

CASE STUDY

The Action Response Applications Processing Unit (ARAPU)

Introduction

Action Response is a London-based charity dedicated to providing fast responses to critical situations throughout the world. It was founded by Susan N'tini, its Chief Executive, to provide relatively short-term aid for small projects until they could obtain funding from larger donors. The charity receives requests for cash aid, usually from an intermediary charity, and looks to process the request quickly, providing funds where and when they are needed. 'Give a man a fish and you feed him today, teach him to fish and you feed him for life. It's an old saying and it makes sense but - and this is where Action Response comes in - he might starve while he's training to catch fish.' (Susan N'tini)

Nevertheless, Susan does have some worries. She faces two issues in particular. First she is receiving complaints that funds are not getting through quickly enough. Second the costs of running the operation are starting to spiral. She explains. 'We are becoming a victim of our own success. We have striven to provide greater accessibility to our funds; people can access application forms via the internet, by post and by phone. But we are in danger of losing what we stand for. It is taking longer to get the money to where it is needed and our costs are going up. We are in danger of failing on one of our key objectives: to minimize the proportion of our turnover that is spent on administration. At the same time we always need to be aware of the risk of bad publicity through making the wrong decisions. If we don't check applications thoroughly, funds may go to the "wrong" place and if the newspapers get hold of the story we would run a real risk of losing the goodwill, and therefore the funds, from our many supporters.'

Susan held regular meetings with key stakeholders. One charity that handled a large number of applications for people in Nigeria told her of frequent complaints about the delays over the processing of the applications. A second charity representative complained that when he telephoned to find out the status of an application the ARAPU staff did not seem to know where it was or how long it might be before it was complete. Furthermore he felt that this lack of information was eroding his relationship with his own clients, some of whom were losing faith in him as a result. 'Trust is so important in the relationship', he explained.

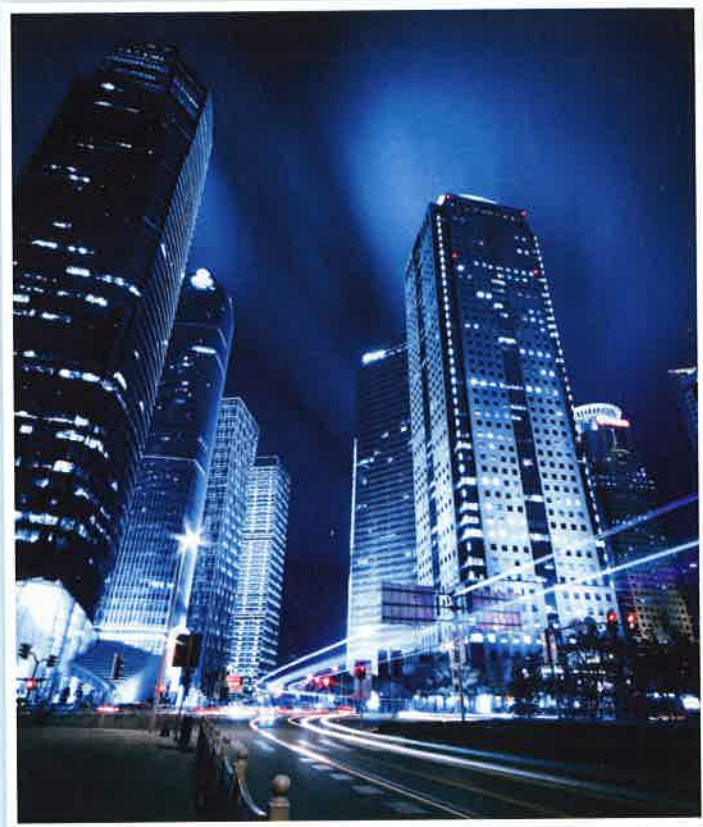
Some of Susan's colleagues, while broadly agreeing with her anxieties over the organization's responsiveness and efficiency, took a slightly different perspective. 'One of the

really good things about Action Response is that we are more flexible than most charities. If there a need and if they need support until one of the larger charities can step in, then we will always consider a request for aid. I would not like to see any move towards high process efficiency harming our ability to be open-minded and consider requests that might seem a little unusual at first.' (Jacqueline Horton, Applications Assessor)

Others saw the charity as performing an important counselling role. 'Remember that we have gained a lot of experience in this kind of short-term aid. We are often the first people that are in a position to advise on how to apply for larger and longer-term funding. If we developed this aspect of our work we would again be fulfilling a need that is not adequately supplied at the moment.' (Stephen Nyquist, Applications Assessor)

The ARAPU process

Potential aid recipients, or the intermediary charities representing them, apply for funds using a standard form. These forms can be downloaded from the internet or requested



Source: Shutterstock.com

via a special helpline. Sometimes the application will come directly from an individual community leader but more usually it will come via an intermediary charity that will help the applicant to complete the form. The application is sent to ARAPU, usually by fax or post (some were submitted online, but few communities have this facility).

ARAPU employs seven applications assessors with support staff who are responsible for data entry, coding, filing and 'completing' (staff who prepare payment, or explain why no aid can be given). In addition, a board of unpaid trustees meets every Thursday, to approve the assessors' decisions. The unit's IT system maintained records of all transactions, providing an update on the number of applications received, approved, declined, and payments allocated. These reports identified that the Unit received about 300 new applications per week and responded to about the same number (the Unit operates a 35-hour week). But whilst the Unit's financial targets were being met, the trend indicated that cost per application was increasing. The target for the turnaround of an application, from receipt of application to response, was 20 days, and although this was not measured formally, it was generally assumed that turnaround time was longer than this. Accuracy had never been an issue as all files were thoroughly assessed to ensure that all the relevant data was collected before the applications were processed. Productivity seemed high and there was always plenty of work waiting for processing at each section, with the exception that the 'completers' were sometimes waiting for work to come from the committee on a Thursday. Susan had conducted an inspection of all sections' in-trays that had revealed a rather shocking total of about 2,000 files waiting within the process, not counting those waiting for further information.

Processing applications

The processing of applications is a lengthy procedure requiring careful examination by applications assessors who are trained to make well-founded assessments in line with the charity's guidelines and values. Incoming applications are opened by one of the four 'receipt' clerks who check that all the necessary forms have been included in the application. The receipt clerks take about 10 minutes per application. These are then sent in batches to the coding staff, twice a day. The five coding clerks allocate a unique identifier to each application and key the information on the application into the system. The coding stage takes about 20 minutes for each application. Files are then sent to the senior applications assessors' secretary's desk. As assessors become available, the secretary provides the next job in the line to the assessor.

About one hundred of the cases seen by the assessors each week are put aside after only 10 minutes 'scanning'

because the information is ambiguous so further information is needed. The assessor returns these files to the secretaries, who write to the applicant (usually via the intermediary charity) requesting additional information, and return the file to the 'receipt' clerks who 'store' the file until the further information eventually arrives (usually between 1 and 8 weeks). When it does arrive, the file enters the process and progresses through the same stages again. Of the applications that require no further information, around half (150) are accepted and half (150) declined. On average, those applications that were not 'recycled' took around 60 minutes to assess.

All the applications, whether approved or declined, are stored prior to ratification. Every Thursday the Committee of Trustees meets to formally approve the applications assessors' decisions. The committee's role is to sample the decisions to ensure that the guidelines of the charity are upheld. In addition they will review any particularly unusual cases highlighted by the applications assessors. Once approved by the committee the files are then taken to the completion officers. There are three 'decline' officers whose main responsibility is to compile a suitable response to the applicant pointing out why the application failed and offering, if possible, helpful advice. An experienced 'decline' officer takes about 30 minutes to finalize the file and write a suitable letter. Successful files are passed to the four 'payment' officers where again the file is completed, letters (mainly standard letters) are created and payment instructions are given to the bank. This usually takes around 50 minutes, including dealing with any queries from the bank about payment details. Finally the paperwork itself is sent, with the rest of the file, to two 'dispatch' clerks who complete the documents and mail them to the applicant. The dispatch activity takes, on average, 10 minutes for each application.

The feeling amongst the staff was generally good. When Susan consulted the team they said their work was clear and routine, but their life was made difficult by charities that rang in expecting them to be able to tell them the status of an application they had submitted. It could take them hours, sometimes days, to find any individual file. Indeed two of the 'receipt' clerks now were working almost full time on this activity. They also said that charities frequently complained that decision making seemed slow.

QUESTIONS

- 1 What objectives should the ARAPU process be trying to achieve?
- 2 What is the main problem with the current ARAPU process?
- 3 How could the ARAPU process be improved?