

Is it possible for process documentation to generate ROI?

There are two primary sets of activities that take place in the business process world. First is process modeling. There are a number of terms commonly used to describe modeling, including process mapping, process design, process documentation, and process discovery.

The second major focus area is process automation (to keep things simple we'll include monitoring with automation), also called process execution, or simply... running your processes.

But as everybody in the process world knows, there's another very important concept that cuts across both of these activities – process improvement. Many in the industry say that to achieve ROI you need to perform both activities - modeling and automation. Without question that is the ultimate goal for a process-driven organization. But most companies will model more processes than they automate, since modeling a process requires less investment than automating it. So the question is, can organizations achieve ROI from merely modeling their processes?

Let's look at the example of [Elevations Credit Union](#) based in Boulder, Colorado. Carla Wolfe is the process maven (my term, not hers:-) at the credit union and has been leading a significant process improvement effort for the company. I recently attended a presentation Carla gave at the Impact conference in Las Vegas. She refused to wear a microphone or stand on the stage, even though the room was large and there were many people in attendance. Carla exuded energy and demonstrated palpable passion for what it takes to accomplish real process improvement. The audience was glued to her every word, as she preached the gospel of process improvement with a fervor typically not found in what is sometimes accused of being a boring and passionless discipline.

Carla took the audience through the ongoing story of Elevations' process journey. She recounted how the company's CEO set a goal for the credit union to win the prestigious Malcolm Baldrige National Quality Award, and how as a preliminary step they have already won the [Rocky Mountain Performance Excellence Award](#). She described how they began the effort with a small, dedicated team that didn't have experience in process improvement, and how they started using [IBM Blueworks Live](#), a cloud-based process improvement tool, that became the "single source of truth" for all their process-related activities.

What really hit home was when Carla started talking about the results that Elevations Credit Union had achieved. She put up the graphic below to illustrate the specific ROI the credit union had generated through its process improvement effort.

Providing more loans, faster with the same amount of staff	
Before Process	After Process
Vehicle loans took an average of 10-13 days from application to funding	Vehicle loan funding improved to 4-5 days
Home Equity loans were funding in an average of 30 days	Home Equity loan funding improved to 14-15 days
We funded an average of 483 consumer loans per month	We are now funding an average of 659 loans per month with the same amount of staff.
Approval Rates: Overall consumer loan approval rates were at 65%, but perceived as being much lower	Now at 75%, and perceived accurately.
Underwriting Turn Time: Unknown results, but perceived as being lengthy	Ability to determine target/benchmark and set a target of 60 minutes max. Actual results out-performed target - came in at 40.58 minutes for 2013.
Could not easily (and sometimes with little to no data) identify individual performance	Can now factually identify individual performance results and compare with goals and expectations.
Prior to process, established 175 loans per underwriter per month as capacity (used historical and arbitrary information).	Handling approximately 300 loans per underwriter per month because of process improvements/increased efficiency and metrics.

Elevations Credit Union: ROI from process improvement

The first thing that struck me was the sheer magnitude of the ROI directly attributable to process improvement:

- Over 50% reduction in the time from loan application to funding
- 35% improvement in loans funded per month with no increase in staff
- 71% increase in loans handled per underwriter

Those are significant results, but the other thing that struck me was the breadth of business improvement, both quantitative and qualitative.

- Faster loan approval
- More loans funded per month
- Higher loan approval rates
- Speedier underwriting
- Better ability to measure individual performance
- Higher number of loans handled by each underwriter

When you take into account both the breadth and depth of the process improvement, and the combination of quantitative and qualitative ROI, the results are pretty impressive. It's no wonder Elevations won the Rocky Mountain Performance Excellence Award.

When Carla talked about the goal of winning the Malcolm Baldrige Award she called it a BHAG (pronounced bee-hag). That stands for Big Hairy Audacious Goal. When she talked about it what it takes to compete, she focused on three key points:

- 1) **People:** A great team of process facilitators ("I have a special forces of 21 facilitators who cover every category on the process map")
- 2) **Process:** The APQC Enterprise Process Map ("Helped us teach the organization where we were trying to go")
- 3) **Technology:** The Blueworks Live process modeling tool ("I felt like Blueworks Live was with us standing on the podium when we got our award because I don't know how we would have done it otherwise")

So going back to the original question: Can organizations achieve ROI from modeling their processes? Carla Wolfe and Elevations Credit Union say yes... but you may just need the right people, the right process, and the right technology.

To learn more about how collaborative process modeling in the cloud can help you achieve ROI,

- Read more about [Elevations Credit Union's process improvement journey](#)
- Sign up for a [free 30-day trial of Blueworks Live](#)