AGNL – Process Excellence

Capacity Management with ARIS

Dennis Klein - March 27, 2025

MLC
Customer Excellence

Introduction

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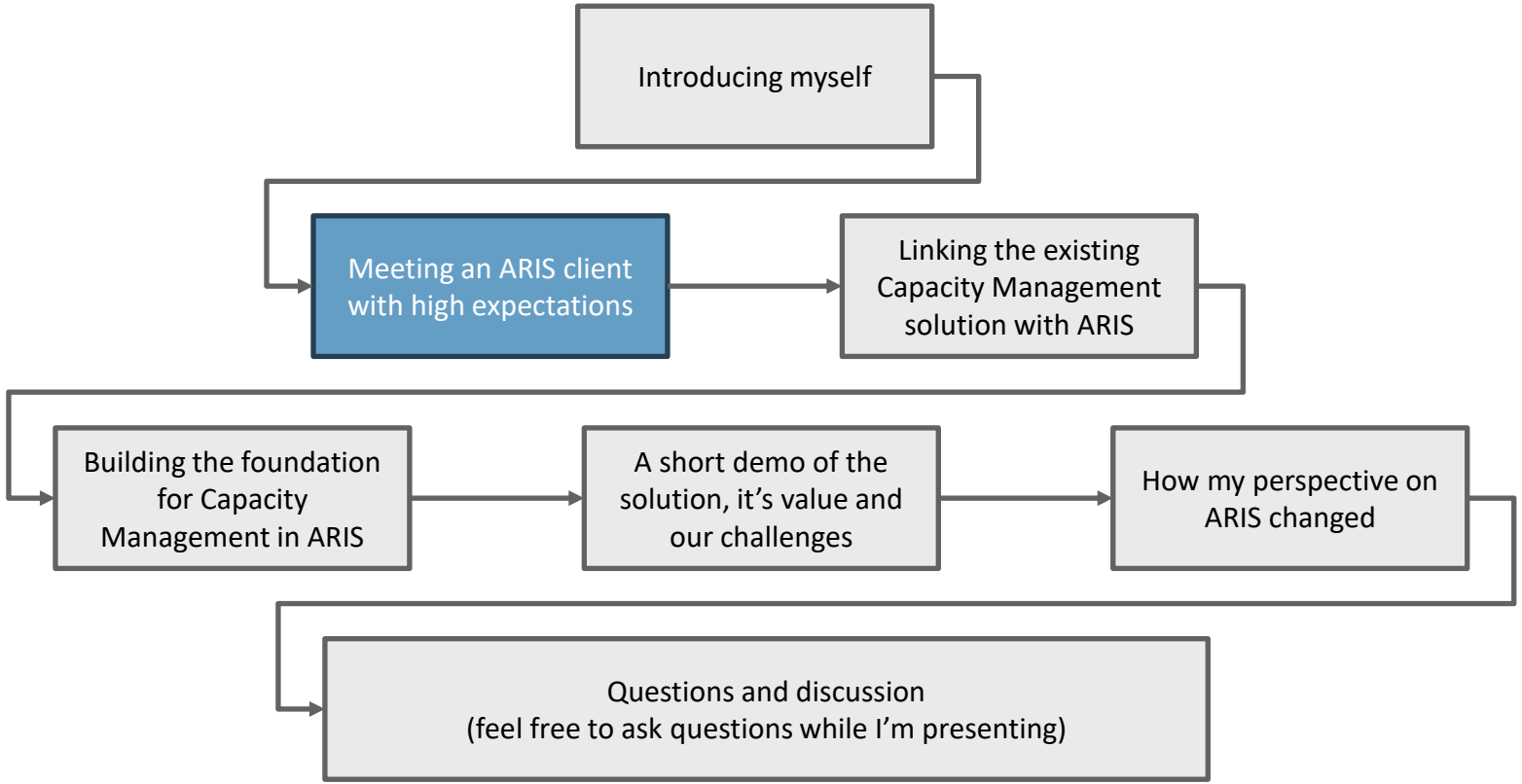
My professional background

- Background in applied physics and software engineering before transitioning to consulting.
- Employed by MLC since January 2006.
- Executing projects, developing MLC's service portfolio, representing MLC, supporting colleagues on challenging projects.
- My projects are often a mix of process management and improvement and data analytics.

My experience with ARIS

- Primarily ARIS Process Mining.
- And 'Value Engineering' projects like this one.

Agenda


Introducing myself
Meeting an ARIS client with high expectations
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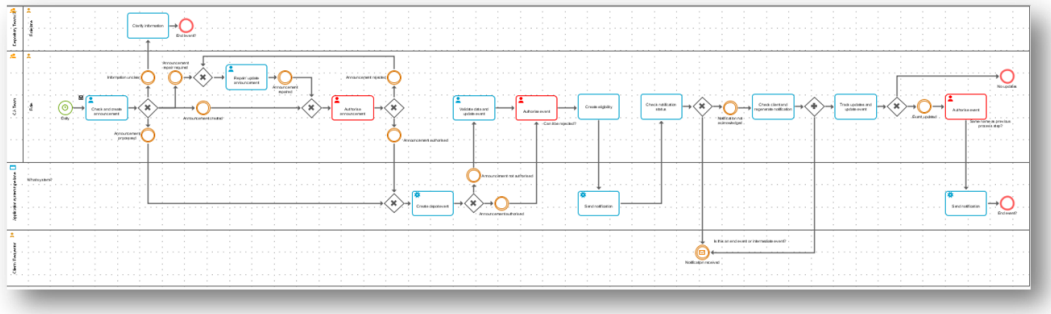
How we started our assignment for our client



Security Services department of a multinational banking and financial services firm. Requiring assistance when starting out with ARIS.

Our initial focus was on helping with the development of modelling conventions, setting up ARIS, training employees on how to use ARIS and the conventions and helping them create a consistent set of models in a structured way… **Plus some value added topics to achieve Process Excellence using ARIS as an Enterprise Management System.**

What our client expected from the ARIS implementation

Combined solution, topic of today…

Standard vs Non-Std Processes
- Currently unable to get golden source and global view of non-standard processes
- End to end process mapped against global standards to highlight non-standard remediation opportunities

LEAN
- Spend 4-6 weeks on LEAN activities for most process optimization initiatives
- Reduce time and cost by leveraging real-time and golden source process model, and eliminate one time throw away efforts

Like for Like Transformation
- Many re-platforming initiatives are like-for-like, due to lack of current vs target state knowledge
- Leverage global standard model to drive requirements gathering and TOM alignment for large scale re-platforming (ie Seccure, CAPE)

Support and Govern Last Mile Solutions
- RPAs are often built in isolation and have negative impact to strategic operating models
- Understand end to end impact of RPAs & other market specific tools and deliver solutions to markets without breaking TOM

Client Journey/Touchpoint Mapping
- Current don't have a link between operations processes and clients
- Provide real-time view of client touchpoints to identify inefficiency driven by client activity
- Give insights to clients of efficiency achievements

Client Performance
- Limited feedback and operational insights to drive conversations with clients
- Improve our ability to digitize clients and bill for non-standard activities by using a data driven approach

New Mandates
- Operational cost estimates for new mandates are static and inaccurate – reducing profitability
- Increase profitability by ensuring timely and accurate cost estimates based market specific capabilities and scalability

Risk Policy Rollout
- RPAs are often built in isolation and have negative impact to strategic operating models
- Reduce CSTs by providing real-time KRIs linked to actual end to end processes
- Risk weight and identify opportunities by leveraging the end to end mapping

Requirements change over time
- Risk of benefits delivery due to market driven changes during change lifecycle
- Process changes can be communicated in real time to linked JIRAs and change/development teams – to deprioritize on the fly if benefit case is reduced

Operationalization
- Limited operationalization of existing functionality
- Transparency for global teams of full suite of technical capabilities across end to end process
- Improve benefit realization from existing BOW

Digitised Capacity Models
- Capacity models are activity based, but not value chain linked
- Combine cycle times and volume drivers with the process model to realize real-time improvements and capture real-time inefficiencies

Country Scorecarding
- Unable to effectively measure countries against standardization & scalability
- Leverage process model to benchmark standard process effectiveness across markets
- Scorecard countries to drive optimisation

Plus rightshoring → What is the best place to execute (parts of) the process

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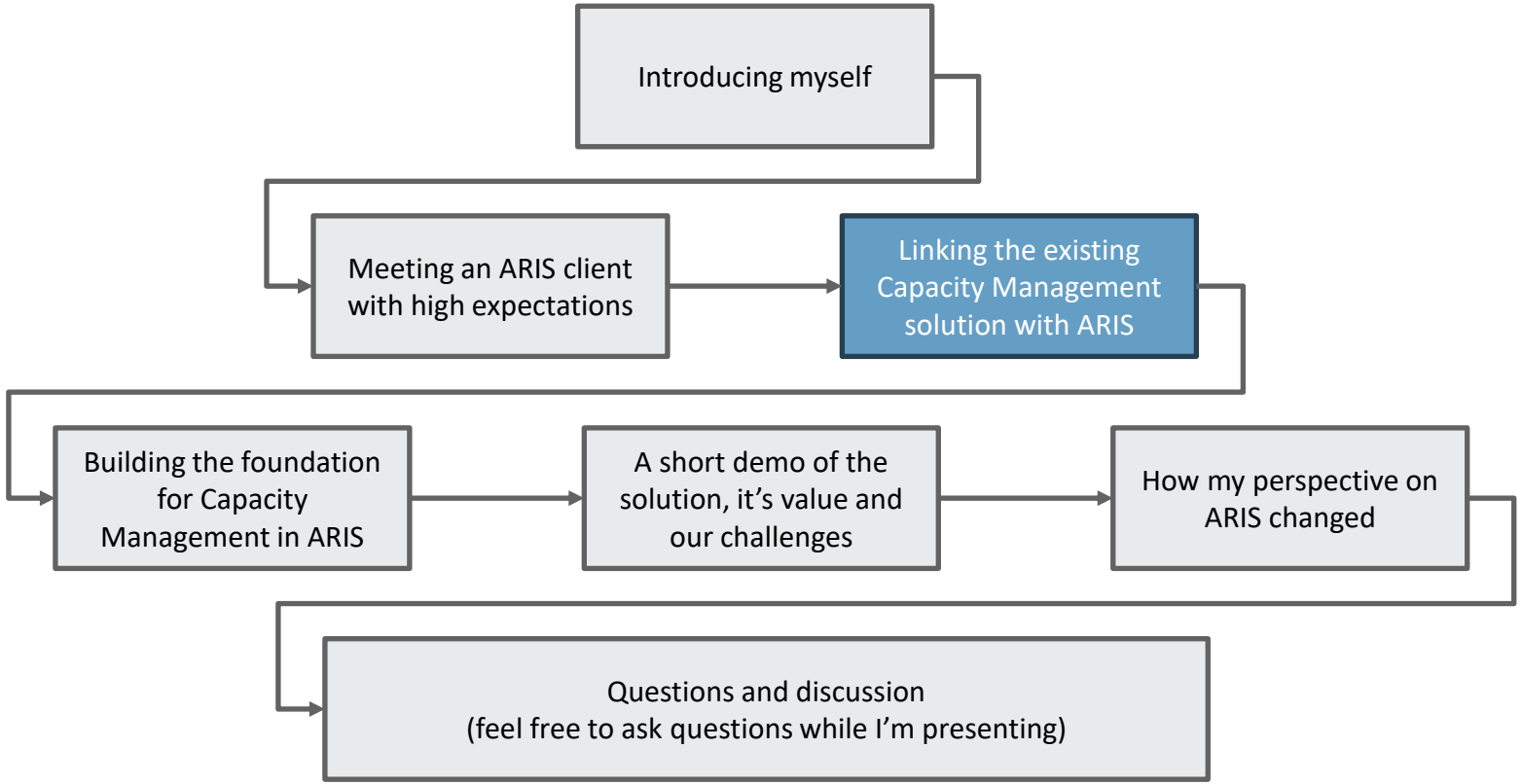
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The existing capacity management solution

144	HK-CPA-189	HK	Proxy	No. of proxy instructions p.m.	Corporate	Proxy	0	Number of	70
145	HK-CPA-190	HK	Proxy	Number of Instructions Recd	Corporate	Number of	Instructions	Number of	19425
146	HK-CPA-038	HK	Dividend	Dividend Claim Raised	Corporate	Claims	Dividend	Number of	242
147	HK-CPA-037	HK	Dividend	Dividend Claim Completed	Corporate	Claims	Dividend	Number of	60
148	HK-CPA-001	HK	Broking	Broking Orders	Corporate	Event	Broking	Number of	4
149	HK-CPA-002	HK	CA -	CA - Written enqueries	Corporate	Queries	CA	Number of	240
150	HK-CPA-004	HK	CA -	Number of MT599 received	Corporate	Control &	MT599	Number of	281
151	HK-CPA-006	HK	CA -	Various Training (no of hours) -	Corporate	General	0	Number of	72
152	HK-CPA-127	HK	CA-Filenet	No. of FileNet cases - Prepare	Corporate	Message	0	Number of	162

Last month

Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
2	15	45	63	286	78
3880	3423	8288	11740	20209	19425
3	6	8	18	79	242
26	15	16	10	36	60
12	0	22	1	0	4
210	178	220	308	251	240
193	158	201	235	343	281
17	0	0	0	0	72
228	180	210	160	158	162

X

Country	Department / Unit	Process	Sub Process	Sub Sub Process	Activity	Staff Level (Clerk / Officer / Manage	Relationship factor	Activity Volume (Transactio	Activity time per batch / transaction	Fixed Time Component / month (mir	No. of hours per month	No
HK	Domestic Custody	Corporate Actions	CA Processing	Broker Transaction	Check and authorize placed orders for Mutual fund	Officer/Manager	1,00	4	15,00		1	
HK	Domestic Custody	Corporate Actions	CA Processing	Broker Transaction	Place sell order for Unit Trusts	Officer	1,00	4	10,00		1	
HK	Domestic Custody	Corporate Actions	CA Processing	Instruction Processing	Send meeting result	Officer	0,01	= 194	X 0,50	/ 60 =	2	
HK	Domestic Custody	Corporate Actions	CA Processing	Instruction Processing	Send meeting result	Officer	0,01	194	0,50		2	
HK	Domestic Custody	Corporate Actions	CA Processing	Instruction Processing	Send meeting result	Clerk	0,01	194	2,00		6	
HK	Domestic Custody	Corporate Actions	CA Processing	Instruction Processing	update instruction to the response control sheet	Clerk	1,00	19425	0,04		13	
HK	Domestic Custody	Corporate Actions	CA Processing	Instruction Processing	Authoriser : Send acknowledge messages to customers - SWIFT	Manager	1,00	19425	0,20		65	
HK	Domestic Custody	Corporate Actions	CA Processing	Instruction Processing	Checker : Send acknowledge messages to customers - SWIFT	Officer	1,00	19425	0,20		65	
				Instruction								

Our first idea on how to link the existing solution to ARIS

HK

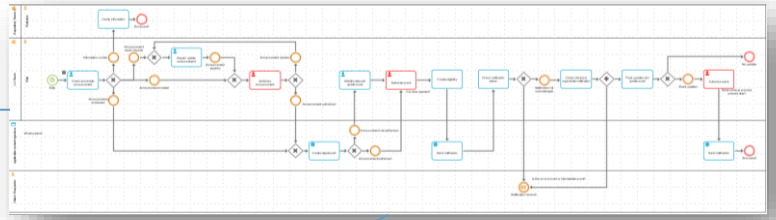
CN

PH

KE

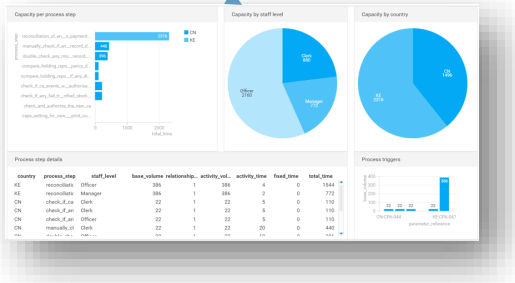
Created links between the process models in ARIS and the individual rows in the capacity model

Process chain
Business process
Work process
Country



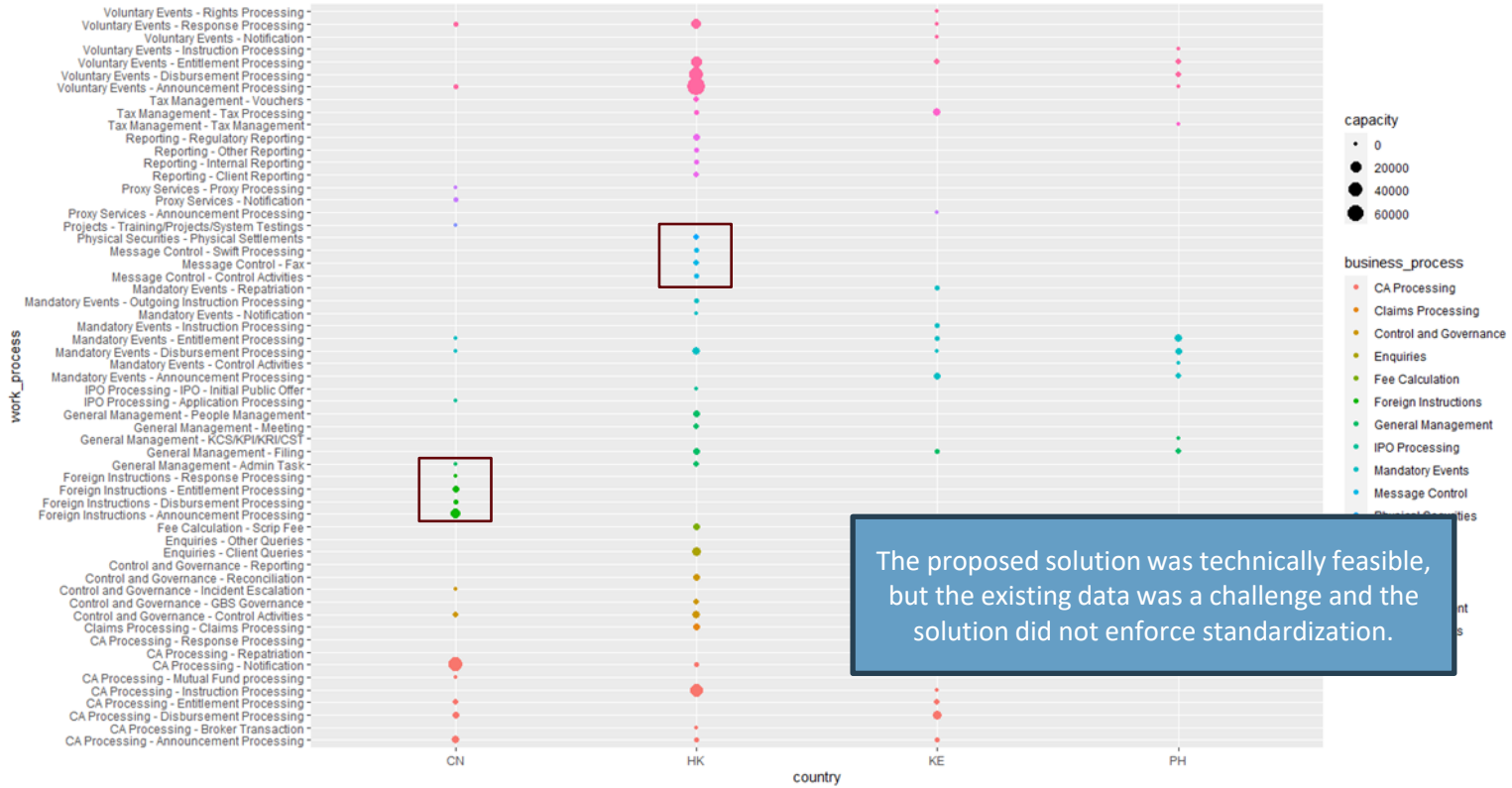
ARIS Cloud

Used ARIS data to create context sensitive dashboards that provide insight in capacity needs and structure for a selected process.



For now copied the values of the workload
Match columns with some educated guesses
Merged the four spreadsheets into one
Selected a subset of the colums

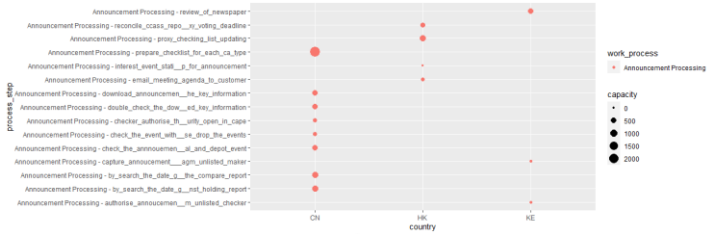
Our first analysis of the existing capacity management data



The proposed solution was technically feasible, but the existing data was a challenge and the solution did not enforce standardization.

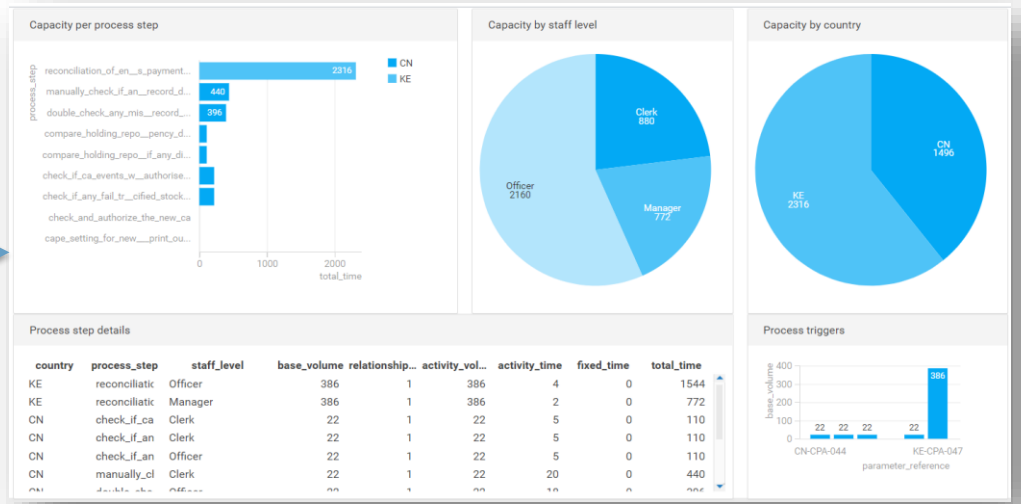
Our first demo of the existing capacity management data in ARIS

Subset of the available data



We used the data from the existing model to showcase the possibilities but also created awareness of the challenges ahead.

Our first DEMO in ARIS



With some comments on the applicability of the current model

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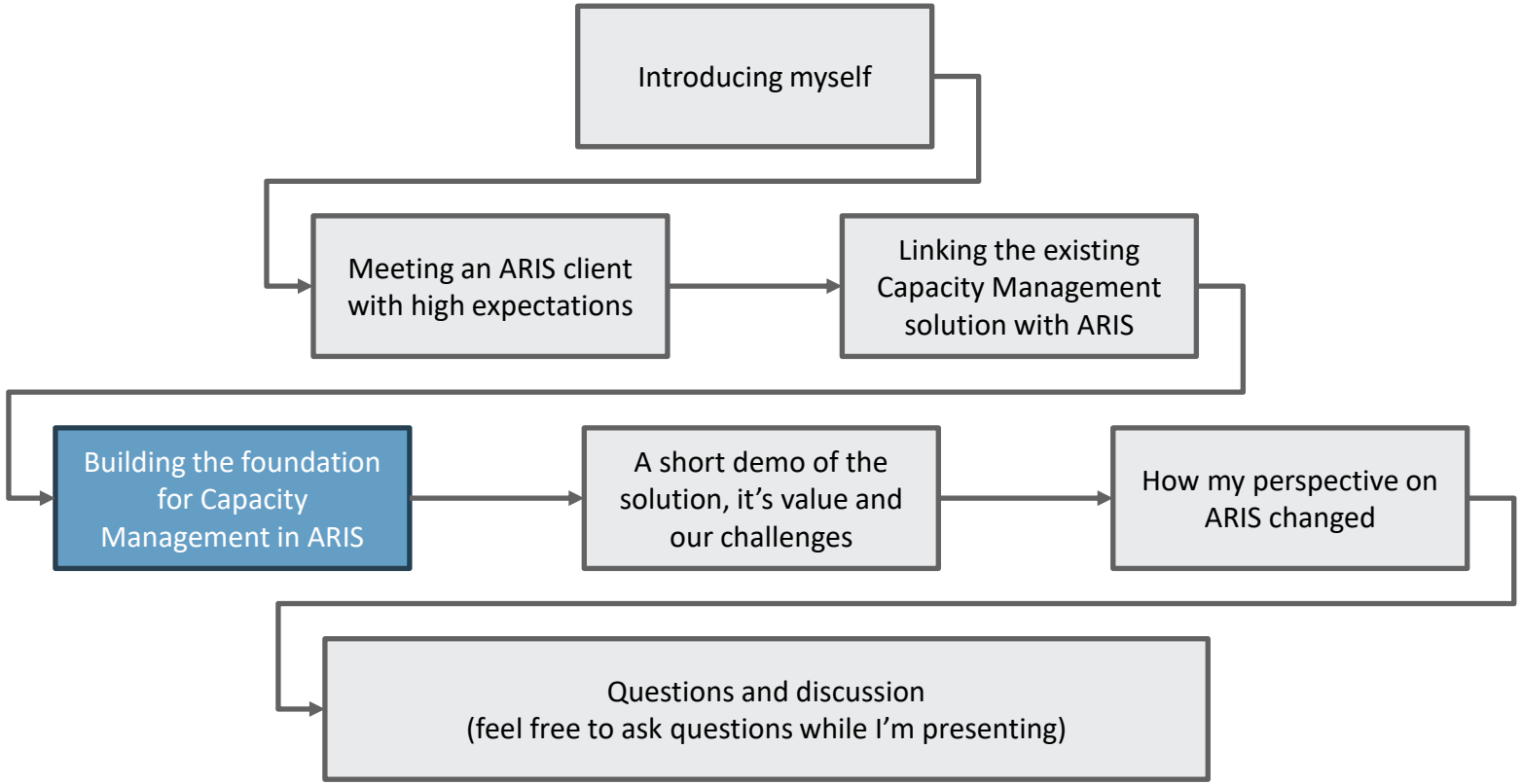
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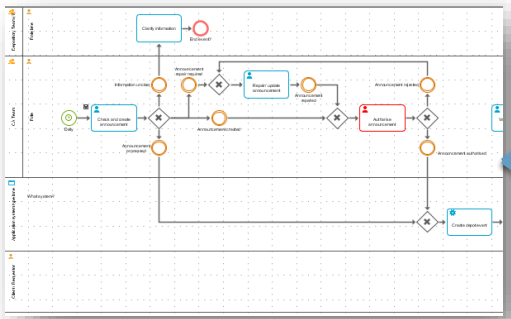
Creating the required structure for capacity management in ARIS

Process models in ARIS



Synchronize terminology for process levels
- Process chain
- Business process
- Work process
- Process step

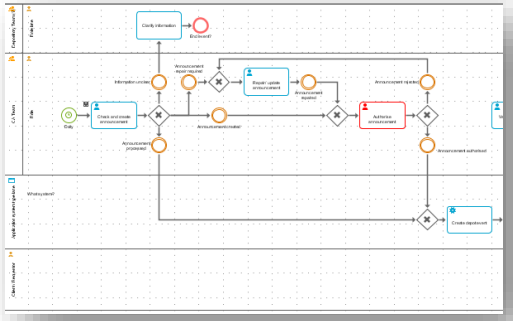
Synchronize features:
- Location
- Resource
- Product

Unify structure and names starting top down as much as possible!

Capacity model

Using global standards as a reference

Set global standard

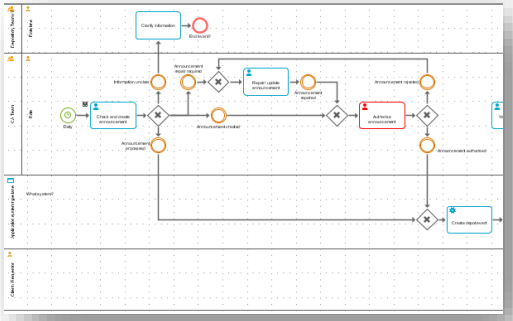


Comply to global standard

Explain local differences

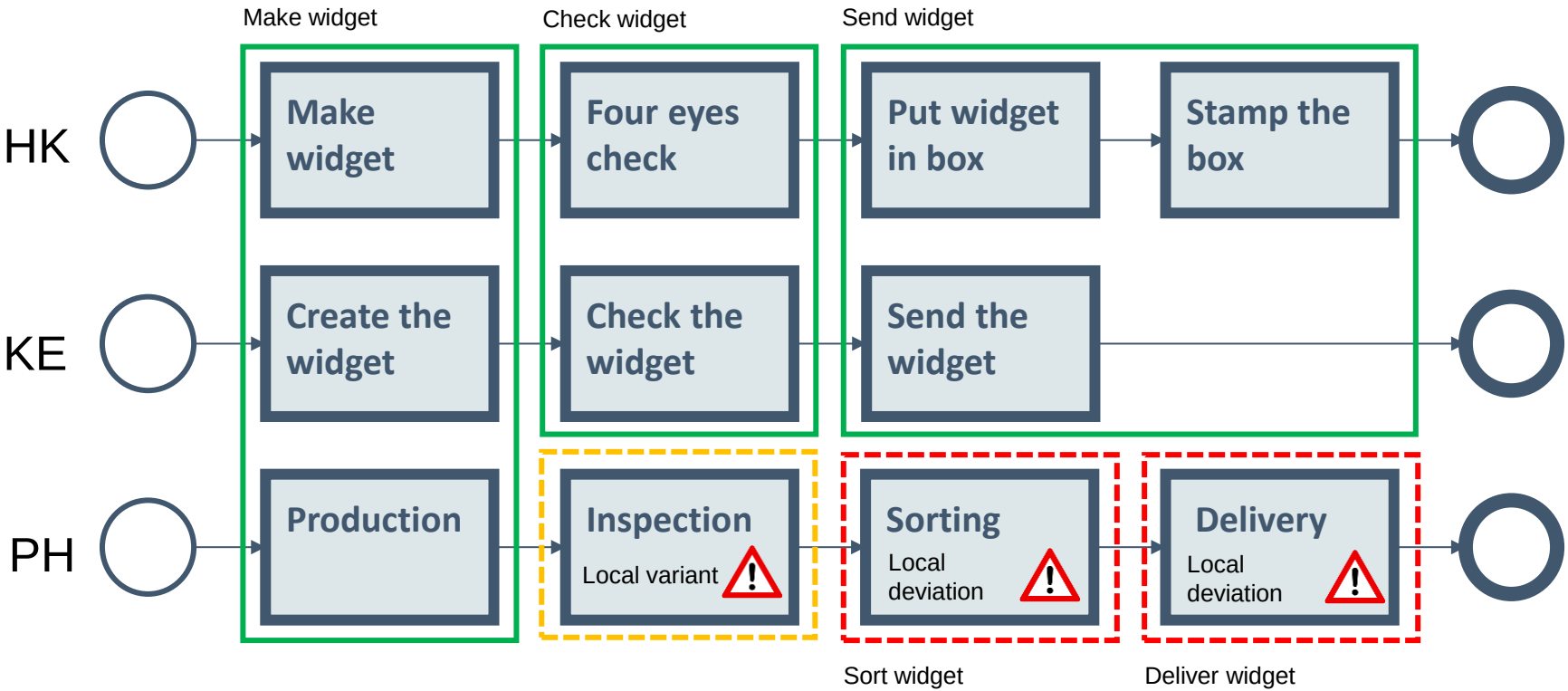
Challenge and improve

Design local process



Process into capacity model

A standardisation process provided the foundation



And custom attributes in ARIS where used for capacity calculations

	A	B	C	D	E	F
1	Process Employee Expenses (global standard)					
2					Financial Administrati...	
3	**Activities**	**Monthly frequency**	**Processing time / second**	**Montly processing time / hour**	**Connection**	**Montly processing time / hour**
4	[items]	Frequency, monthly	Duration	[calculated]	CT_BELONGS_TO_1	[calculated]
5	Claim employee expenses	40.000	300	3.333,33		0,00
6	Judge employee expenses claim	40.000	300	3.333,33	Yes	3.333,33
7	Check employee expenses claim judgement	48.000	120	1.600,00	Yes	1.600,00
8	Approve employee expenses claim	9.500	180	475,00		0,00
9	Pay employee expenses	37.050	240	2.470,00	Yes	2.470,00
10	Reject employee expenses claim	2.950	120	98,33	Yes	98,33
11	**Total hours**			**11.310,00**		**7.501,67**
12						
13	**Normal monthly productive hours per FTE**	**120,00**				
14						
15	**Country**	**Percentage of cases**	**Gross FTE**	**Productivity**	**Net FTE**	
16	[entered]	[entered]	[calculated]	[entered]	[calculated]	
17	France	25,00%	15,63	100,00%	15,63	
18	Netherlands	20,00%	12,50	90,00%	13,89	
19	Spain	18,00%	11,25	100,00%	11,25	
20	Greece	23,00%	14,38	100,00%	14,38	
21	Portugal	14,00%	8,75	95,00%	9,21	
22	**Total**	**100,00%**	**62,51**		**64,36**	

Capacity Management driven by process data and process mining

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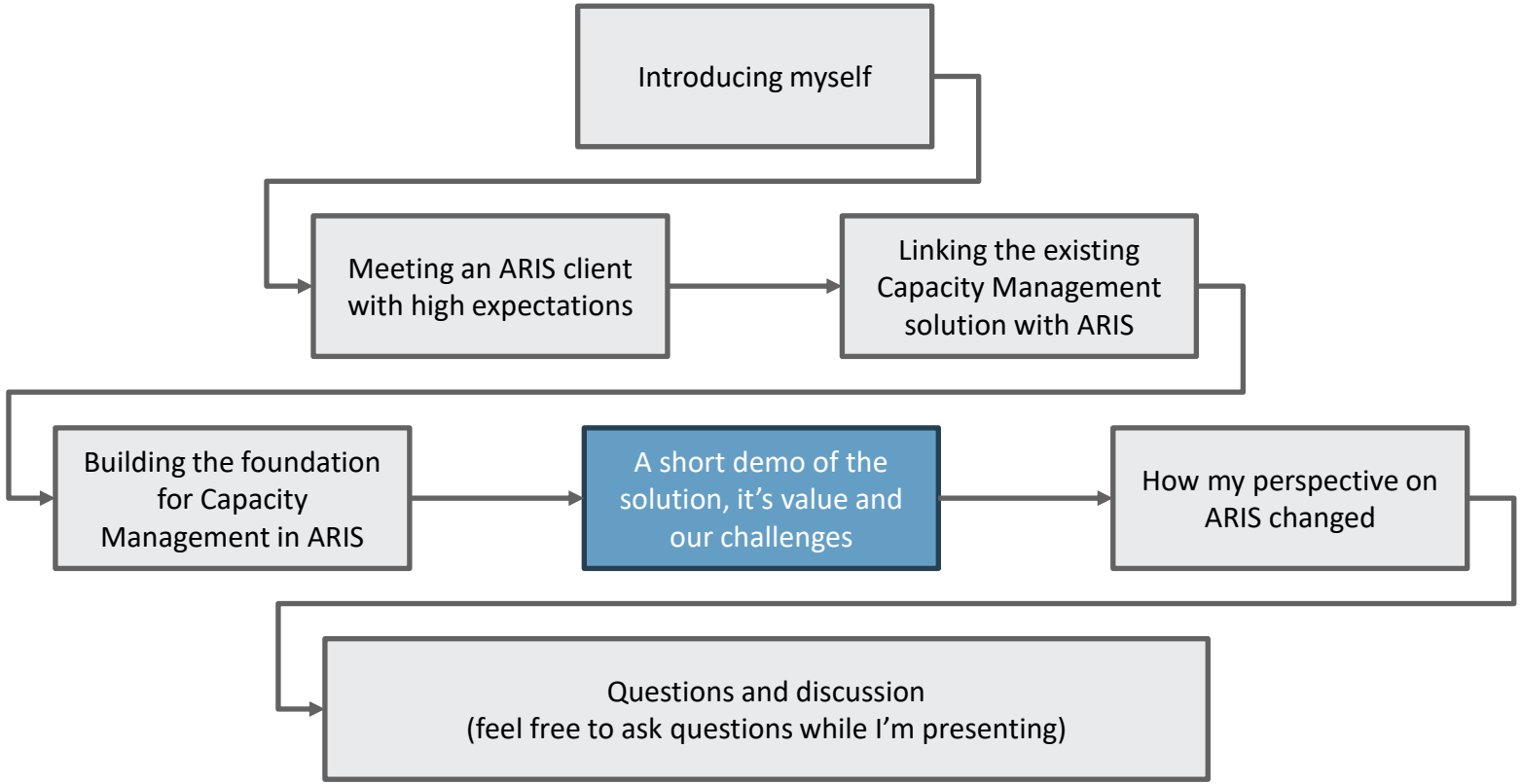
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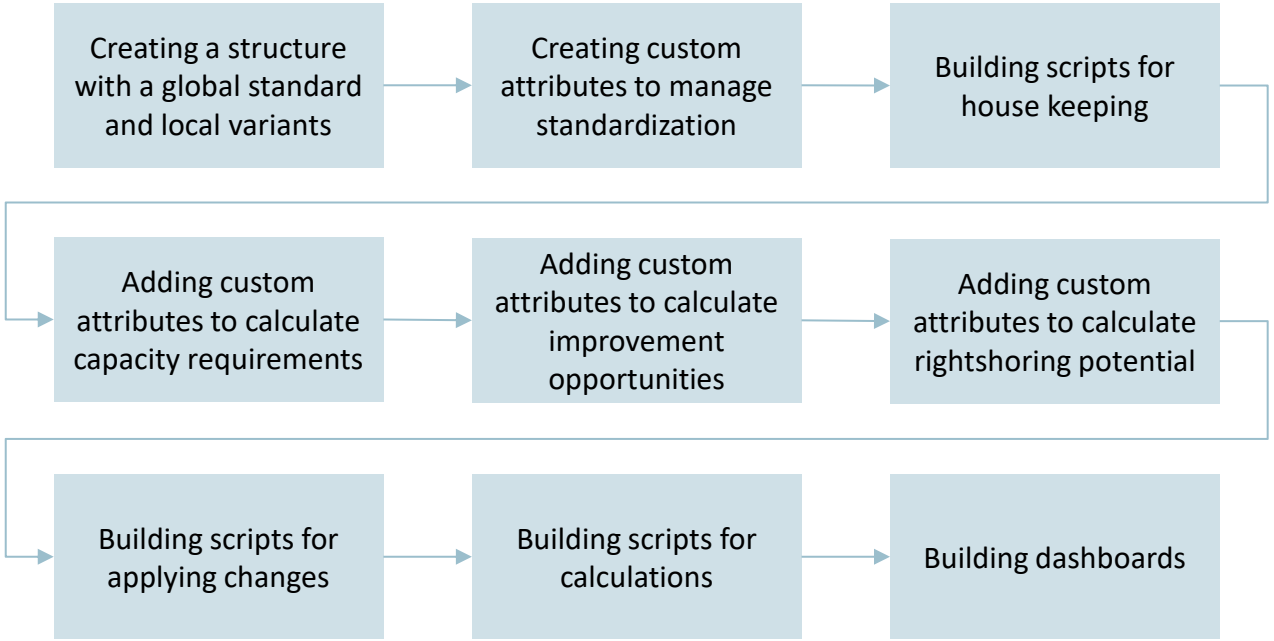
A short demo of capacity management in ARIS



The solution and it's value

- Very deliberate way to standardize the processes across different countries
  - Standardized processes are easier to manage,
  - Standardized processes are cheaper to execute,
  - Improvements on standardized processes have a much larger leverage
- Standardization, improvement and rightshoring opportunities can be 'remembered' over time
- Insight in aggregated and combined impact of improvements and rightshoring!

Challenges we encountered

Challenge	Solution
Defining global standards and local variants and how they relate to each other.	Using relationships that allow for the modelling and visual relations between global standards and
Maintaining the core attributes of the models and objects over a large set of possible variants.	Defining a propagation mechanism and building scripts that propagate the changes across the hierarchy.
Maintaining capacity data without having to modify multiple models when things like volumes change.	Making an interface between ARIS and the outside world for easy updates on specific attributes.
Preventing slow performance of dashboards on complex queries.	Switching from ARIS-queries to ARIS-scripts and generate data files that allow for larger data volumes.
Guaranteeing that the system will still work when all processes are modelled ‘at scale’.	Generating an ARIS database with over 50.000 models and over 500.000 objects to stress test the system.
Modelers must understand the foundations.	Training, training, training, but it remains a challenge.

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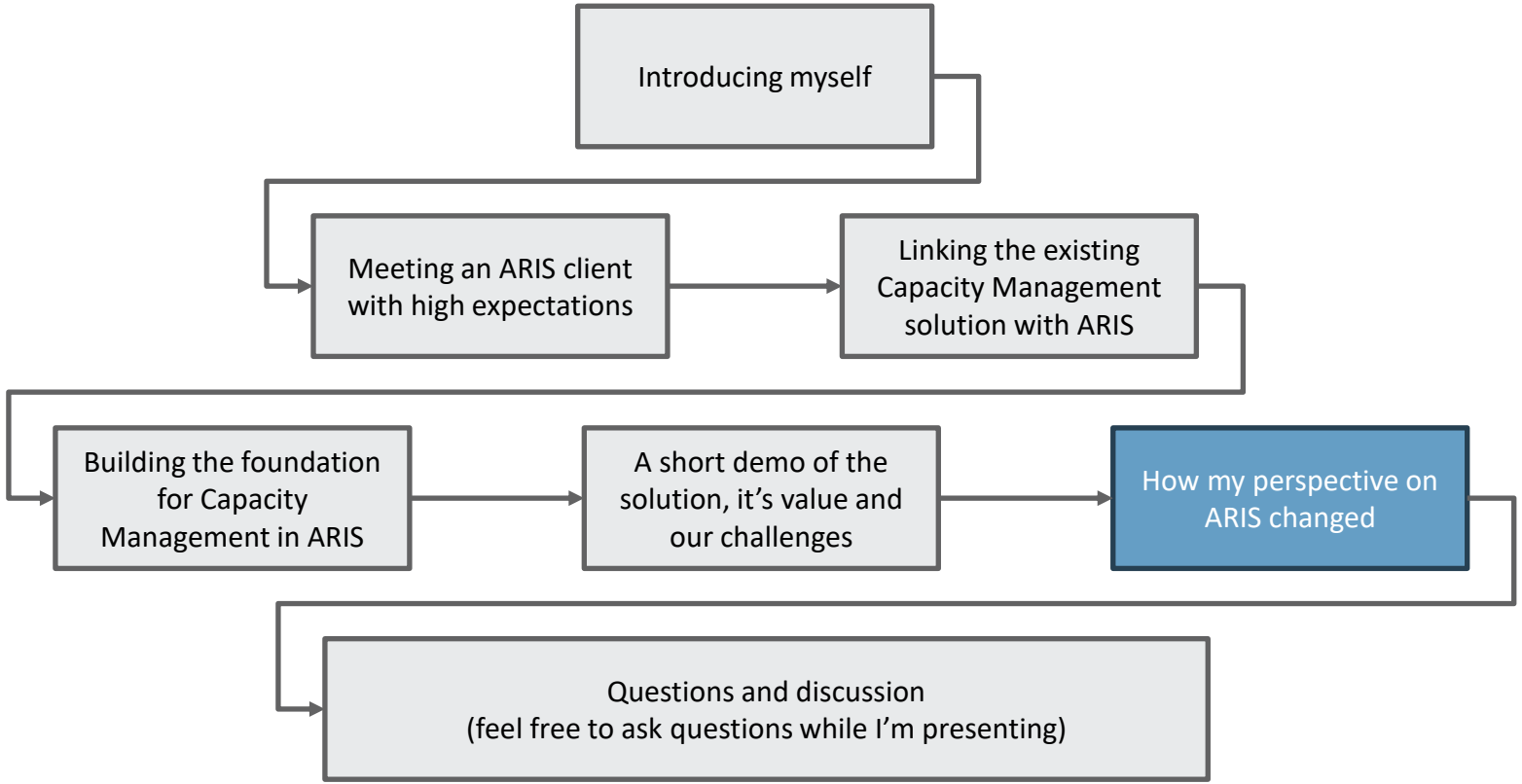
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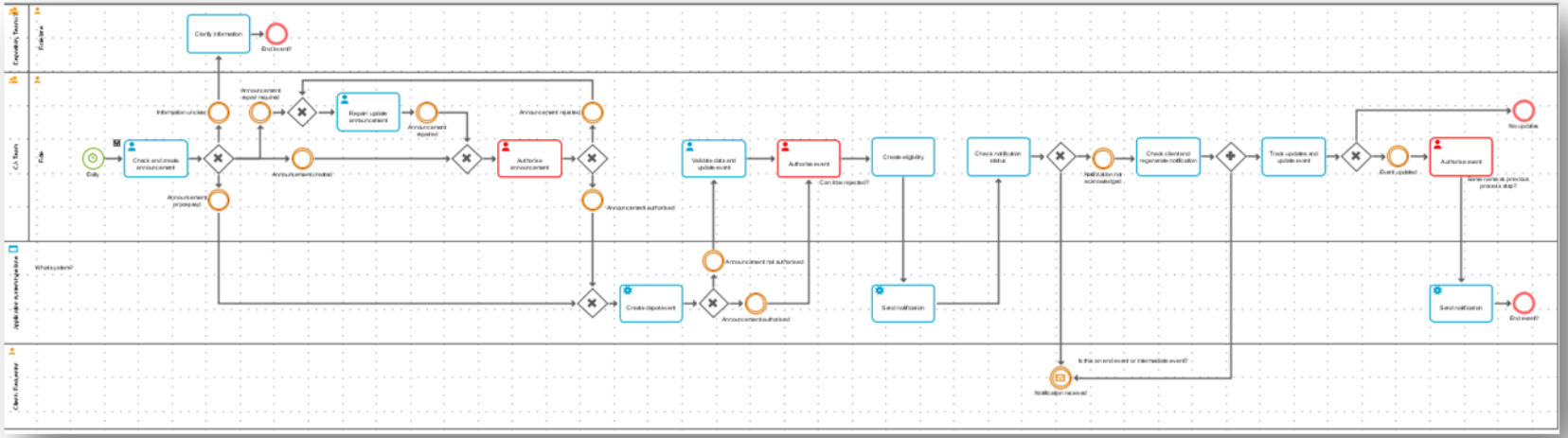
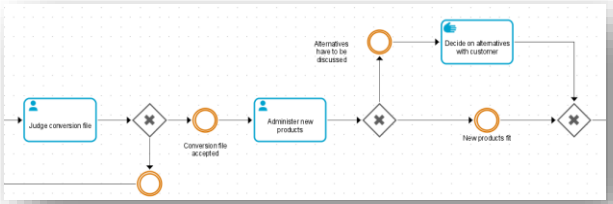
How this changed my perspective on ARIS (1)

Most people see this when they think of ARIS…

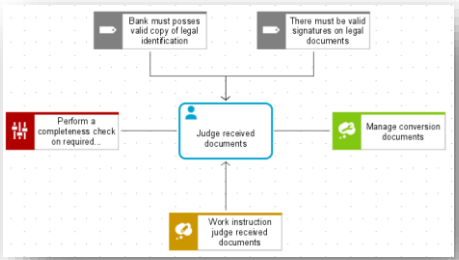


How this changed my perspective on ARIS (2)



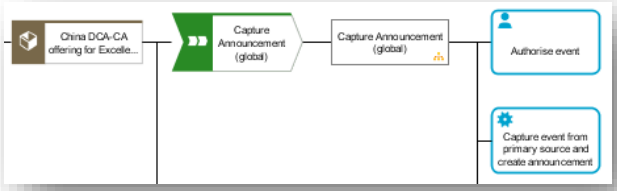
Often times the primary use case for using ARIS is ‘documented processes’

Attributes carry information about processes, risks, controls et cetera

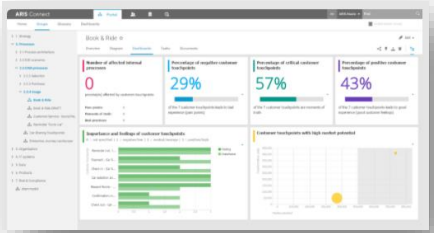


Relationships carry informations about how processes are related to risks, controls, et cetera

But when viewed more carefully we are building a valuable data source with data about our processes

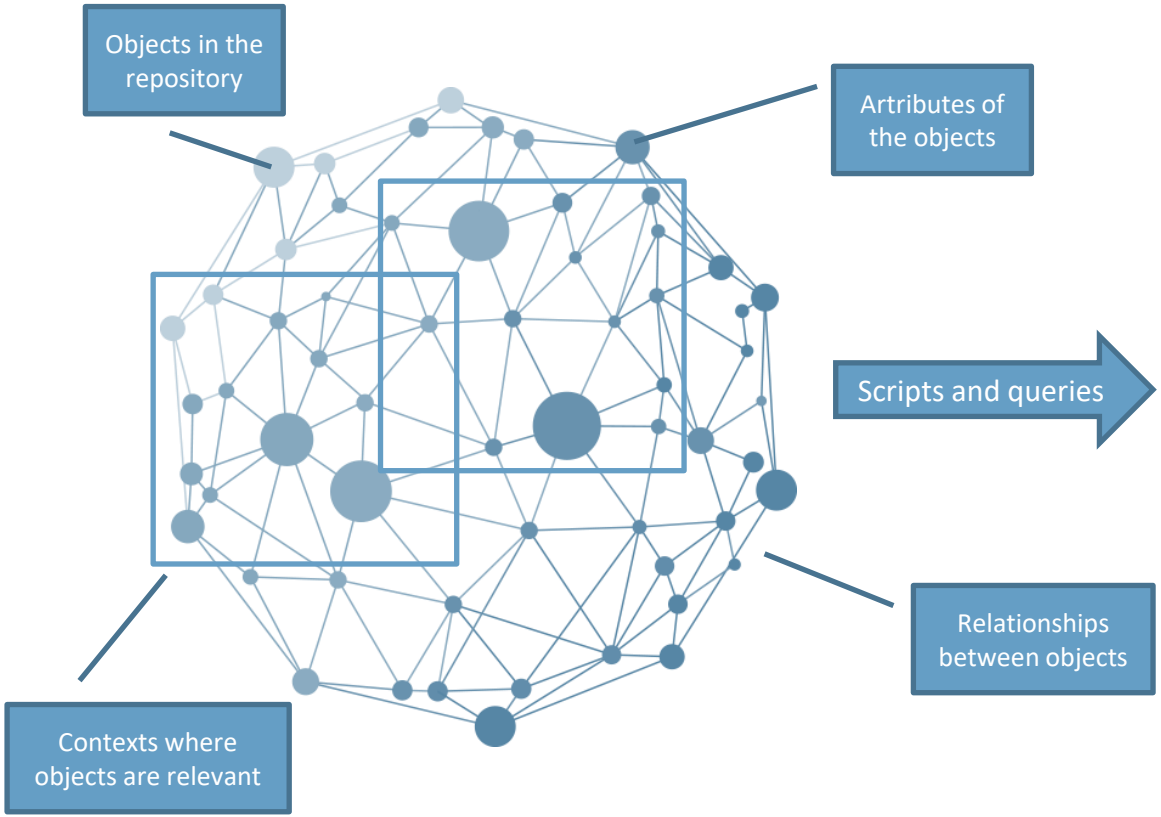


The objects, relationships and attributes we store in ARIS can used to create valuable datasets using a build in query tool.



Data <u>about</u> processes can be used for (impact) analysis, benchmarking and dashboard. Separately or combined with data <u>from</u> processes.

How this changed my perspective on ARIS (3)



I tend to think of ARIS primarily as a ‘Graph database’…

Key	URL	LC	L#	C#	TS	DM	Links
A1	A	2	1	2	Xx	Yy	A4,..
A2	B	0	1	2	Xx	Yy	A8,..
A3	C	2	1	3	Xx	Yy	A1,..
A4	D	1	2	3	Xx	Yy	A5,..
A5	E	3	2	4	Xx	Yy	A7,..
A6	F	1	2	4	Xx	Yy	A5,...

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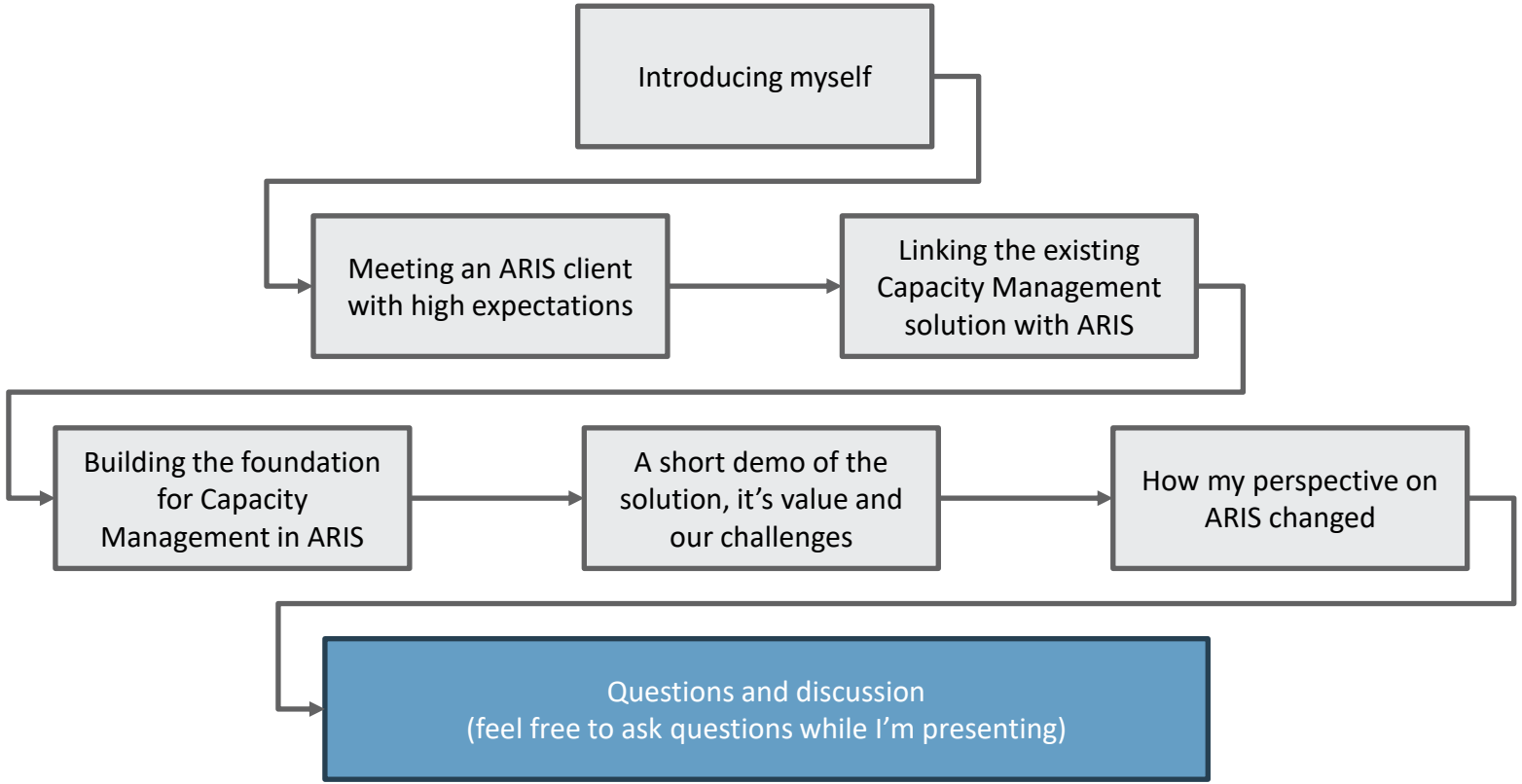
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