IDS SCHEER
Business Process Excellence

Process Excellence in Action:

Banking on BPM

Financial Services Company Turns to IDS Scheer to Optimize its Business Processes

"We are creating an environment where BPM will become the dominating paradigm of company management."

Senior Vice President
Quality Deployment Executive

Organization
One of the world's largest financial institutions

Industry
Banking

Challenge
Create a culture around process innovation and model processes to integrate with Six Sigma initiatives.

The Solution
Establish Process Governance Board, a Center of Excellence (COE), Enterprise Process Clarification Framework, and a technology Solution and Central Library.

Solutions Deployed
- ARIS Platform
- ARIS Business Designer

Benefits
The client now has an Enterprise Process Clarification Framework, BP modeling standards and a central repository to store existing and new process maps/models.

As one of the world's largest financial institutions, IDS Scheer's client serves individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company provides unmatched convenience in the United States, serving more than 38 million consumer and small business relationships with more than 5,800 retail banking offices, more than 16,700 ATMs and award-winning online banking with more than 14 million active users. The client is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 SBA lender to minority-owned small businesses. The company serves clients in 150 countries and has relationships with 97 percent of the U.S. Fortune 500 companies and 79 percent of the Global Fortune 500. The Corporation's stock is listed on the New York Stock Exchange.

The Business Challenge

In 2001, our client realized the need for a process management strategy and began the journey by initiating Six Sigma. Since 2001, the company has experienced significant growth, both organically and through major acquisitions. With that growth, the challenge of managing an array of inherent and inherited processes to streamline operations can be quite daunting. Their Six Sigma adoption was a successful effort, but the company knew that a focused process management strategy was inevitable, especially with the competitive nature of today's banking marketplace. Over the years, the company's process management initiatives have led to the use of nearly 4,000 application systems, 27 Business Process Management (BPM) vendors with numerous process modeling tools, multiple storage methods and locations, and the navigation of many users groups and needs (business unit performance, risk management, audit, business continuity, technology application and infrastructure). Needless to say, the client had a distinct need to establish business process discipline through standardization.

The company's existing environment was characterized by the following challenges:

- No standards for describing processes and associated data required for effective analysis
- No central location for process map/model storage
- Ability to locate an "as is" process was difficult and time consuming
- Duplication of effort across the enterprise resulted in multiple versions of the same or similar processes

The company realized the need to reevaluate its approach to process modeling. Process modeling helps organizations develop and document stable, repeatable processes, thereby enhancing the overall quality of their products and services. The Software Engineering Institute estimates that defining, managing and optimizing processes in an organization can reduce defects in deployed applications by more than 50 percent and reduce project cycle time by more than 30 percent. Establishing a business process discipline began with a value maturity assessment for critical processes that could lead to value chain models and high level business process models, would offer ongoing training process modelers and BPI innovators, and would ultimately embed process modeling within the business planning process and project methodology.

As first steps to implement BPM, the client did the following:

- Took an inventory of current efforts around the different BPM layers
- Reviewed the various uses and how they are implemented
- Obtained the necessary level of executive sponsorship
- Made concentrated effort to communicate BPM value proposition
- Assembled a cross-functional team of associates
- Consulted with experts in the field of BPM
- Performed benchmarking and knowledge sharing to understand best practices
- Realized that the implementation of BPM will continue to be a journey

The Business Solution

To begin, the company established a Process Governance Board charged with the creation of a governance policy and procedures document. Secondly, the client created a Center of Excellence (COE) staffed by a manager, librarian and configuration technician to manage ongoing maintenance of standards. The COE was responsible for developing a Process Modeling Handbook (User Guide) and refining training materials. Next, the company created an Enterprise Process Classification Framework that was spearheaded by a governance team to facilitate adoption, implementation and ongoing governance.

The client then created a Technology Solution and Central Library that was charged with the following:

- Upgrade existing server capacity.
- Integrate with simplified Sign On.
- Automate interfaces with other data systems (i.e., AIT, Personnel).
- Refine database structure and filters.
- Enhance Web Publishing.
- Set up Design, Review, Release and Archive database environments.

Finally, and arguably most importantly, the company created process modeling standards, including finalization of model templates, objects and data fields (attributes), as well as standards like naming conventions, use cases, etc. for the Handbook.

The client set the following goals for its Generation 1 BPM implementation:

1. A single process classification framework that allows for all processes to be linked at the enterprise level
2. Standards for process mapping design and the types of data (e.g., cost, cycle time, risk, applications) that could be associated with those process maps/models
3. A central library to store existing and new (those that meet the standards) process maps/models, control plans for each process and the related process data elements

The company selected IDS Scheer's ARIS Platform to model its processes using ARIS Business Designer, which will consist of:

- Enterprise Process Classification Framework that allows all processes to be linked at the enterprise level
- Standards for process mapping design and the types of data (i.e., cost, cycle time, risk, applications) that will be associated with those process maps/models
- Central repository to store existing and new (those that meet the standards) process maps/models, control plans for each process and the related process data elements

The central process repository consists of four libraries (or databases):

- Process Library Design – Modelers work in this database with all models designed and updated in this library.
- Process Library Review – All models that are ready for revision by the process librarian and process owners are moved to this library. The modeler runs a script to verify that the model meets the established standards. If there are no errors, the model is automatically moved to the Review library. The librarian and/or process owner may approve or reject the model.
- Process Library Release – Models approved by the librarian and process owners are moved to the Release library. Changes can not be made to models stored in this library.
- Process Library Archive – When a model is released, a copy is stored in the Archive library with the release date and time added to the model name. Multiple versions of a model can exist in this library.

The Results

The client has completed the following:

2005 Results:

- First draft of enterprise process classification framework was completed and published with Activity Based Costing data and 90 percent of 2004 and 2005 Process Excellence work aligned.
- Standards were established for model templates, objects and attributes.
- Hardware for the production environment was installed and configured and Release Cycle Management scripts were developed and initial testing was completed.

2006 Results:

- The enterprise process classification framework socialized with the business units and man aged through a governance structure to review and approve all proposed changes
- Interfaces with systems of record will be developed and implemented to load and update standard enterprise objects for applications, job roles, products and services, risks/regulations, and data

The Future

Next steps for the company include further integration of BPM and Six Sigma, as well as:

- Having a central repository of process designs, as well as a consistent language, diminishes the need for ad-hoc tools
- Using BPM to assist in data collection
- Combining business modeling and statistical analysis to improve business processes
- Optimizing BPM to prevent reversion
- Using BPM to help Six Sigma benefits become integrated with the enterprise processes and architecture
- Using the combination of BPM and Six Sigma to create the most complete and robust approach to business performance at the enterprise level

About IDS Scheer

IDS Scheer is the market leader in Business Process Management (BPM) software and services for corporations and public organizations worldwide. With its unrivaled ARIS Platform for Process Excellence, the company offers an integrated, comprehensive solution portfolio for the strategy, design, implementation and controlling of business processes. Utilizing the ARIS Value Engineering (AVE) approach, IDS Scheer consultants bridge the gap between corporate strategy, business processes, IT solutions and process controlling. Approximately 2,800 employees, in over 70 countries, serve the company's 6,000 customers. In 2006, IDS Scheer's revenues reached 354 million Euro / $465 million USD. Established in 1984 by Prof. August-Wilhelm Scheer, IDS Scheer is listed in the TecDAX on the Frankfurt Stock Exchange (Germany).

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