### **Process Excellence**

# Elevating Six Sigma from the Project to the Process



### **Presentation Objectives**

- What is process excellence?
- How process excellence is evolving at Bank of America
- How deploying process excellence in the business can drive business benefit
- Key lessons learned and pitfalls to avoid in deployment of process excellence



### What is process excellence?

- Process Excellence is a means of incorporating the tools of Six Sigma into regular management routines.
- Key benefits include:
  - Improving proactive identification of opportunities for process improvement
  - generating data for prioritization
  - establishing clear process ownership
  - improving the ability to accurately measure process performance

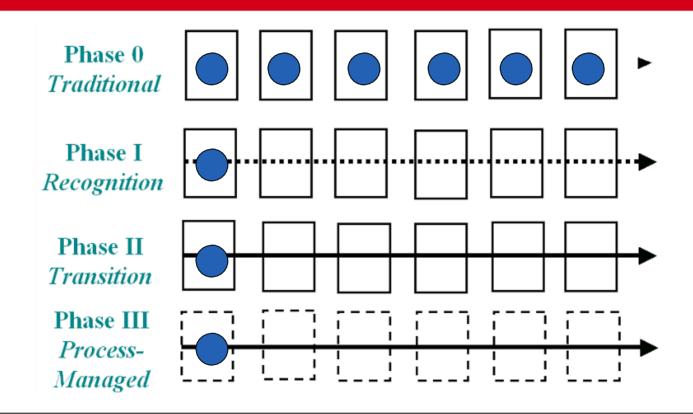


## Bank of America's Six Sigma Journey

Gen 0 – Launch of six sigma program	Gen 1 – Expansion	Gen 2 – Operationalize	Gen 3 and beyond – Sustainment/Continuous improvement
Project focused Training/Certification focused Built critical mass around skill set Staffing up to support business Golden Threads	Process Excellence launched – more process focused, inconsistent selection of processes Initial Certification of processes Deeper penetration of training Expansion of skill sets (DFSS, Lean, BB, MBB) Delivery of completed projects Core Process Engineers	Continue to build process excellence infrastructure across the bank Build foundation for business process management – true end to end process management Prioritize processes and resources with highest impact for investment of Q&P resources	Leverage business process management to continuously align projects to strategic objectives  Continue to reprioritize application of resources  Continuous enhancement of skill sets based on business need
	Projects	Process Excellence	Business Process Management

### Mapping the Journey

'Project/LOB focused to Process focused'



How do we move from Phase 0 to Phase III?

- 1. Picking the right processes
- 2. Process Excellence
- 3. Business Process Management



# Mapping The Journey 1. Picking the right processes

 Many companies have found that even dramatic levels of process improvement often don't translate into better business performance.

#### The Process Paradox

The startling fact that businesses can decline and even fail at the same time process reform is dramatically improving efficiency by saving the company time and money and improving product quality.

In other words, they clearly *get some processes right, but that is clearly different from getting the right processes right.* 

The Process Edge by Peter G.W. Keen



## Mapping The Journey

### 1. Picking the right processes

Stay out of the process swamp!



-We have thousands of processes, the immensity immensity of these processes could be called the process swamp—an assortment of processes, some closely connected to others, others only slightly related or not at all. Which ones are important and have the greatest impact? How do changes in one affect the others? How do we understand the relative importance of them? Sometimes we feel we are drowning in a **multitude Higher Standards** processes.

# Mapping The Journey 2. Goal of Process Excellence

 Tool to create a Process-Focused, Data-Driven Enterprise

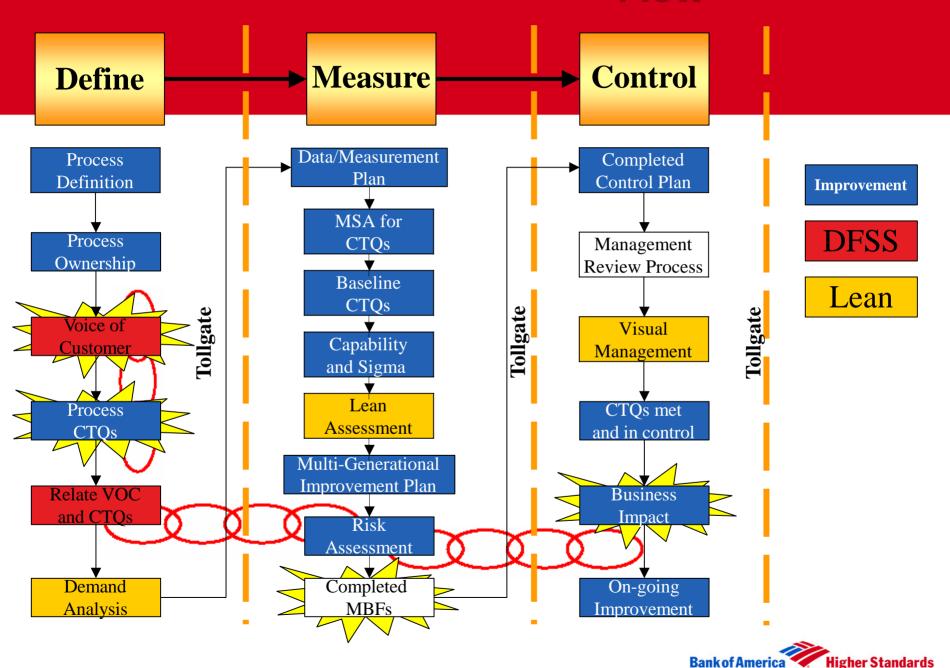
Define-Measure-Control approach

What happened to the A and the I?

## **DMAIC**



#### **Process Excellence Flow**



## Mapping the Journey Overview of Process Excellence Certification

- Increasing Process Maturity
  - Since Process Excellence certification only demonstrates that a process management infrastructure is in place, need a way to differentiate and encourage increasing maturity level of processes

 Bronze, Silver and Gold certification levels have been established based upon process maturity

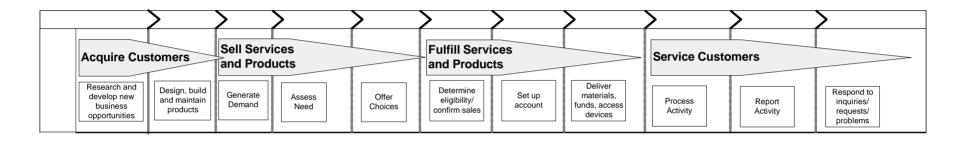




Geld 3

Sieve2

## **Example End to End Product View**



# Mapping the Journey 3. Business Process Management

#### What is it?

- Business Process Management is a <u>framework</u> that assures the <u>disciplined</u> design and careful execution of <u>end to end</u> business process culminating in the <u>alignment</u> of its vision, mission, strategies and objectives to satisfy customer requirements and enhance ct Process Orientation profitably.

# Mapping the Journey 3. Business Process Management

For us 1<sup>st</sup> Generation Is:
 Level 3 Process Management
 Process Model Standardization
 Standard Process Naming Convention



# Mapping the Journey 3. Business Process Management

Level 3 processes must be defined and governed under the Process Excellence requirements. Level Acquire Service Sales **Fulfillment** Generate **Process Activity** Respond to inquiry. Confirm Sales/ Quality Demand (1 Assess need Report Activity Account Set Up Research and Develop Offer Choices Respond to Requests. **Delivery Problems** Design, Build and Maintain Channel Tax Service Setup **Process Withdrawal** Open a New **Call Center Maint** Demand **Client Management** Account Customer Acct **Banking Center** Generation **Process Deposit On Us Process night Drop** CSR Process U/W Process Merchant **Deposit** Authorization **Application** Process Deposit In E-channel Commercial Discussions Leading **Process Balance Inquiry Transit** Level to a Sale **Process Merchant** Mail Settlement Process U/W Cash an Item On Us **Process Stop Payment Premier Discussions Not Application Retail** Leading to a Sale **Trade Execution Small Business General Account** Process U/W **Process Payment** Maintenance **Declines Application Trust Real Estate** Received Middle Market Mortgage Asset Setup Vault Process Cash Advance **Pay-off Close Account** ...



# Mapping the Journey 3. Process Model Standardization

Reproducible: All areas across the enterprise are using the same policies, standards, procedures, tools, and training. A governance team will be in place to ensure conformity and manage change.

- A Common Process Architecture will be defined Levels 1 through 3
- All Process Models will be stored in a repository with revision control
- The Business Units will have accountability for maintaining/inputting current information for process models in the process map warehouse
- Process Maps will be indexed with a standard naming convention in agreement with the financial system

Move from drawing the business to engineering the business



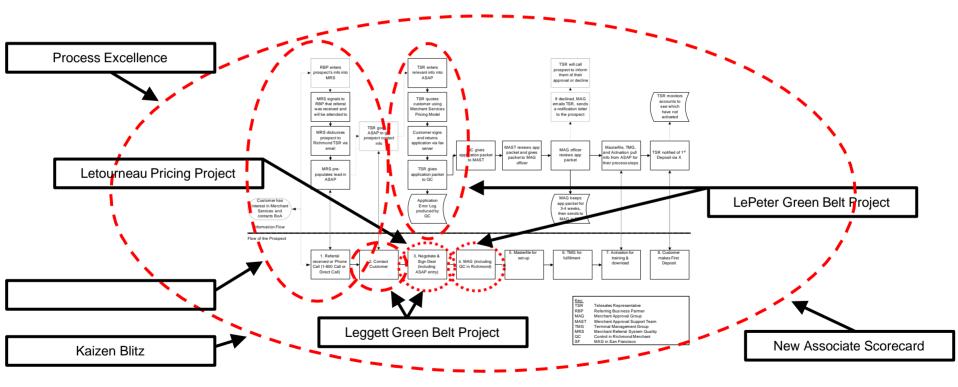
### **Business Results**

- Customer Service and Support
  - Resource Management: Recruiting Process
    - Contractual relationships more closely aligned to CTQs
    - Align cycle times with the needs of the business
    - Standardize and control the process across the enterprise
- Merchant Services
  - Sales process
    - Application errors
    - Associate performance scorecard
    - Pricing process



### **Business Results**

Process Excellence helped Richmond Sales identify gaps and to ensure the appropriate countermeasures are in place to improve business performance.





### **Business Results**

- Examples from TS&F
  - Improvements in the Problem Management process including:
    - service call reduction,
    - security issues,
    - supplier management,
    - escalation,
    - problem resolution,
    - reduction of Severity 1 incidents.
  - Improvements in the Maintain and Support Software process including reduction of failed customer interaction and service resolution time.



### Lessons

### Learne

- Process Improvement opportunities identified
- Greater process understanding
- Process controls
- VOC
- Measurement systems

