MEASURE FIRST, MAKE SOUND DECISIONS NEXT

iGrafx helps leading multinational bank transform business processes

The Challenge

The journey started about a decade ago when a multinational financial services company with $1.2 trillion in assets under management, and operations in more than 50 countries worldwide decided to launch a business process management (BPM) initiative. The goal was ambitious: transform how the company conducted business and interacted with customers. The project began in the company's Private Banking division.

However, it soon became apparent that this approach would not meet primary business objectives. Although a significant effort was put into creating approximately 120,000 business process flow charts and publishing them for general employee access, the majority of these processes were out of date by the time they were mapped and the system had no way to correlate data or make visual comparisons. To make matters worse, the mapping was done by external consultants who had no hands-on experience with the business.

"It was a valuable learning experience," says the head of the company's BPM Capabilities, a group assembled to support BPM efforts company-wide group. "There was no clear focus on why we needed certain core functionalities, or what the end goal was. This lack of focus was one of the major reasons why this BPM project failed. Another reason for failure was that the BPM project did not have C-level support."

While this experience somewhat tarnished BPM's reputation within the company, a new BPM initiative was started, this time with the backing of the company's COO. Dubbed "Operation Excellence," this initiative took a very different approach: first understand the performance of the business, and then decide on the required actions.

There were serious technology issues to surmount. Because of rapid growth through acquisitions, the company's enterprise systems had multiple technology and business silos each using different data stores and formats. This made it difficult to get reliable information about operations. Without reliable data, meaningful key performance indicators (KPIs) are hard to come by. Before a company can achieve its efficiency goals, it has to have solid metrics to make valid comparisons.

The BPM Process

"We used to think that the BPM lifecycle started by mapping out a process, automating it, and then monitoring it," says the head of BPM Capabilities. "Now, even before we map out a process, we think about it from a business perspective focused on what we are trying to do. What are our goals and objectives? Where are our KPIs? What are they and how can they be defined?"

"The company does not mandate specific BPM tools," explains the head of BPM Capabilities. "Instead, each division or department must decide which tools best address its own needs. By word of mouth, one solution – iGrafx – has begun to stand out from the crowd. A major benefit of this solution is ease of use: we can hand the tool over to the subject matter experts and have them map their processes; and for the creation of dashboards and scorecards, we can rapidly create them without IT involvement."

Operation Excellence is moving toward wider adoption. For example, the Private Banking division now has its own iGrafx Center of Excellence. The iGrafx solution is spreading to other areas as well, such as Investment Banking, and in corporate areas such as HR.

"With the iGrafx solution, I can get answers," says the head of the BPM Capabilities group. "The dashboard is not just a pretty picture. It helps define measurements, risks, and resource allocation. At a high level, it gives us valuable comparisons, so we can effectively analyze what we are doing enterprise-wide. We can leverage easy-to-use dashboards, scorecards, and KPIs to make informed decisions. What we're doing right now with the iGrafx solution, we wouldn't be able to do with any other tool on the market."

Typically, it takes four to six weeks to get a completed pilot. Steps include: defining key performance indicators, designing a dashboard, pulling data from systems, mapping out processes, and simulating process optimization options. At the same time, the BPM Capabilities group is coaching and training the people from the business group so that they can take on more and more responsibility going forward.

"Each business group must take ownership of its BPM project," says the head of BPM Capabilities. "We are there to help them, not

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tell them to follow some preconceived plan."

The Operational Excellence initiative uses Six Sigma principles to improve the quality of business processes by removing defects that do not support best practices. "We have Six Sigma Black Belt and Green Belt personnel who are experts in Six Sigma methods and also know how to use BPM tools to make Operational Excellence happen," says the head of the BPM Capabilities group. "They understand business issues and know how to innovate with the best technology tools available. Consequently, when they return to their own business groups, they are much better prepared to support Six Sigma principles and continuous improvement."

Currently there are over 750 active business users mapping processes, 70 users creating dashboards, and about 1000 users that are consulting them on a regular basis. "Most of the 800 or so people who were involved with the Operational Excellence initiative have by now moved back into the business," says the head of the BPM Capabilities group. "They are doing Operational Excellence from within rather than externally with consultants. And they are responsible for their own success."

Results Achieved

Containing travel expenses was just one of the near-term goals of Operation Excellence. "To see how much the company was spending on flights, we established KPIs and pulled data from all sorts of technologically disparate back-end systems," says the head of BPM Capabilities. "It was apparent that too many people were booking flights too close to the flying time. Green Belt projects told us that we needed to manage travel more carefully. We are improving the way we do business based on facts."

The BPM Capabilities group also helped the company improve supporting HR processes. "The company had decided to outsource some of its HR functions to Service Delivery centers off-shore," says

the head of BPM Capabilities. "We started by defining the different KPIs related to the service level agreements the offshore vendor adheres to. We asked a lot of questions. How quickly are calls answered by outsourced HR services? What is the rate at which issues are resolved on the first call? How many cases are there and how efficiently are they being handled?"

Together with HR, the BPM Capabilities group defined the KPIs and helped propose a solution. "We implemented an iGrafx dashboard solution that allows the HR manager to monitor and analyze how the offshore Service Delivery centers were performing," says the head of BPM Capabilities. "As it turned out, those centers were performing poorly, so the company decided to go back to exclusive in-sourcing, a solution they had never previously considered as cost-effective."

"We proved to ourselves that you can only improve business processes by measuring first, then basing intelligent decisions on those measurements," says the head of BPM Capabilities. "This is why the iGrafx solution is so important to us. If we didn't have the system, how would we be able to prove that we are making genuine improvements? You cannot improve what you cannot see."

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