In today’s world, business processes are the key assets for any bank which helps them to be differentiated from their competitors. Hence it is important for banks & financial institutions to embark to business process centric solutions for business agility and competitive advantage. Organizations deem the improvement in process effectiveness and efficiency to be the highest influential factor when it comes to proving performance and improving business. Oracle Financial Services PrimeSourcing provides optimized business process modeling solutions that play a vital role in improvising processes.

Process Centric Banking - Services and Offerings

At Process Centric Banking, Oracle Financial Services PrimeSourcing helps banks and financial institutions to understand the business operations from a process-centric perspective. standardize and optimize current business processes (which is the heart of the enterprise), create visibility into end-to-end business processes that may currently be dispersed between multiple systems and locations and enable adaptability to rapidly adjust processes and react to regulatory changes and business needs. We also improve efficiency through automation and by removing the white spaces between activities and processes. Our expertise/assets include

- Pre-defined business catalog for commonly used business processes
- Offer pragmatic guidance and approaches for applying important technology strategies such as SOA, BPM for banking processes
- The business process models encompasses the “best-practice” industry approach
- Adoption of Oracle Business Process Management Engineering framework – iterative BPM project engineering lifecycle
- Usage of tools and utilities as part of Business Process Modeling
- Pre-defined business catalog for commonly used business processes within the Retail, Corporate, Investment space of Global Banking
- Offer pragmatic guidance and approaches for applying important technology strategies such as SOA, BPM for banking processes
- The business process models encompasses the “best-practice” industry approach
- Adopt an OUM based approach for Process Modeling
- Adoption of Oracle Business Process Management Engineering framework – iterative BPM project engineering lifecycle
- Usage of tools and utilities as part of Business Process Modeling
- Take advantage of the existing process accelerators to speed up the modeling phase
- Exercise deep domain expertise and wide spread knowledge in technology offered by business and technology consultants respectively
- Real time experience in impact analysis, efficient and optimized modeling with the past engagements for multiple clients in banking space spanning across distributed geographies
Business Process Modeling for Banking Enterprise

Business Process Modeling holds a key advantage for banks in order to realize their strategic objectives, reduce “gaps” within their current business functions and thereby lowering any potential risks of under or non-performance. Strategy Maps – Business Motivation Model, a tool (as shown below) are used by enterprises to articulate and visualize an organization’s business strategy, i.e. a motivation model encapsulates an organization’s business goals, objectives, initiatives, and metrics that define success factors. Once the strategic objectives are known, a functional model has to be created. A typical functional model is a hierarchical representation that is understandable to range of stakeholders and illustrates the decomposition of business functions across the entire enterprise in a single model, i.e. business functional models that define what value is provided by one organization to another - including both internal and external functions.

![Business Motivation Model for an Enterprise](image)

Figure 1. Business Motivation Model for an Enterprise
A typical enterprise functional model and a qualified enterprise functional model is shown below.

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**Figure 2. Typical Enterprise Functional Model**

**Figure 3. Qualified Enterprise Functional Model**

**Use Case illustration from popular BPM candidates in banking**

Description: Loan Origination is one of the most critical business processes for any bank to help positively influence the customer and establish a good faith in rendering quality services, thereby building a valuable and loyal ecosystem of clients.

Business significance: A well modeled optimized Loan process can positively influence the bank in many ways and this is one of the primary reasons for banks to show great interest in automating it. Today, customer has plenty of choices and can move from one
bank to another in response to highly attractive offers and even slightest dissatisfaction makes banks lose out to their competitors. Moreover, these processes need to be highly adaptable to changes in market conditions, customer environment, regulatory environment, economic conditions. More importantly, a rapid turnaround is expected by customers with lesser processing time.

Business Process Modeling definition: First step is for business users to define optimized and efficient business processes. Loan origination includes a series of steps—key ones include capturing the application details, verifying the customer existence (also includes KYC), credit assessment, legal review process and finally offering (or declining) the loan itself. All of these processes are first created as BPMN models (aligned with strategic objectives) and base lined as a collaborated effort among various business users. Discrete sub processes [e.g. KYC, Disbursement, Notification framework etc.] are also included to segregate functionality and promote re-usability.

Implementation Approach: What-You-Model-Is-What-You-Execute. A decoupled architecture using multiple services and process models helps in achieving the required abstraction of business process from the underlying systems. Process automation reduces manual intervention and increases more inter-process or inter-system communication. Business users gain more control since business and IT speak the same language. Further business users can easily interact and maintain control throughout the loan origination cycle. The visibility is also achieved through real time monitoring of these processes by using business driven indicators. Process optimizing is achieved through incorporating business rules for (a) business policies such as spending policies and approval matrices (b) constraints such as valid configurations or regulatory requirements (c) computations such as discounts or premiums (d) reasoning capabilities such as offers based on customer value. Process optimizing is also achieved in design stage by using simulation to (a) gauge the cycle time of processes & perform impact analysis using What-if scenarios (b) create new business process or business process reengineering (c) revenue forecasting using resources usage or when costs of automation are high.

Figure 5. Loan Origination – Business Catalog
Conclusion

Banks and financial institutions embarking to business process centric solutions shall get focused on process efficiency and effectiveness as key to their transformation initiatives.

Oracle Financial Services PrimeSourcing offers an end-to-end consulting partnership, providing comprehensive business and technology solutions that enable financial services enterprises to improve process efficiencies; optimize costs; meet risk and compliance requirements; implement and, manage the transformation process.

Being 100% focus in banking and financial services domain for past 25 years, and having minimum of 8 years as average consultant experience in the space, Oracle Financial Services PrimeSourcing is committed to guide banks in implementing BPM & SOA solutions and meet their business objectives, business to IT alignment, benefit with improved operational efficiencies and risk mitigation.