

# BPM in the City 2011

A Survey of Business Process Management in Financial Services



## **Introduction**

It has become clear to us during the course of our consulting work that many organisations we support are working hard on process improvements.

This is taking a number of forms, including the consolidation of platforms; keeping staffing levels constant while increasing volumes; and automating the difficult or time consuming elements of the business.

Because of this heightened level of activity we decided it was time to survey the financial services BPM market to discover who was doing what and how BPM tools were being used within the industry.

This paper highlights the key findings of our survey.

## **Acknowledgements**

We would like to take this opportunity to thank everyone who participated in the survey.

We would also like to place on record our appreciation for the assistance provided by Axispoint Solutions Ltd who played a key role in our results presentation and provided us also with valuable insights into the practicalities of business process management.

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# Management Summery

The key findings of our survey can be summarised as follows:

- Most respondents confirm that they are looking to improve current processes as part of a cost saving culture.
- BPM tools are more common in larger organisations. Those with less than 1000 employees are far less likely to have made the investment.
- Notwithstanding, business process initiatives are happening across the board, leading to the assertion that BPM is more about mindset than toolset.
- The consensus view from respondents is that BPM is usually considered as comprising process modelling and design and continuous process improvement.
- BPM tools were seen as providing greater agility with respondents recognising that the benefits achieved by using BPM tools could not have been attained by other means.
- There is no agreed area of functional responsibility for BPM, with IT, Business Operations and a standalone Change function all acting as home.
- Most respondents not currently using BPM tools indicated that they would consider doing so “at some point”.
- No area stood out as being an obvious sweet spots for the use of BPM tools. However, Reconciliations, Fund Accounting, Portfolio Administration and Client Reporting were the areas most frequently identified.

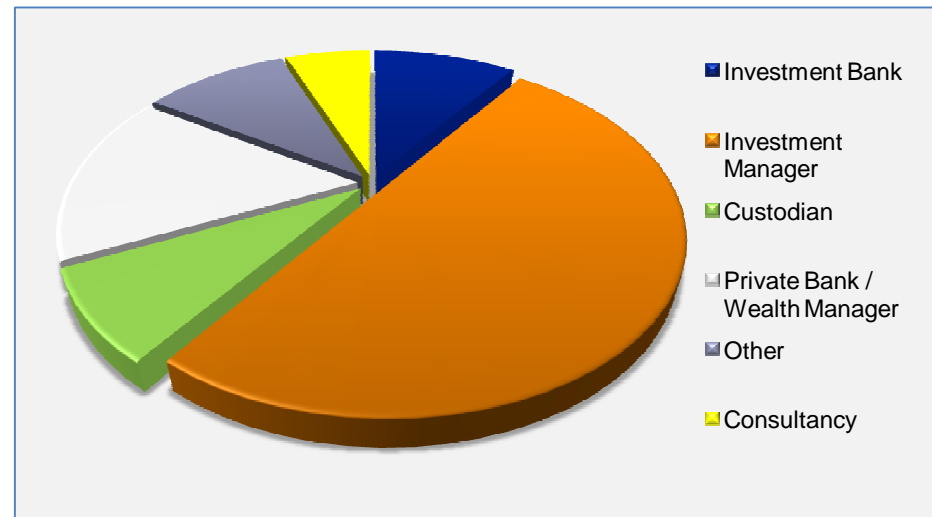
### Survey Dimensions

The survey was an on-line survey, carried out in May 2011 using an automated survey tool. Details of the survey method can be found as an appendix to this report.

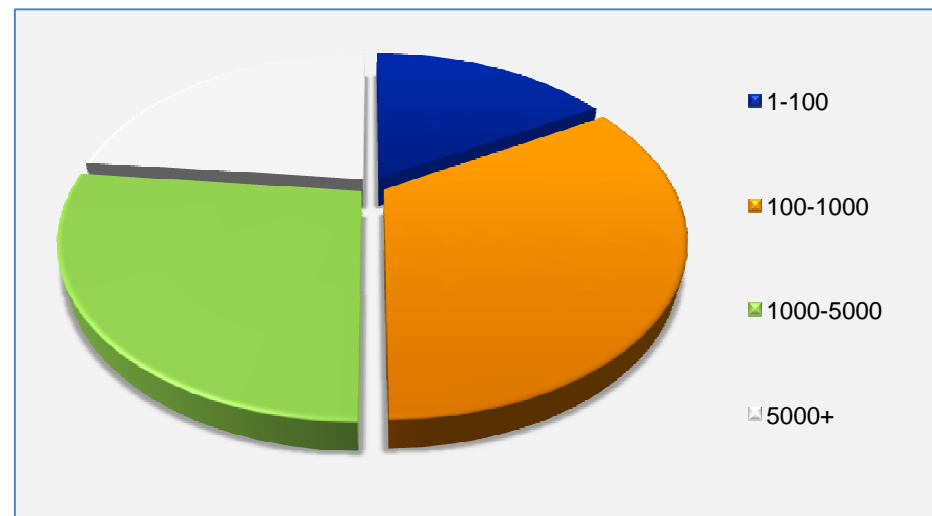
We received responses from over 30 individuals from 24 financial services organisations; an analysis by organisation type is shown to the right.

The survey population was evenly split between those organisations with above and below 1000 employees as shown.

### Organisation Type



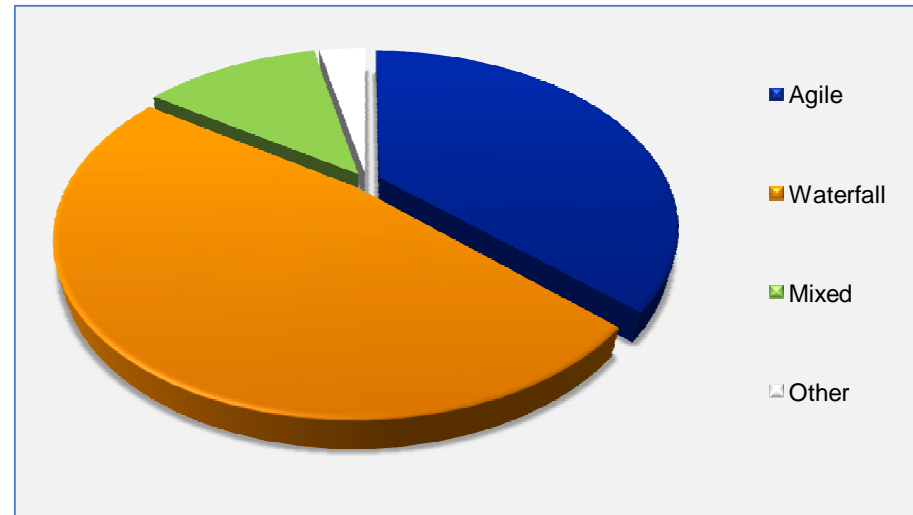
### Organisation Size



### Survey Dimensions (cont)

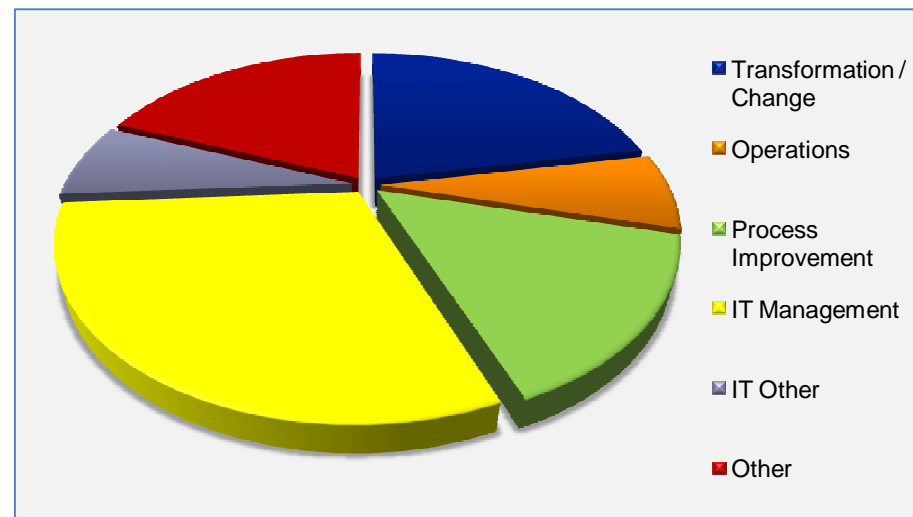
Waterfall was the preferred development methodology for nearly half of the organisations surveyed, with agile being used by a significant minority. A small number of respondents had a “best fit” approach – usual agile methods where they could be used most effectively.

#### Methodologies



Responses were received from individuals with a broad range of backgrounds with a healthy showing from IT management.

#### Respondents



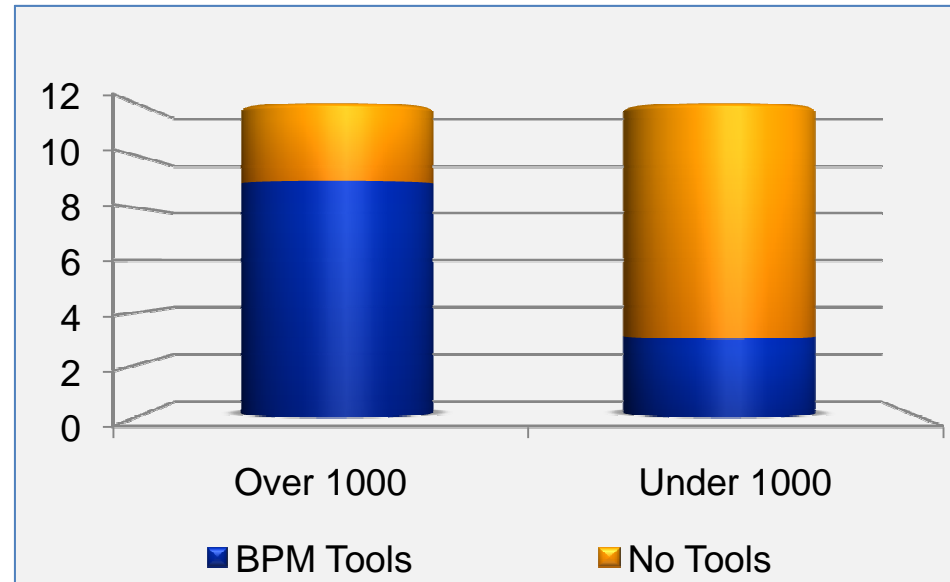
### Use of BPM toolsets

BPM toolsets were noticeably more prevalent in larger organisations.

Indeed respondents from organisations with over 1000 employees were four times more likely to make use of BPM tools than those from smaller organisations.

There are perhaps a variety of reasons for this. One argument advanced at the results presentation was that tool providers had deliberately targeted larger organisations and that only in more recent years had their attention shifted to smaller organisations.

A related argument was around cost and it was only in recent years that the entry point for BPM solutions had come down to a level that was attractive to the second tier.



A slightly different argument can be put forward for complexity. BPM tools have been adopted by larger organisations in the first instance because they are the ones who have the biggest process challenges.

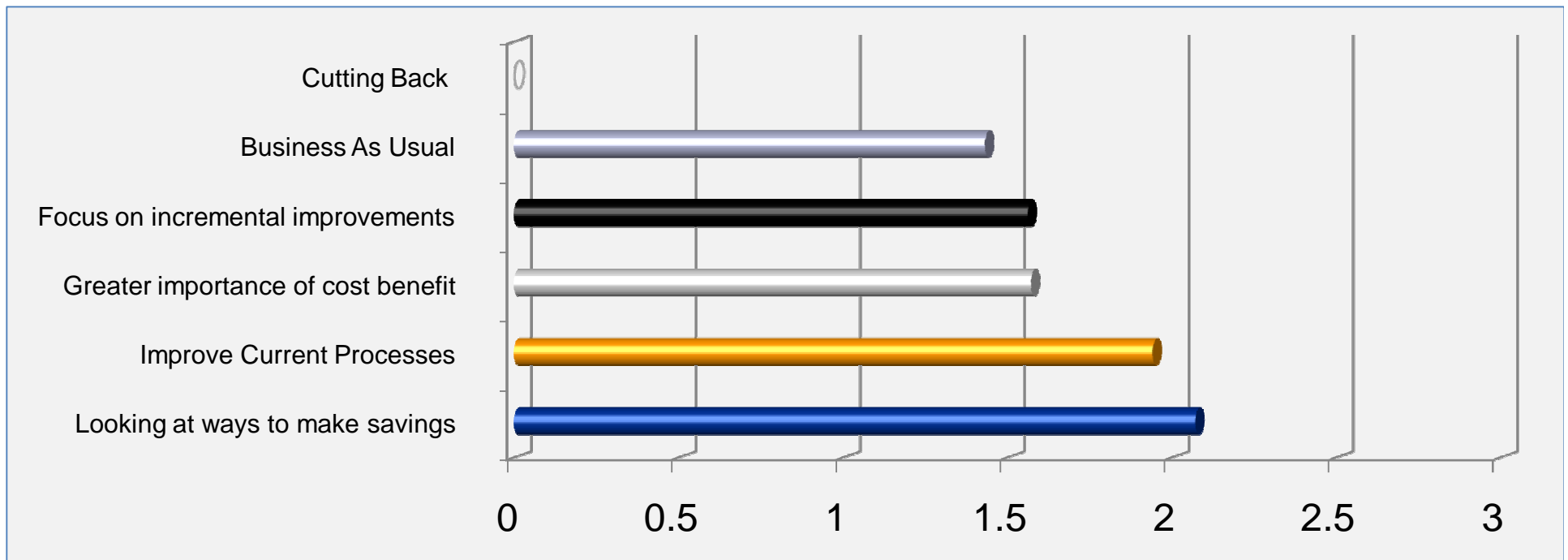
Whatever the reason BPM tools are more likely to be found in larger organisations.

## Market Views

We asked respondents how strongly they agreed with six statements relating to the market and process improvements. We then weighted and ranked their responses. There were six questions:

- It's business as usual
- We will be cutting back on new projects
- We will be looking to improve our current processes
- We will focus more on incremental improvements
- We will be looking to identify ways to make savings
- Cost benefit analysis will assume a greater importance on new initiatives

The statements that were most strongly supported related to implementing process improvement and identifying ways to make savings (described by one respondent as a policy of make do and mend).



## Functional Responsibility

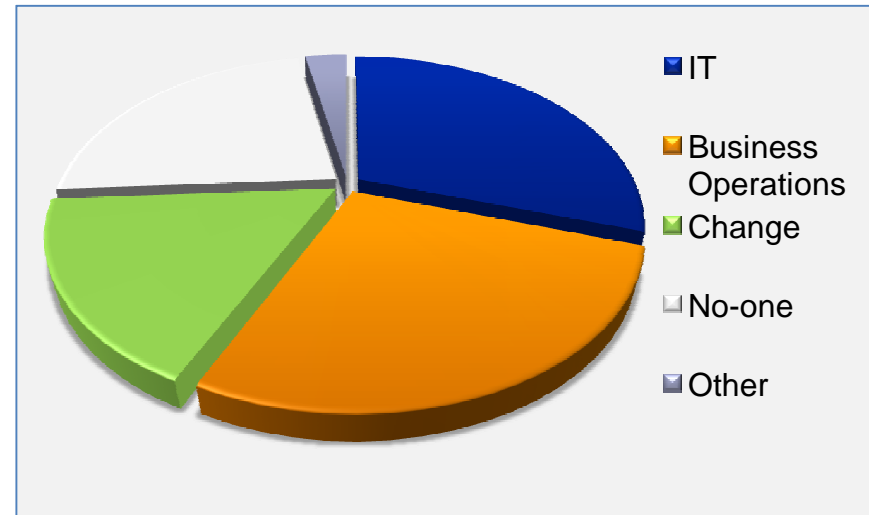
We asked the question “Who owns BPM in your organisation?”. We did so because most literature on the subject presupposes responsibility should rest with a business function – and not IT.

Our survey shows that despite this, when it comes to BPM there is no clear home. Comments made by respondents make it look as if ownership rests with interest – whoever sees the value of BPM ends up with responsibility for it.

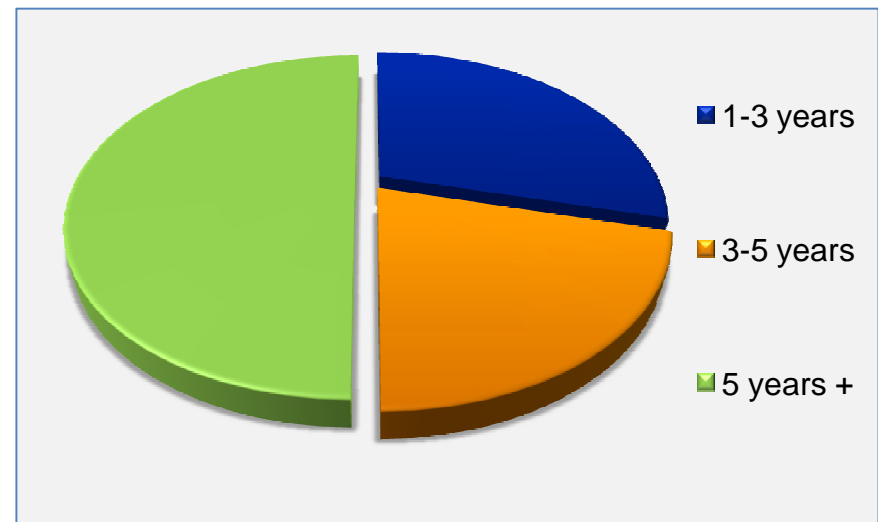
## Usage History

Despite the current buzz in the market regarding BPM it is clear from the survey results that this is not a new phenomenon. Half the organisations using BPM toolsets had done so for at least five years.

### Who owns BPM in your organisation?



### How long have you used BPM tools?

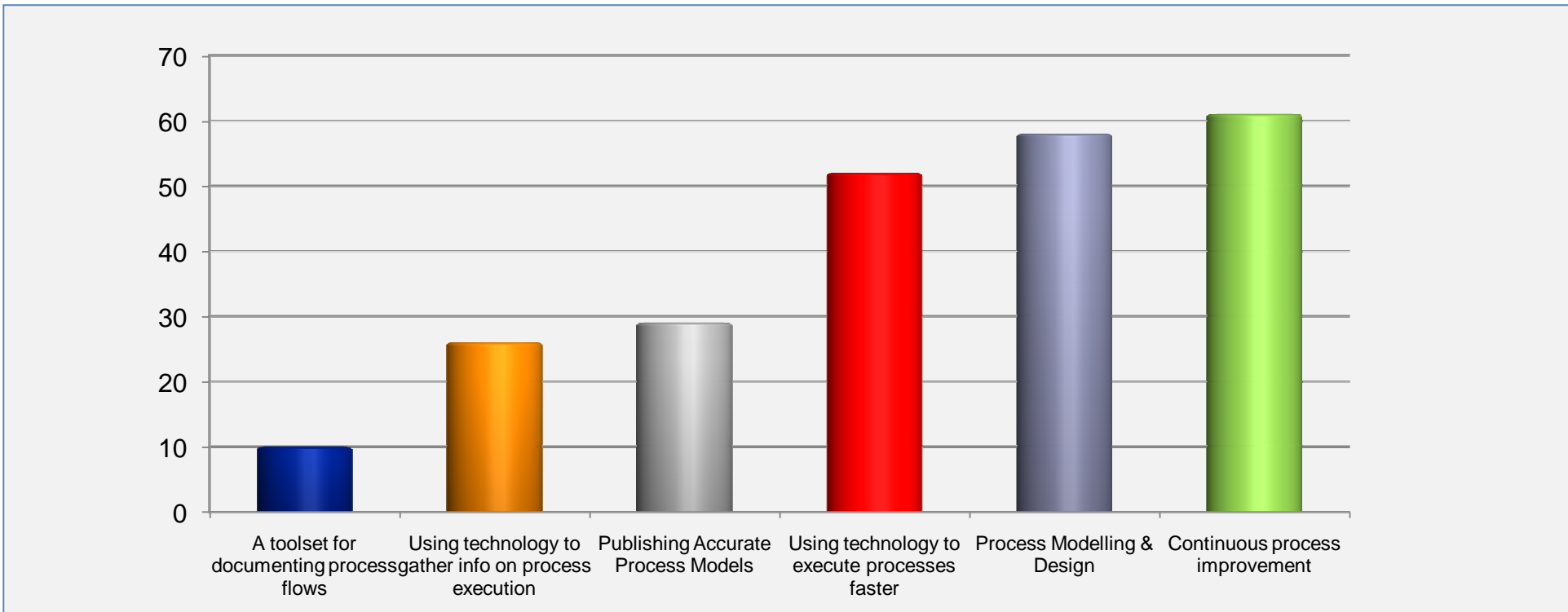


## Defining BPM

To get some clarity about the term BPM we asked in the survey how BPM was regarded by respondents. As the term suggests BPM was seen as being more active than passive, more about optimisation than documentation.

Though seen as having a technology element, it was apparent from the survey results that BPM was often as much “a mindset rather than a toolset”.

This argument is supported by the number of respondents actively involved in process improvement but who are doing so without having made a significant technology commitment.



## What is preventing you from using BPM tools?

This question was asked of those respondents who have not made the investment in specialist tools, preferring instead to address the issue of process improvement with the tools they have to hand.

Competing priorities were cited by many as being the reason for not going down the BPM route, reflecting perhaps that investing in BPM tools was still seen as being likely to take significant amounts of time and effort – something that was unlikely to happen when both were in short supply.

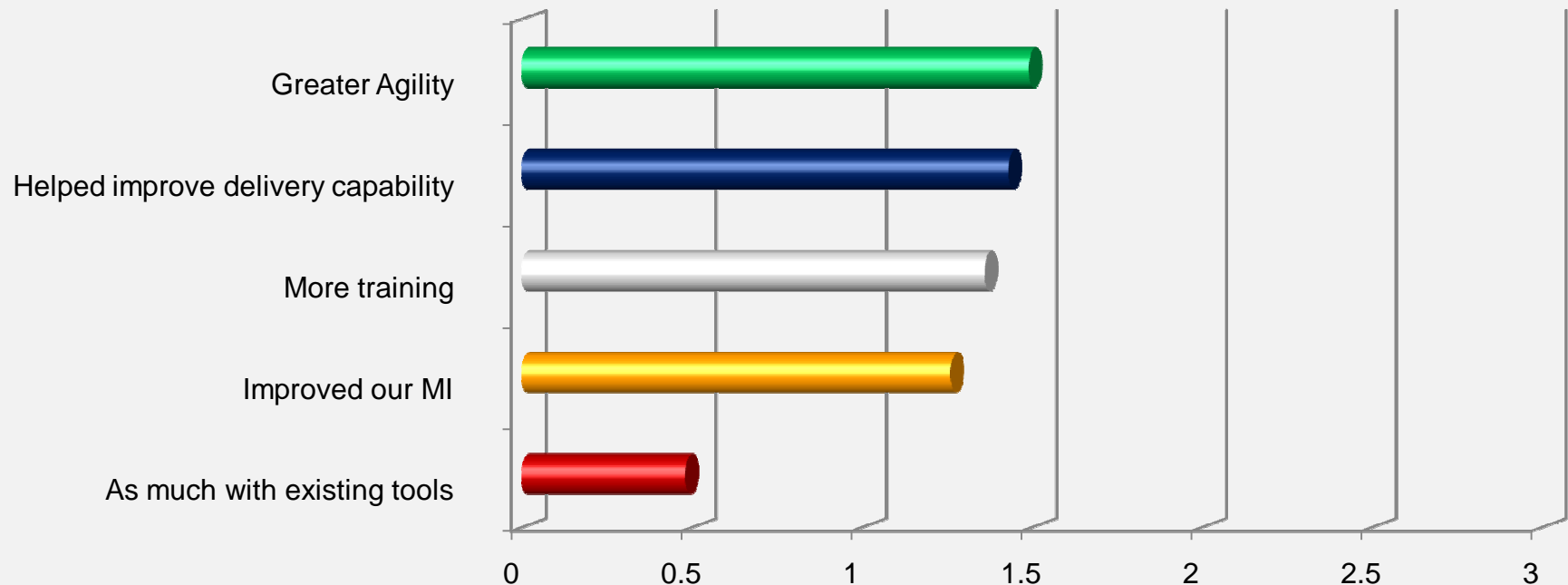


## Experiences of BPM

This set of statements were aimed at those who were using BPM tools:

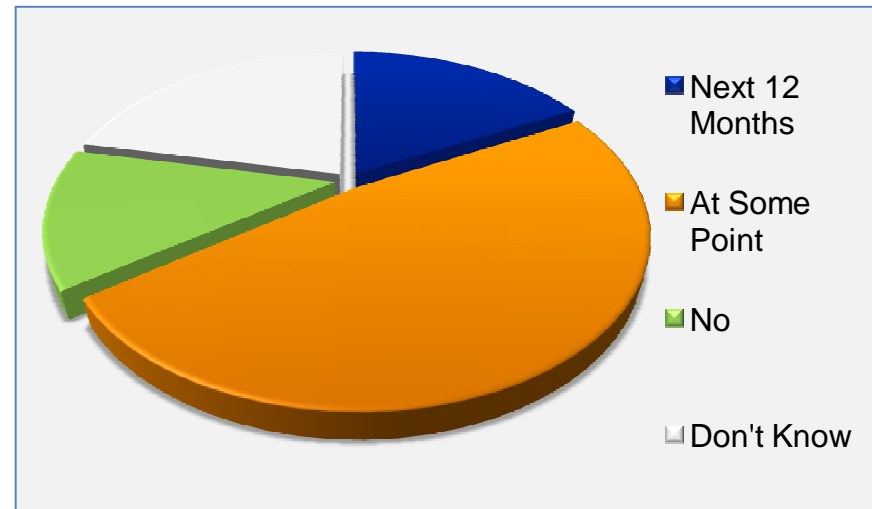
- Using BPM tools has helped to improve our delivery capability
- Using BPM tools has given us greater agility in responding to business needs
- Using BPM tools has given us improved management information
- We could have achieved as much by using the tools we already had
- We should have spent more time and effort on training to get the most out of the product

It was noticeable that none of the scores were particularly high, indicating that perhaps not all experiences of BPM were positive. That said there was recognition that the benefits of BPM could not have been achieved without the investment in tools.



### Plans to use BPM

This was another question aimed at those not using an automated toolset. Our interpretation of the results is that there is no clear “call to action”, indicating that BPM tools for many non-users sit on the “nice to have list”.



### Survey Method

The survey was carried out by CityIQ using our in-house tool set. All respondents were asked to include their email address as part of the survey and were subsequently contacted as a check against impersonation.

A small number of responses, deemed to have been submitted by individuals outside of the industry were discounted from the survey.

Most survey questions were optional. Percentages are shown to reflect the views of the respondents who answered the question and not the total population of respondents. Where questions allowed respondents to grade their response (strongly agree, agree etc) the results have been weighted when presented in graph format.

## **About CityIQ**

CityIQ is a specialist consultancy that works primarily in the Financial Services Industry. With extensive knowledge of investment management and all aspects of the investment process, we have a track record for providing high quality project and programme management, business analysis and technical architecture skills.

As well as domain specific expertise, we also provide consultancy advice in the areas of change, procurement, business continuity planning and HR re-engineering.

Our consultants are supported by our research team, who by running surveys, producing detailed reports and hosting industry events, keep our consultants and clients up-to-date with what is happening in financial services.

## **Feedback**

If you have any questions or queries about the survey results or would like to know more about the services CityIQ offer please contact:

Paul Wiltshire on 0207 073 2925 or by mailing [enquiries@cityiq.com](mailto:enquiries@cityiq.com)