



# Altus

clear thinking for Financial Services

## Process Analysis

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Tarred for several years with the brush of costly BPR failures, the analysis of Business Processes is enjoying a resurgence on the back of the latest technology wave – Business Process Management (BPM). So how will you avoid 'analysis paralysis' this time round?

The key is to be clear about the distinction between WHAT is done - the logic of a process - and HOW it is done - the implementation. The value of this distinction is well understood in other fields of analysis such as database design and application architecture but has been neglected by process improvement methods.

Frequently, the result is an uneasy and inconsistent combination of the two. On the same process map it is not unusual to find precise details of the form or screen being used at one step followed by vague references to an entire function (like Risk or Underwriting) at the next. Whatever your reason for analysing process and whatever the improvement technique, every process analysis initiative can benefit from our clear separation between logical and physical process and the techniques we apply to both.



## Process Analysis

### The Issue

Business process modelling is back in fashion. After a difficult period following the expensive failure of numerous BPR initiatives, it seems like most Financial Services organisations have at least one big programme generating reams of business process maps for review.

There are lots of drivers behind this, from TCF compliance to Business Process Outsourcing deals and several reasons why the outcome should be better this time around, including better tool support and an industry standard notation (BPMN).

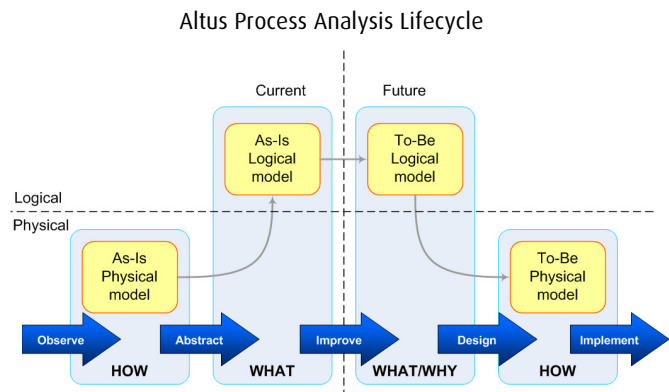
Despite this, we still see plenty of process maps that don't do the job they ought to. Some are intended to drive procedures but ignore awkward exceptions, others are aimed at requirements but just document how the current system works. Usually the cause is a lack of clarity over the difference between the logic of a process (the WHAT) and its physical implementation (the HOW).

### The Altus Approach

Here at Altus we make a clear distinction between logical and physical process maps and we use it to ensure the right kind of analysis is applied to the right kind of problem.

Whilst the detailed application varies depending on the engagement, the core of our approach is a systematic analysis cycle.

That cycle starts with a thorough understanding of the business domain with particular emphasis on the constraints a process is subject to. As well as bringing our own broad experience, we also take the time to read detailed product rules and to speak



to those often-neglected “Cinderella” functions like Risk, Actuarial, Tax and Legal.

Next we look at how a process is carried out currently. The first step in this stage is to be clear on what triggers a process and what terminates it. This may seem a trivial point but this one simple discipline can prevent a lot of confusion later on. Having bounded the process, we then explore it in more detail with the experts who understand it. Formal interviews are one technique but we prefer to work within the business to see the exceptions that often get forgotten. And with many steps automated or outsourced these days, we frequently go beyond the business to get the complete picture.

The next stage is to take a step back from the physical detail which characterises the previous stage and to capture the underlying business logic of what is being done. There is no magic here, just seasoned application of analysis skills to sift out the ‘noise’ around how a process is performed - the forms used, the systems, who does it, etc. The result is a clear picture of the overall shape of a process which makes it much easier to understand and to ask questions about its rationale.

### The Altus Approach (cont.)

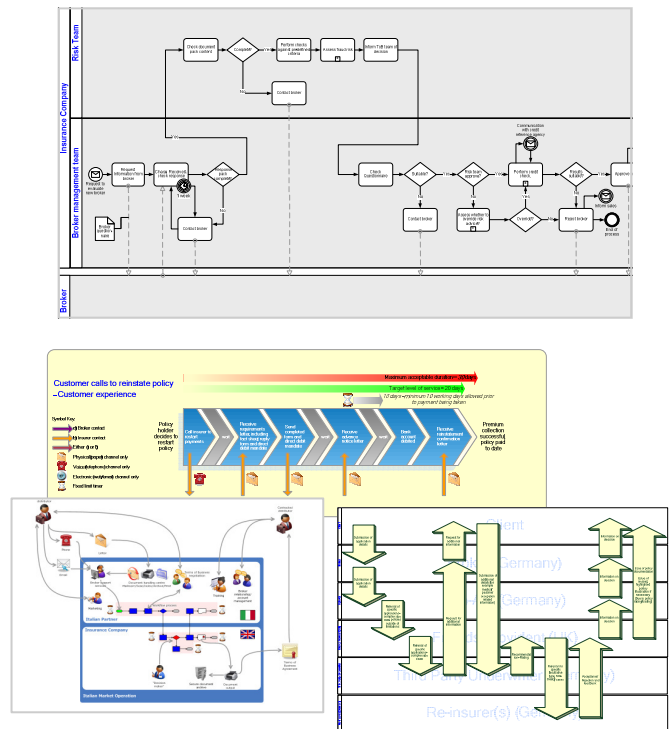
The major benefit of a logical view of process comes when you start to consider the To-Be state; it provides the ideal overview against which to apply organisational and operational design principles as well as business constraints. Rather than just tinkering with the detail of how things are done, the business can ask more searching questions about the end-to-end process - whether whole parts of the process can be re-sequenced, done in parallel, outsourced or even scrapped altogether.

The results of all our process analysis stages are captured in clear, consistent process maps using either industry-standard Business Process Modelling Notation (BPMN) or your own internal standards if required. But for the key stage of To-Be logical modelling we also employ our own additional techniques and diagrams to get maximum benefit.

High-level business scenarios provide a visual way to explore a set of related processes, interaction diagrams present an overview of one collaborative process, and viewpoint charts let you look at the process in detail from a particular perspective (typically the customer's but it could be any business partner's). The need for these tailored illustrations will be well understood by any business architect who has struggled to engage business stakeholders with complex models - simple pictures focused on key concerns work much better.

The final stage in the lifecycle is to realise the new process physically which, depending upon the particular project, may range from developing procedural documentation to working out how new systems will be configured and implemented.

### Sample Process Map & Illustrations



### The Benefits

Anyone reading this far will doubtless already be convinced of the importance of process modelling to the success of a business change effort. What distinguishes the Altus approach in particular, is our focus on engaging with business representatives and our clear separation between the logic of WHAT a process does and WHY over HOW it is physically implemented.

With a clear focus on the essential business elements of your process rather than the system and technology details, we can add real value to your business.




## clear thinking for Financial Services

Altus understand Financial Services - the products, the processes, the people and the systems that make the whole thing tick. With years of experience in complex change programmes, we understand that successful solutions begin with the business.

### Altus Limited

1 Widcombe Crescent, Bath, BA2 6AH

 +44 (0)1225 472830

 [enquiries@altus.co.uk](mailto:enquiries@altus.co.uk)

 [www.altus.co.uk](http://www.altus.co.uk)