

Business Process Management: Don't Be Afraid to Start Small

Today, many financial institutions are struggling to manage it all—staying up-to-date on compliance issues while growing their businesses, increasing product and service offerings and evolving their customer service to fit the ever-changing market. On top of all this, financial institutions are finding it tough to make the sound business decisions that drive their businesses when timely and accurate data is not available at their fingertips.

Manual processes and traditional servicing platforms and technologies are simply not designed to accommodate and/or implement many of the required workflows and reports that would feed such business decisions. Disparate systems and procedures can make even relatively simple inquiries time-consuming and complex. In addition, some financial institutions must rely on manual processes to gather critical reporting data, which translates into business decisions being made using outdated information that no longer reflects an accurate business picture.

More importantly, volatility within a financial institution can significantly impact the people that matter most—customers. Dealing with slow or inconsistent customer service across sales channels or from branch to branch can drive customers away (and toward competitors).

All of these pressures are forcing financial institutions to reevaluate their business processes to pinpoint the areas of opportunity that will keep them operating competitively in a continuously evolving environment. As a result, more financial institutions are looking to implement a business process management strategy that will effectively align systems and processes with their core business objectives.

The Benefits of Business Process Management

The reality is that since the economic downturn many financial institutions have been so focused on survival, much less sustaining growth, that enforcing procedural requirements has fallen to the wayside. Operating within this “reactive” environment has left many financial institutions with complicated internal systems and highly complex and undocumented business processes that are often very difficult to automate.

This is where business process management (BPM) comes into play. Gartner* defines BPM as “a management discipline that treats processes as assets that directly contribute to enterprise performance by driving operational excellence and business process agility. BPM employs methods, policies, metrics, management practices and software tools to

continuously optimize the organization's processes to improve business performance against goals and objectives."

Simply put, BPM offers a holistic view of a financial institution's operations and provides insight into areas where the organization might cut costs, optimize workflows and enhance customer service. As part of the BPM process, selected workflows are automated to not only reduce the amount of time needed to complete the business process, but to eliminate any errors and inefficiencies along the way. More importantly, as financial institutions brace themselves for the onslaught of new regulations expected within the next couple years, implementing a BPM program can help improve organizational agility and responsiveness to ongoing change.

Start Small—And Grow From There

While there has been a significant increase in the number of financial institutions investing in BPM solutions over the past few years, some organizations are hesitant to consider BPM because they view it as an "all or nothing" proposition. However, that's simply not the case.

In fact, most BPM solution providers encourage financial institutions to start small. Rather than implementing a major end-to-end process that is extremely complex and overwhelming, it is better to focus on one key workflow solution that will not only benefit from improvement, but when completed, the visible success of the BPM implementation will encourage organizational buy-in.

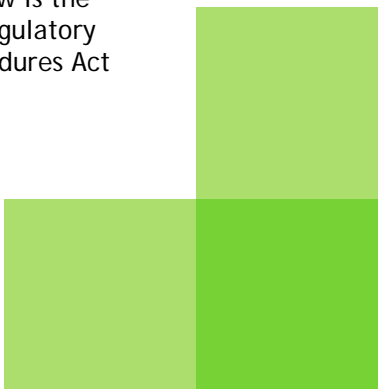
For a successful BPM implementation, perception can be everything. By viewing each step as a series of small changes that are leading the organization toward the larger goal of full implementation, it can make the entire BPM process seem less overwhelming and more manageable. This way, if any issues do arise, the financial institution can position the failure of one phase as a small setback instead of it threatening the success of the entire plan.

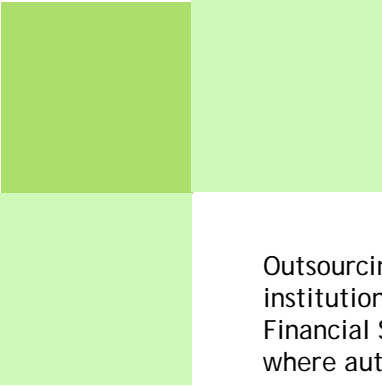
Best Practices for Implementing a BPM Strategy

Before getting started, it's important for financial institutions to take a close look at their existing business operations. Start by asking questions that will help identify what the organization's needs might be.

- What are your specific business processes?
- Who is responsible or has ownership of those processes?
- Are there any gaps or inefficiencies in those processes?
- How do these processes help the financial institution achieve its business goals?

If a financial institution hasn't yet taken the time to understand its processes, now is the time to start. With the Consumer Financial Protection Bureau's (CFPB) ongoing regulatory oversight as well as the Truth-in-Lending (TILA) and Real Estate Settlement Procedures Act (RESPA) revised requirements being released in 2014, streamlining operations and establishing organizational transparency has never been more critical.





Outsourcing partners, such as Wolters Kluwer Financial Services, can help financial institutions identify the areas with the most potential for improvement. Wolters Kluwer Financial Services will assess a financial institution's business processes to target areas where automation might help save time, reduce errors or streamline information.

Is BPM Right for You?

In today's ever-changing banking industry, financial institutions must be able to do more with less effort. BPM can help financial institutions achieve that by providing visibility into all aspects of their businesses to not only help them make better decisions, but actually change the way organizations operate. But, as with any implementation process, while it is common to have "big" expectations, it is important to start small to achieve maximum success with your BPM implementation.

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