

# Process Excellence

## *Elevating Six Sigma from the Project to the Process*



October 27, 2004

# Presentation Objectives

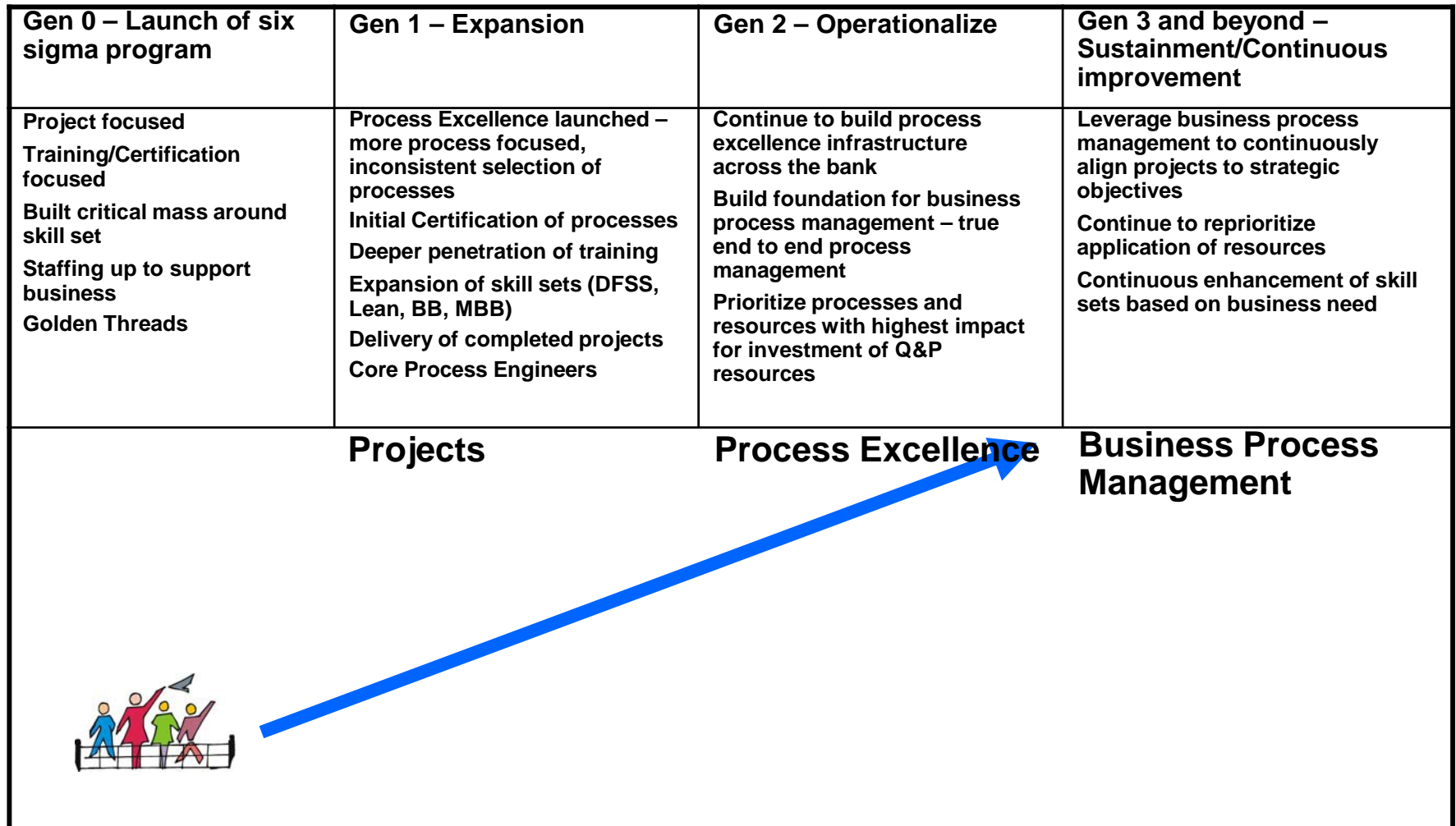
- What is process excellence?
- How process excellence is evolving at Bank of America
- How deploying process excellence in the business can drive business benefit
- Key lessons learned and pitfalls to avoid in deployment of process excellence

# 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

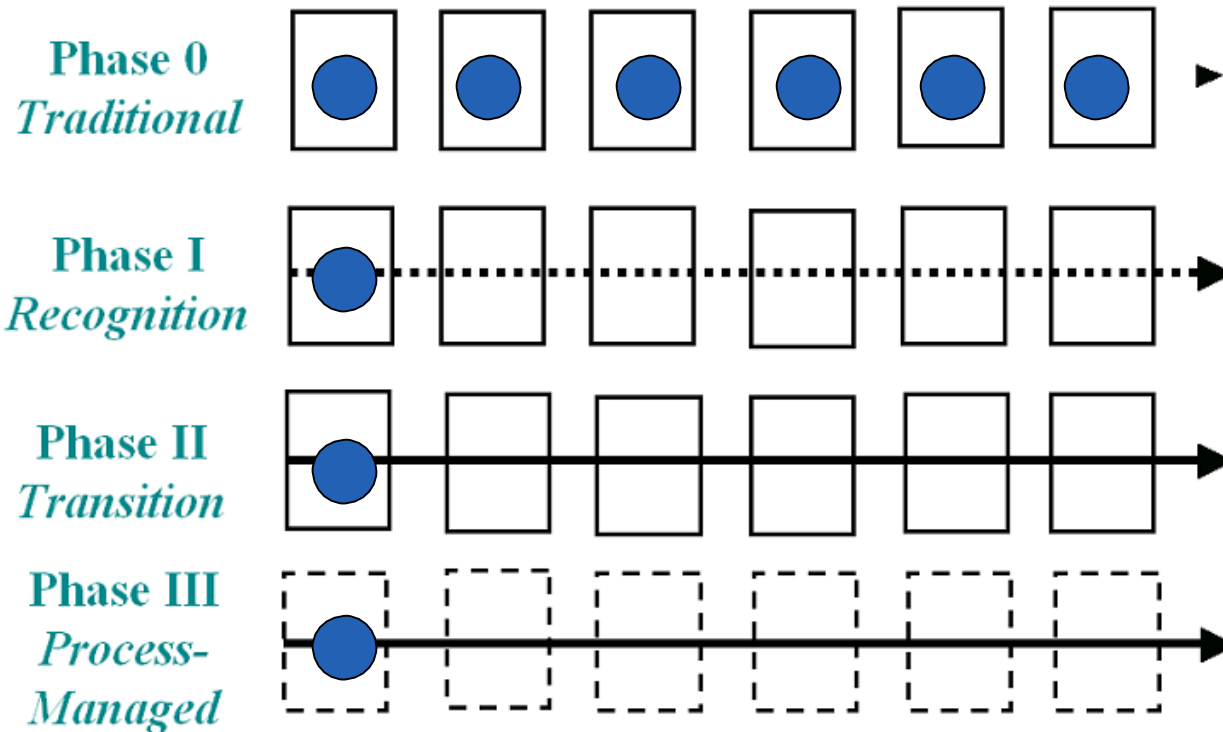


# Bank of America's Six Sigma Journey



# 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.

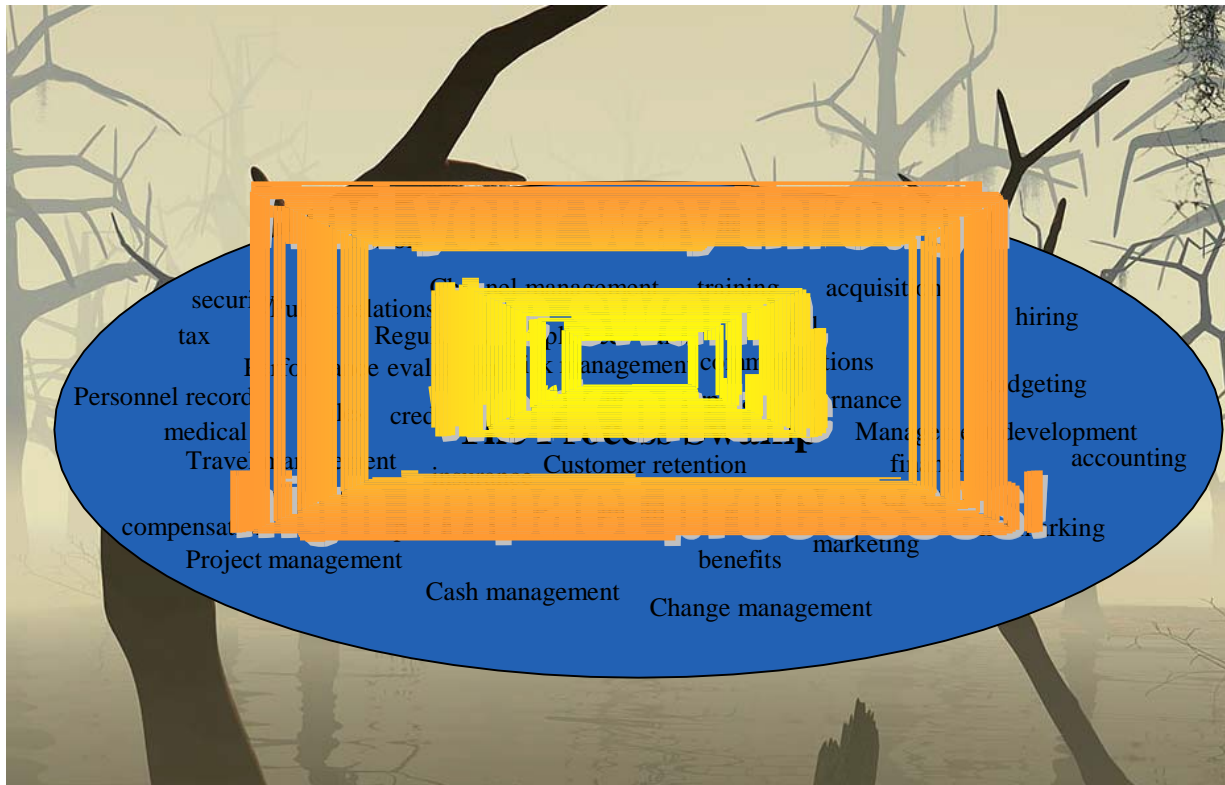
In other words, they clearly *get some processes right, but that is clearly different from getting the right processes right.*

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

# Mapping The Journey

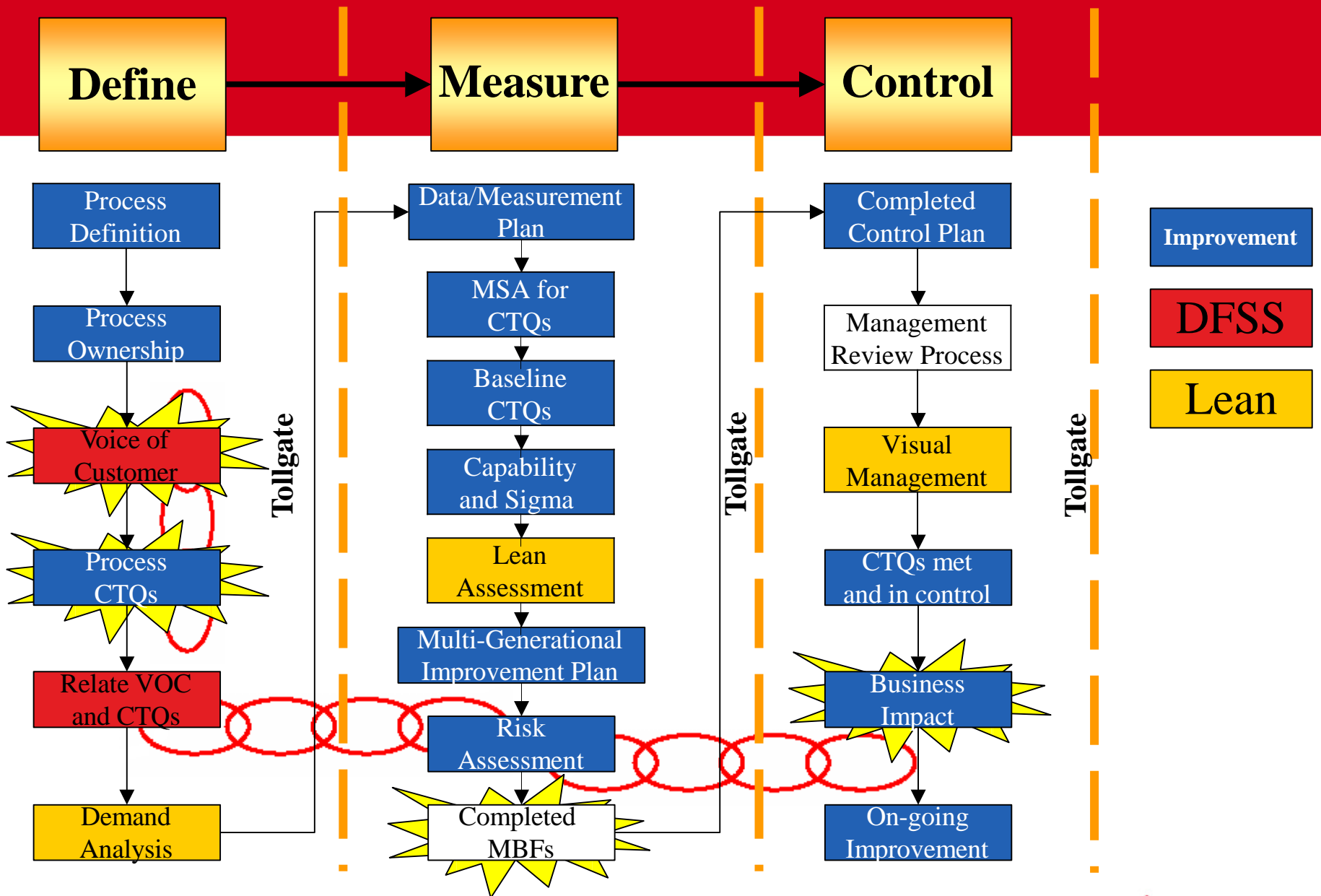
## 2. Goal of Process Excellence

- **Tool to create a Process-Focused, Data-Driven Enterprise**
- **Define-Measure-Control approach**
- **What happened to the A and the I?**

**D M A I C**



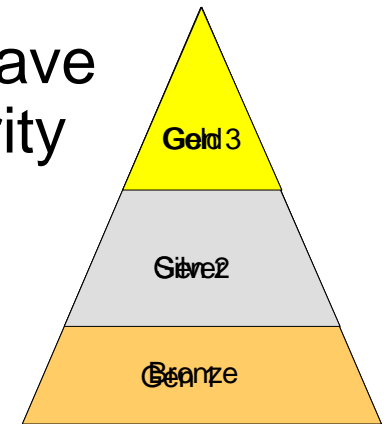
# Process Excellence Flow



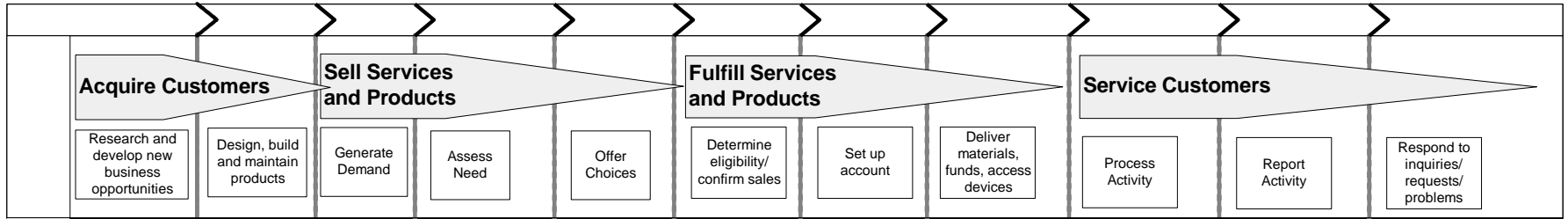
# Mapping the Journey

## 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



# Example End to End Product View



# Mapping the Journey

## 3. Business Process Management

- What is it?
  - Business Process Management is a framework that assures the disciplined design and careful execution of end to end business process culminating in the alignment of its vision, mission, strategies and objectives to satisfy customer requirements and enhance customer profitably.



# Mapping the Journey

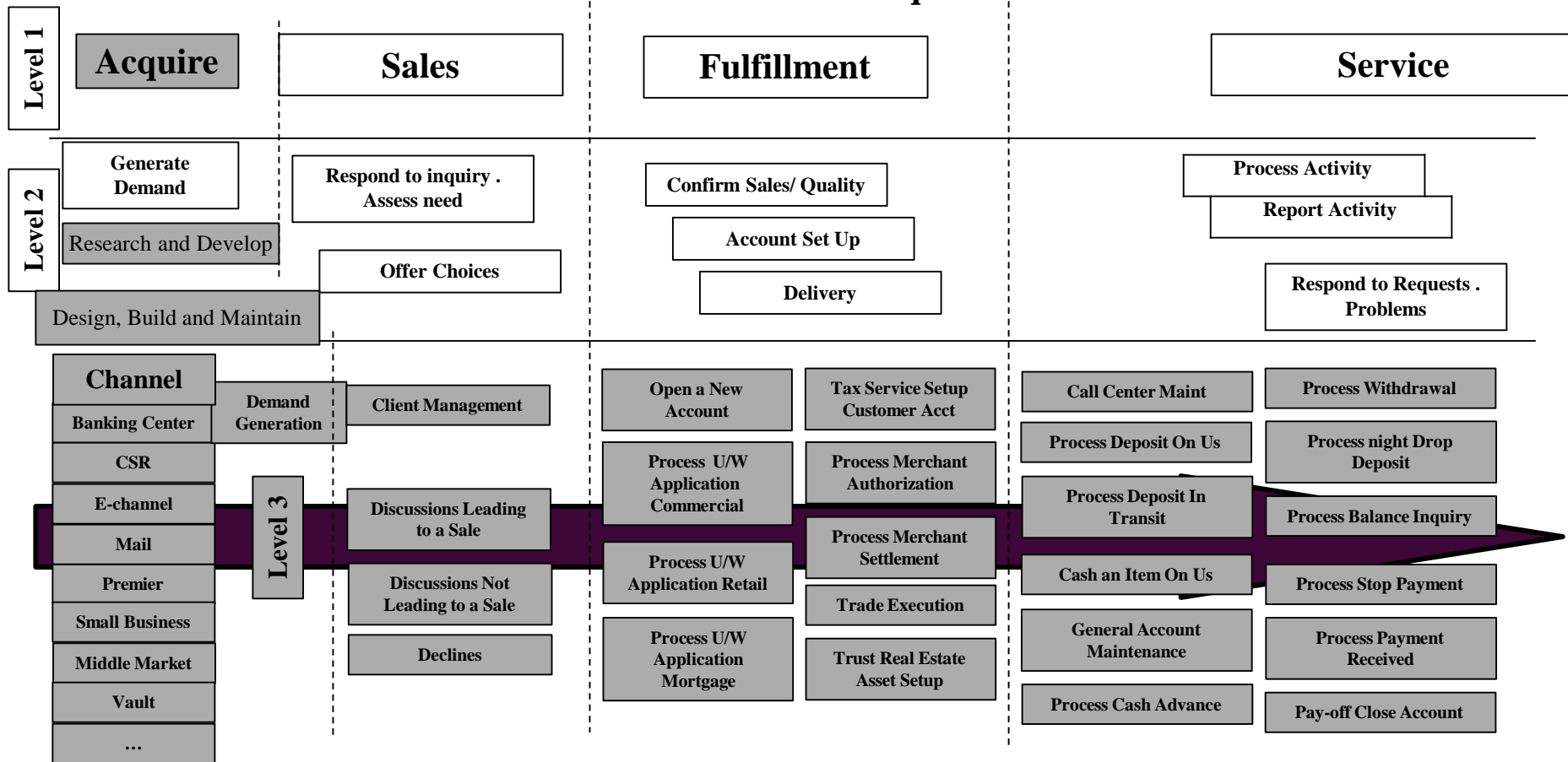
## 3. Business Process Management

- 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.**



# 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*

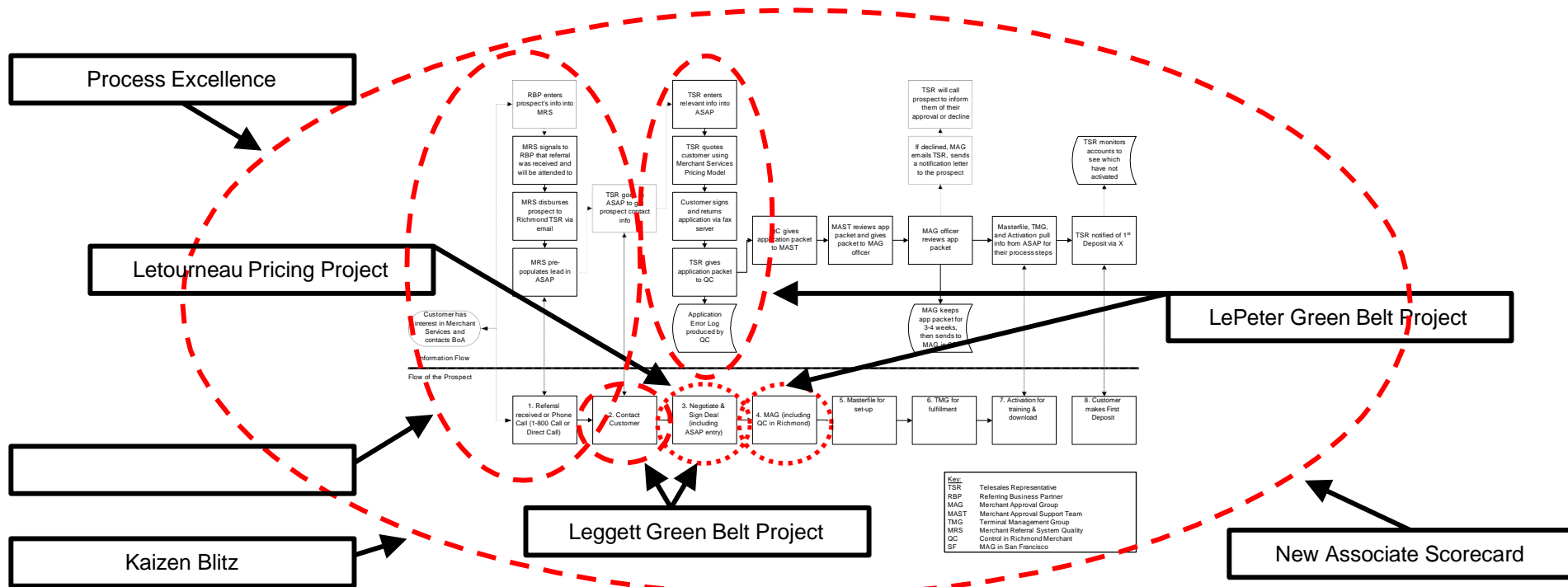
# Business Results

- 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

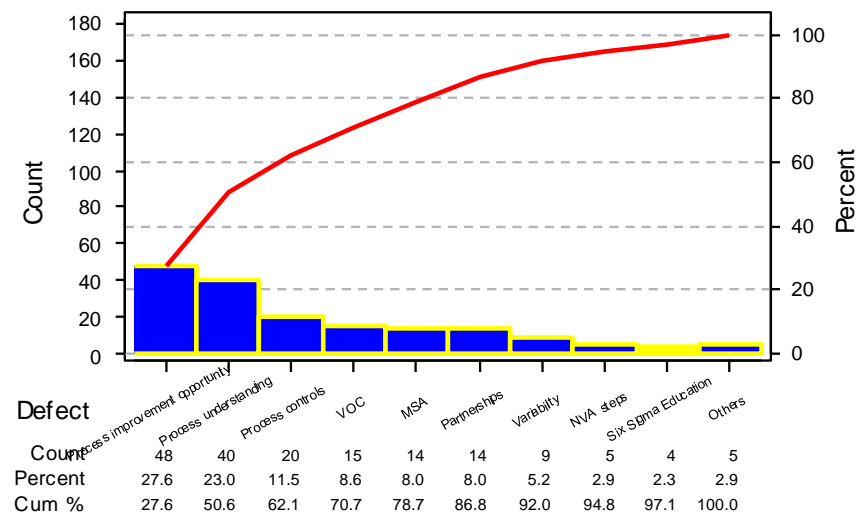
- Examples from TS&F
  - Improvements in the Problem Management process including:
    - service call reduction,
    - security issues,
    - supplier management,
    - escalation,
    - problem resolution,
    - reduction of Severity 1 incidents.
  - Improvements in the Maintain and Support Software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

# Lessons

# Learned

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

Pareto Chart for Key Learnings



Q&A



**Bank of America**



**Higher Standards**