

## BPM in Europe

March 2005



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On February 17, we had a very well attended BPM-Forum meeting at ABNAMRO Bank, one of the major International Dutch banks. The session was attended by over 120 people who were very keen to know more about this session's topic: "The link between BPM & Six Sigma."

Jeroen de Mast of the University of Amsterdam gave an overview of Six Sigma and its theory and history. Six Sigma is a disciplined, data-driven approach and methodology for eliminating defects (driving towards six standard deviations between the mean and the nearest specification limit) in any *process* — from manufacturing to transactional and from product to service.

The second speaker was Ton Mulders, Vice President with ABN AMRO's Six Sigma Business Unit Netherlands. Ton is one of the two local "Master Black Belt's who are jointly responsible for rolling out Six Sigma in the Netherlands. A Master Black Belt (MBB) has been trained as a Six Sigma Black Belt and demonstrated proficiency in statistical tools and expertise in leading and teaching others. This is still a pilot for the Bank. In his presentation Ton showed that in a benchmark, compared with another International Dutch bank, there is room for improvement. Furthermore, the top performing banks with respect to Efficiency ratio's, e.g. Bank of America, LloydsTSB and BankOne all have all implemented Six Sigma.

A Six Sigma Pilot was initiated August 2004 with the support of one of the local executives. The initial results are promising, showing a positive ROI on the initial investment. In April a plan for a global rollout will be presented to the board in Chicago. Ton mentioned that the success of Six Sigma is in making the line manager responsible for improving his processes. That was the difference from older methodologies like TQM where it was a staff function. But, most important is the issue of getting the workforce to start to *think in processes*. The model Six Sigma uses is called SIPOC: Supplier-Input-Process-Output-Customer. It does not matter if you are managing a loan, doing the financial administration, or have an HR responsibility to hire people. In all cases, you have to realize that there is a process, and that everybody has a client and a supplier. The key hurdle is to make an employee aware that his or her work always is part of a process.

The link between the business process and a methodology like Six Sigma is just one of many links. Just as it did last year, the BPM-Forum will be a media sponsor for a number of BPM events. Already a number of organizations want to sign BPM Forum up as a partner. What is new is that now we are also getting requests from associations and organizations that are focused on Enterprise Application Management, Document Management, Workflow Management, Geographical Information Systems, and Business Rules Management. In addition, associations focused on Business Strategy and Information Architecture are spending time on BPM. Even local universities are asking the BPM Forum to provide input for their Business & IT Alignment and Business Systems master classes as this year there will be a significant BPM module in these classes.

At the same time, I have taken the initiative to initiate the *XGovernance* congress. I have noticed in various presentations over the last year that at a Corporate

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Governance event I see a room full of lawyers and business managers talking about compliancy; and at an IT Governance event I see a room full of IT architects, and Alliance Governance is the hot topic at the moment. The issue that everybody is taking to his or her peers – the linking pin in all these discussions – is the underlying processes. This event is organized by ITSMF in cooperation with the BPM-Forum and the ASAP-NL (Association for Strategic Alliance Professionals). The XGovernance event will be the first local event where the process will have brought everybody together under one roof.

It looks like more and more people are realizing that processes are everywhere around us. More and more professional associations, universities, and event organizations are focusing on Business Process Management and calling on BPM-Forum for input, content, and support. We are happy to provide this. This year will be a busy year for BPM in Europe.

