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## Case Study: TD Banknorth Creates A BPM Center Of Excellence

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### EXECUTIVE SUMMARY

TD Banknorth, a top 50 US retail and commercial bank and part of the TD Bank Financial Group based in Toronto, Canada, wanted to expand its use of business process management (BPM) in a way that aligned the lines of business (LOBs) and IT across the enterprise. With solid executive sponsorship, TD Banknorth leveraged an existing organizational structure, its integration competency center (ICC), to jump-start the project and minimize cultural change challenges. The result: broader relationship building and improved process efficiencies.

### SITUATION: BPM WORKS — HOW TO EXPLOIT IT EFFECTIVELY?

TD Banknorth had recognized the value of BPM when it created an address change function for the branch banking channel that was fully tested and implemented without a hitch.<sup>1</sup> It wanted to expand its use but was concerned that individual LOBs and channels would implement inconsistent process improvements without sharing process assets.

### BEST PRACTICE: TD BANKNORTH TURNS A COMPETENCY CENTER INTO A COE

The bank already had an ICC that served the role of managing integration of different legacy systems. Joe Castinado, VP of technology and the enterprise architect for service-oriented architecture (SOA) technology, shared a vision of evolving the ICC into a true center of excellence (COE) for BPM. The team leveraged the ICC's foundation and developed a COE by:

- **Tapping an executive sponsor with vision.** John Petrey, executive vice president and CIO, had the vision of using SOA more than four years ago. He led the bank to deploy it early on. His vision extended to the capabilities of BPM and the need for a COE to support it. Joe Castinado said, "He took a lot of shots for us. If we turn him sideways, we see a lot of bullet holes in him. John was the champion at the executive level." As the evangelist for BPM, John convinced his peers of the importance and necessity of a COE and has subsequently passed the baton to Castinado.
- **Encouraging enterprise collaboration through alignment with finance.** As a separate initiative to improve efficiencies, TD Banknorth's finance group started a business process improvement initiative run by Jan Nielson. Reporting directly to the CFO, Jan's role is to review existing business processes, observe how products are created and marketed, and analyze them for possible improvements. Jan aligned with the COE efforts and now outlines process improvement possibilities with Joe and his team.



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- **Recruiting the enterprise architecture team as the governing body.** With the deepest knowledge of the organization's technology architecture and understanding of BPM, the EA group was the natural choice for governance oversight. They have supported the COE's efforts to leverage Microsoft Visio licenses and Software AG's webMethods designer licenses so that business and technical process modelers are using the same standards and tools and are coming to understand the value of a common methodology. The COE currently builds all the process applications for the organization, but with the development of best practices and rules to support them, the governing body is getting ready to allow "islands of technology" — or LOBs — to drive their own projects with the support of John Petrey's technology teams.

### Next Steps: TD Banknorth Plans For Real-Time Monitoring And Optimization

TD Banknorth recognizes that its COE is still evolving, and it is focusing on metrics and more governance standards in its next phase. Understanding the importance of measuring results, the firm is taking the following steps toward improved measurements:

- **Leveraging the Six Sigma methodology for pre- and post-implementation changes.** Six Sigma is used in the finance group's process improvement project, and the COE will begin to use it for all their projects as well. The team wants to measure how quickly they can change and monitor the impact of the changes.
- **Using business activity monitoring (BAM) tools for real-time monitoring and optimization.** Not only does Joe Castinado want to measure results of the projects, he wants to be able to ensure that processes are running efficiently and are working in an optimal manner. Employing the BAM tools available from their BPM suite vendor will enable these capabilities.

### BEST PRACTICE RESULTS: TD BANKNORTH BRIDGES THE BUSINESS/IT GAP

Since the deployment of a COE for BPM, TD Banknorth has successfully tackled more than 10 process improvement projects and has tactically achieved:

- **A closer connection between the business groups and IT.** In an era where IT budgets are generally managed by LOBs, this is essential progress to ensure that new technology developments are appropriate and optimized to support business objectives.
- **Measurable process improvement results.** The bank is on target for solid measurements, as it is beginning to use Six Sigma as an enabling tool. Ultimately, it's building the ability to continually refine and optimize its processes. The bank offers a great example of success in one specific process: address changes. Before implementing an automated process for address changes, it took more than seven employees working 6 hours per day to handle the 30,000 monthly requests.

With BPM, the bank has one resource handling all of these requests, including an incremental 20% increase in changes completed.

- **Unwavering executive support.** The COE has helped to secure executive support so strong that the firm's BPM success is being heralded by its parent company, TD Bank in Toronto.

## RECOMMENDATIONS

### HOW TO APPLY TD BANKNORTH'S BEST PRACTICES

The smartest first step TD Banknorth took was to leverage an existing structure, the ICC, which ultimately reduced the cultural change and turmoil associated with changes of this type. So before you begin your venture into a COE for BPM, look around your organization for existing models that might support or corroborate your desires, thereby reducing the need to face the challenges of what some may consider "unrelenting change."

## ENDNOTES

- <sup>1</sup> TD Banknorth is a leading banking and financial services company headquartered in Portland, Me. It is one of the 25 largest commercial banking organizations in the United States with assets of more than \$58 billion. TD Banknorth is a wholly owned subsidiary of TD Bank Financial Group, which is headquartered in Toronto, Canada.