Lima Club is one of the oldest institutions of its kind in South America and counts as the oldest Sports Clubs in Lima. Founded in 1875, it now operates with 5 subsidiaries and headquarters right in the city of Lima. Regatas is offering different infrastructures and services for a large number of diverse sportive and cultural activities. Facilitating over 40 disciplines, offering everything from social gatherings to sports classes and events. After more than 100 years, Regatas Lima Club now counts more than 20,000 members. While not the only club of its kind in the city of Lima, Regatas operates at the top end of the list. While not only linked to a lot of heritage and reputation, the club also partakes in national and international competitions with some of their sport departments.

In addition, with the different locations throughout the city and the state, the club has no problems attracting members. In fact, Regatas Lima Club has a lengthy and expensive application process, in which only members that really fit the culture are chosen. Despite this, the club still has to decline applicants every year, as there are just more applicants than there are spots. Overall, Regatas Lima Club runs a prestigious sports organization, that has a very strong and loyal member base. It operates in a zero-sum game, in which their expenses are perfectly covered by their earnings, quite normal for a non-for-profit organization like this. While their members and their prestige, as well as the infrastructure they offer is a clear advantage, there are some threats and weaknesses. With the way they run their expenses, there is very little room for error that can be made. At the same time, because the members expect the very best, there is not only a lot of internal pressure, there is also heavy reliance on the suppliers, which is one of the first antecedents to the problem and solution covered in this report.

The key problem this organization is facing is, stripped down to its core, an internal operational problem, prominent in the purchasing and payment process. While initial attempts have been made to digitalize this process, it has not been successful and the way it is handled now just creates a lot more problems. After orders have been placed, the goods have been delivered, the real core of the problem shows itself. There is a very lengthy and redundant approval process of feeding data into different accounting and budgeting systems. Not only is the invoice received physically, all other subsequent steps, from data feeding to final approval are done manually and often by walking documents from one desk to another. Signatures have to be provided by different department heads, until the final payment is approved by two board members. This process takes at least 11 days.

The problem is that every single purchase has to go through this process, from a bottle of water, through to the installation of a new gym floor and every such purchase needs to be approved and paid with a single unique check. This creates an incredibly long paper trail that makes it difficult to budget properly or to balance the books. This is the problem at hand, which has been prominent in the club for at least the last 5 years. Overall the purchase payment process is inefficient and costs a lot of money and time, as well as leaving room for mistakes.

Through quantitative and qualitative analysis, the key problem has been broken down into six causes that could be described as the main antecedents and bases for the issue at hand. Namely, the main causes are technology, measurement, personnel, process, materials and communications. Technology is clearly lacking. There are some digitalized budgeting tools and ordering tools, but they are outdated and not used to the full potential at all. In addition, it would be even more helpful if they used only one technological tool, but they use several in the same process, making it more complicated. This also makes measuring difficult. Different softwares use different writing codes, which makes comparability between

the systems difficult. While possible, it needs trained personnel to do so, clearly missing at the Club. There is a lack of education and training, and learning is often achieved by just repeating and learning while doing. While this works for simple tasks, change is nearly out of the question because of it. This also creates a mindset that holds change resistance, making it the more difficult. While these are three distinct issues, the process as a whole is faulty. There are approvals that are double checked, leading to a process that involves a lot of people that do not need to be involved. At the same time, everything is printed on paper, so there is a huge number of documents in the office, creating an unorganized work environment. This makes it difficult to find documents and also lengthens the whole process. Despite the physicality of the process, there is a lack of effective communication and nearly no face-to-face communication. As a result of these 6 categories of causes, Regatas Lima Club has very inefficient invoicing management, the main problem identified here.

There are several things the club could potentially do to improve this process. Some of them are to reduce the amount of paper by reducing the number of invoices arriving at the club, through pooling them and receiving them monthly by each supplier. They could try to digitalize the whole process again. This would make the process quicker and also reduces the amounts of papers. They could reduce the amount of approval, speeding up the process. They could work closer with suppliers to improve the invoicing process with external influence. They could provide clear instructions and trainings for their employees.

In this report, the proposed solution consists of the following: Regatas Lima club should first of all specify invoice delivery times, so they can plan for times of high work and can subsequently allocate resources. This would be coupled with invoicing excellence, a program in which all suppliers have a clear guideline as how and in what fashion an invoice has to be delivered. This would homogenize the process and would make checking it for mistakes easier. Next, lean processing would be implemented, reducing the amount of

approvals by department heads. In addition, lean processing would include a more digital invoicing process by allowing for online banking payments to suppliers. This would mean that time is saved, as well as adding another instance of security to the process. Suppliers would receive their money nearly instantly, shortening the process time tremendously. Finally, in order to facilitate the prior steps, clear instructions and training should be given to employees, providing them with a sense of purpose and potentially qualifying them for positions of more responsibility. This would make human resources more efficient.

Overall, through identification and analysis of the problems facing Regatas Club Lima, one of the most prominent problems identified was an internal operational one, the invoicing management process. By identifying 6 category of causes, a solution could be created that might be able to mitigate the problem at hand. The solution provided would make the process more efficient, quicker, and easier for all parties involved. All components can be implemented in the short term and could potentially lead to immediate results, all without substantially changing the structure of employment or work, thus mitigating the fear of change/resistance to change by employees.

10.2. Recommendations

It is important to understand that Regatas Lima Club is a well working organization that faces a few internal problems. Despite this fact they bring some 143 years of heritage with them and also existence. The most important recommendation is to change things slowly and steadily towards the better. A club with such history has certain traditions that cannot and should not be changed. At the same time this sometimes bring inefficiencies that should be changed. One of those is the invoicing process, which is outdated. The club should start to change this process and improve it. By doing this it will slowly get more and more employees on their side, as most of them show resistance to change, and this will make way for larger,

more substantial changed. Change is always difficult and should be facilitated by small, well timed bursts.

The change proposed in this report is a short-term change, small things that can be implemented quickly and already make a big change. From a long-term perspective, the answer to most problems they are facing and will probably face is digitalization, as it is with many things in today's markets. For invoicing, in the future, a fully digital process should be thought about and is also advised, because all trends lean towards more digitalization. In addition, acquiring new technology provides the entire team with more competencies and optimizes the whole process in order to reduce time invested and possible information errors.

While implementing the project inside the organization, the leader of the team, in this case the Chief of Finance, should monitor all activities in general because he is the owner of the process. If there is a phase that has major delays, he should be the one to help the responsible of that phase to continue with the normal flow of activities, providing support or resources required to complete the task. Otherwise, the plan will not be implemented as schedule and different obstacles will appear along the way in order to block the plan from achieving the outcomes expected.

During the research and work on this report, only a small part of the system has been uncovered, but by changing slowly and steadily, one step after another, the club's administration and processes can be heavily improved, making the organization of the club overall more efficient. Overall, change is important and needs to be steady. Not just analyzing the invoicing management but also purchasing management in order to have a complete optimized process. What is more, this change should include communication strategies in order to get the employees engaged with the new rules by explaining the future benefits of the implementation.

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Appendices

Appendix A: Current Logo of Regatas Lima Club.



Figure A1. Current Logo of Regatas Lima Club. Data from Regatas Lima Club web page:

<https://www.crl.pe>.

Appendix B: Organizational chart of Regatas Lima Club

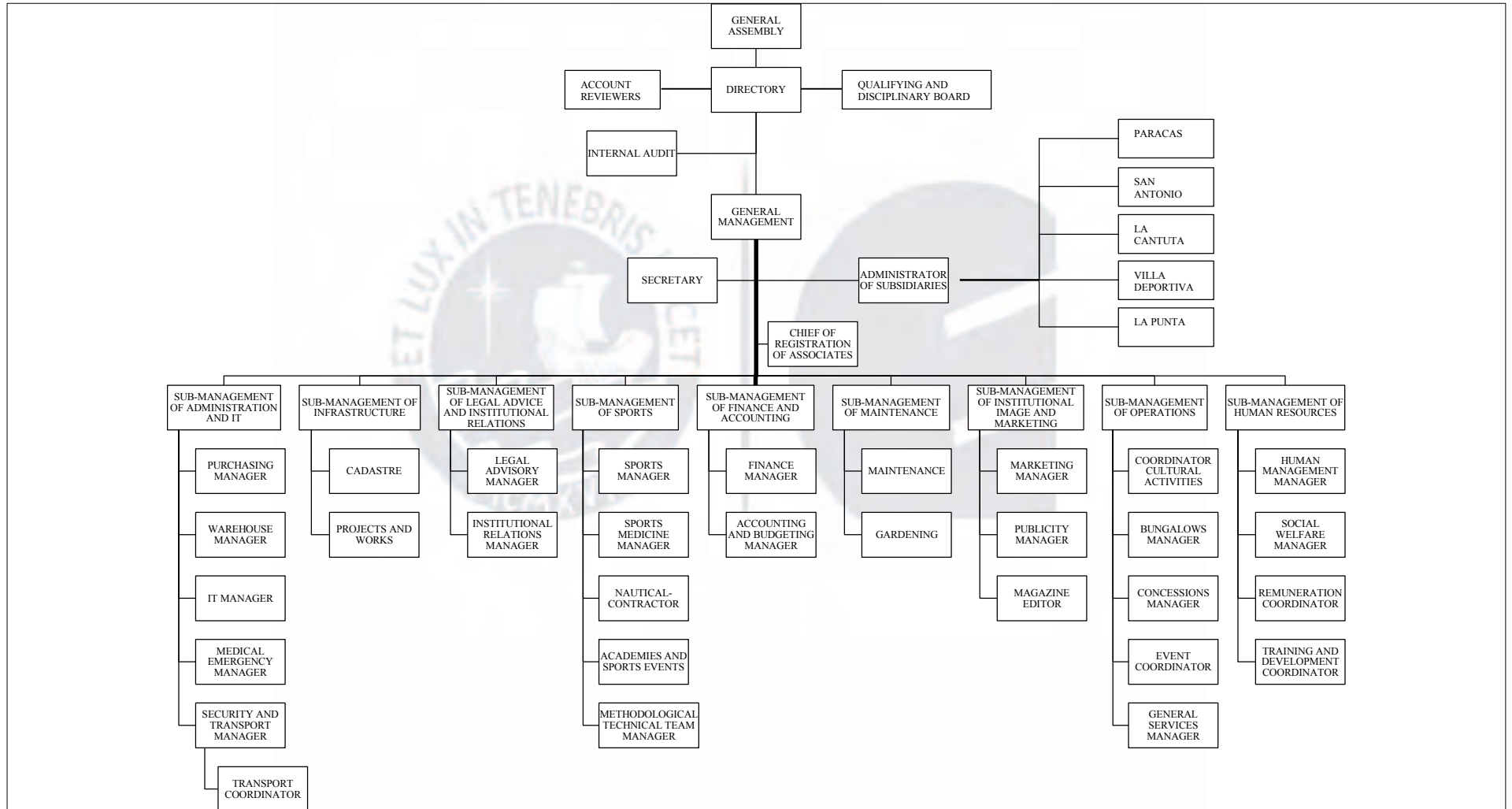


Figure B1. Organizational chart of Regatas Lima Club

Appendix C: Percentage of employees per subsidiary

**Percentage of employees per subsidiary
(2018)**

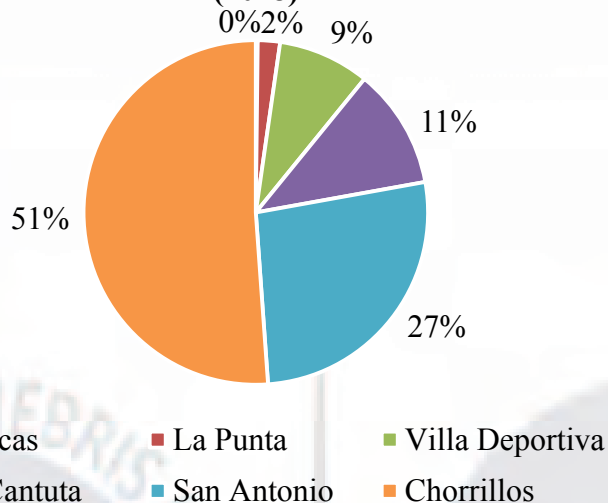


Figure C1. Percentage of employees per subsidiary

Appendix D: Procedure to receive an invoice

1. Business name CLUB DE REGATAS LIMA.
2. Number of RUC: 20136907400.
3. Address: av. Chachi Dibos 1201, Chorrillos.
4. Indicate date must be within a month until one more day.
5. THAT THE C.P. AND GUIDES be original.
6. Interbank account number for Detraction.
7. Attach 02 Purchase orders when you leave the invoice.
8. The invoice to process MUST bring the referral guide where the seal of conformity of the STORAGE DEPARTMENT appears.
9. In other cases the invoice also acts as a referral guide (INVOICE - GUIDE) and has the CORRESPONDING seal to the STORAGE DEPARTMENT.
10. When the invoice does not come with a referral guide and does not have the warehouse stamp, it is to process the payment against delivery or process advances.

11. Invoice with 50% advance of the amount of the purchase order, in the purchase order will be indicated.
12. The total amount in soles or dollars of the invoice must match the amount shown on the purchase order.
13. In some cases there will be partial deliveries, which means that the invoice will not have the total of the purchase order.
14. When it is a service or work, with a bill greater than s / 15,000, you must bring the contract and be V ° B ° for the project area.
15. Verify if it is GOOD or SERVICE.
16. The guide must match the invoice or vice versa by numbering.
17. The purchase order must match the invoice for the amount without IGV.
18. The concept of the purchase order must match the invoice. (storage department)
19. Do not sign in the invoice-guide
20. Printed bills should not have manual registration (that is if it was printed by computer you should not be added nothing to pick up and vice versa).
21. Required to issue electronic bills
22. That do not have amendments
23. When they are services the invoices need to have the Record of conformity
24. THAT amounts greater than 2 COM need to have the purchase order.
25. Request the internal user to place the reception stamp.
26. See that the C.P. Under 2 com has the seal with the B ° V ° of the head of the area and complies with established establishments.

Appendix E: Coupa Software description

The Coupa is a comprehensive technology software for Business Spend Management. Coupa regulates indirect purchases, invoices and expenses in real-time. It has many advantages when an organization uses it. Because it prepares executive dashboards, alarms, expense management and real-time benchmarking, everything in the same platform. This optimization tool primarily focuses on three areas including accounts payable, procurement, and expense management (Coupa, n.d.).

Coupa is considered as the best procurement platform, because it helps businesses improve the spend management, in consequence, the organization can make better purchasing decisions, and identify savings. The platform works well for all organizations, the size does not matter. Small and large global organizations are able to manage 100% of spending and maximize savings (Coupa, n.d.). The following is a list of benefits that implementing Coupa brings to the organization:

- **Easy User Experience.** The whole purchase requisition process is straightforward and easy to use. From the moment the user decides which good or service he/she requires to the approval phase.
- **Addressing Employee Needs.** Coupa provides the user an easy shopping experience, because it has a well-designed catalogue, where the user can search for the particular good or service he/she is looking for. What is more, it handles a wide variety of employee requests including policies, forms, and workflow.
- **Smarter Contracts.** Coupa operationalizes the contracts with suppliers in order to accomplish negotiated prices and terms. Automatically, the system tracks the amount being paid and the savings compared to the contracts. The system sends alarms when the contracts are about to expire (Coupa, n.d.).

Appendix F: Organizational structure of the Finance and Accounting department

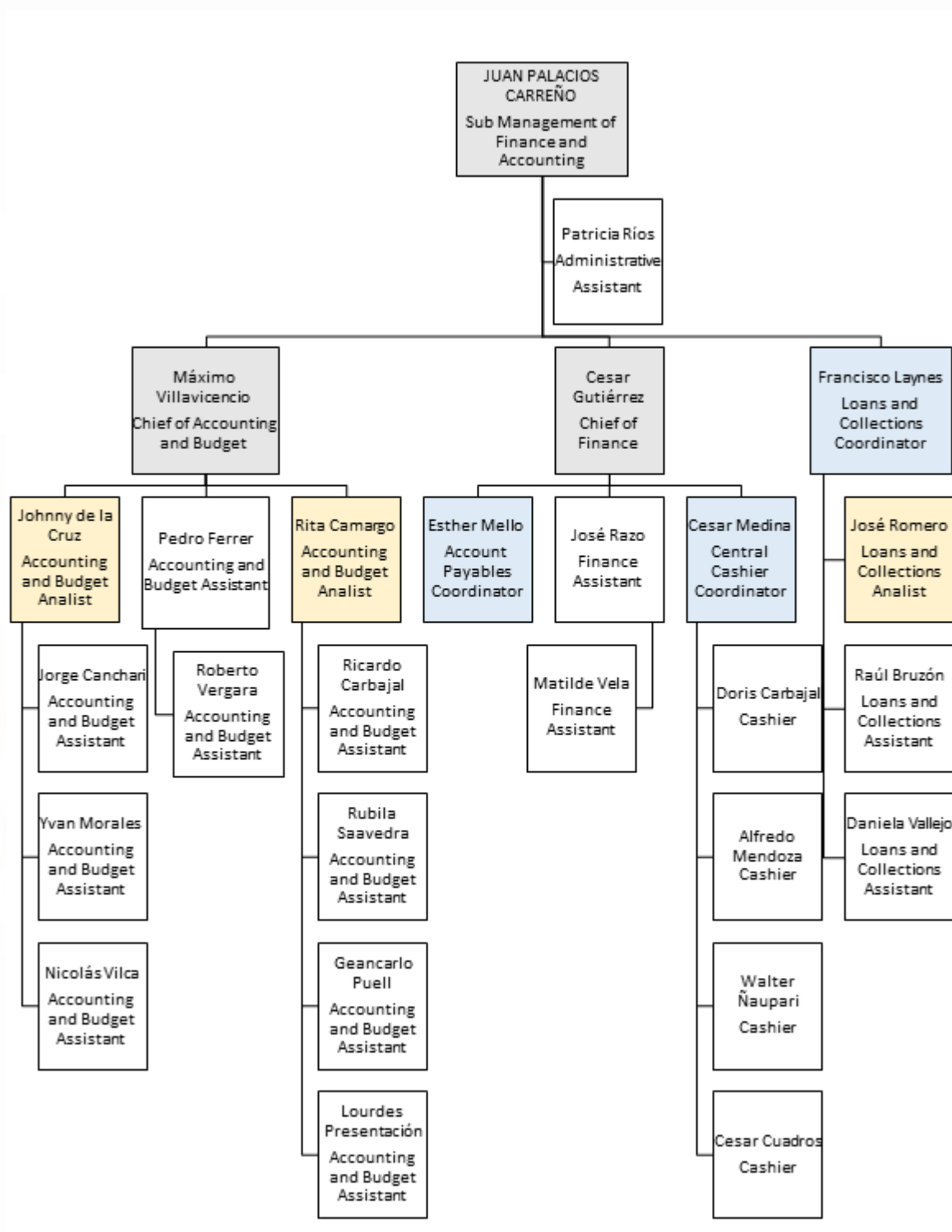


Figure F1. Organizational structure of the Finance and Accounting department

Appendix G: Invoices payment procedure

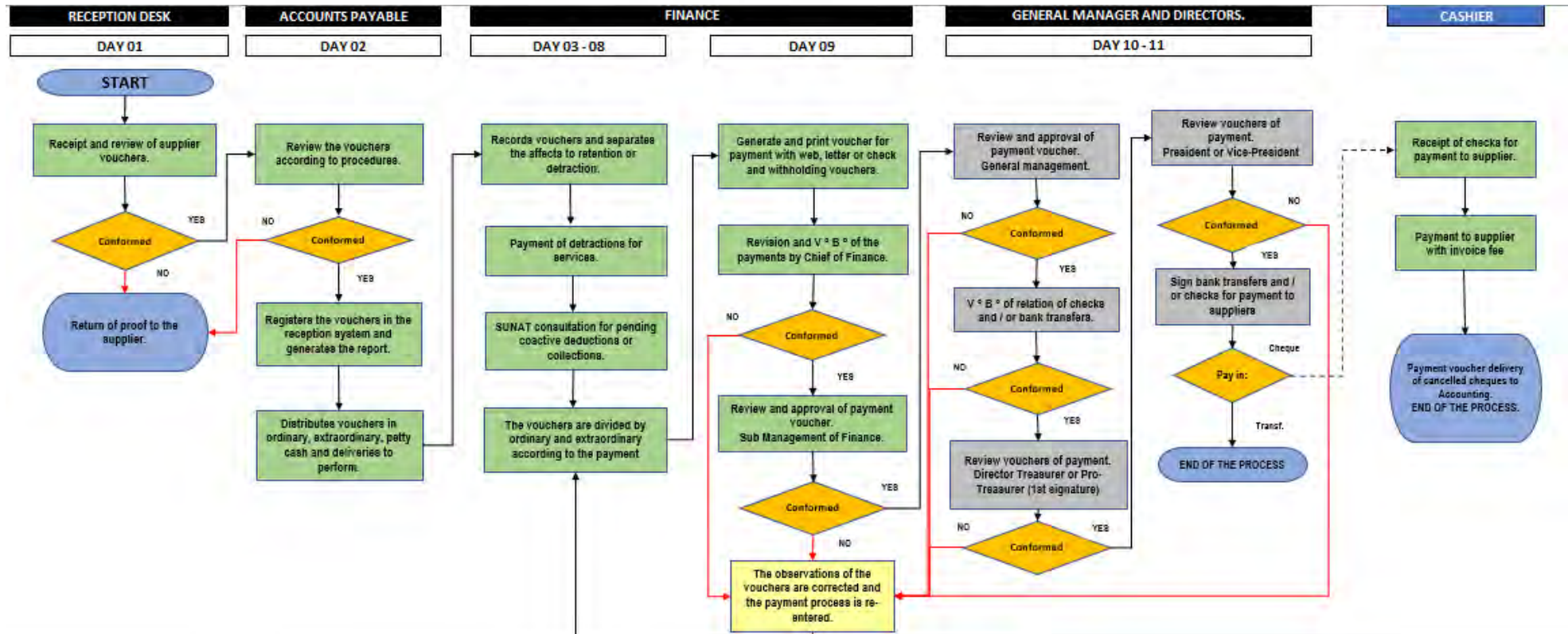


Figure G1. Invoices payment procedure