



# Anida

WfMC BPM Excellence 2013 Finalist

Anida, part of BBVA

# Addressing burning issues at lightning speed

## Executive Summary

To address the challenges of the financial crisis, the Spanish financial group BBVA set up the real estate department in 2011 to handle the large amount of properties and land they received back from developers unable to find potential buyers for, and facing repossessions.

Managing the real estate inventory worth billions of euros needed strong process automation, so the department's executive team had to define an appropriate IT infrastructure for the unit to support fast optimization of the end-to-end processes ranging from admitting the repossessed property or land, through to releasing it to the market. Whilst Ernst and Young (EY) assisted with defining their processes, there was a need to automate and execute these processes in a very short timescales, less than 6 months.

Although BBVA had an experience with several BPMS systems, the team went through a thorough BPMS selection process to identify a solution that could demonstrate the speed of development required. Bizagi's prior experience with the ICO project (Virtual Bank for SMEs) impressed the team and Bizagi solution was selected.

Anida BPM system was deployed in a matter of 19 weeks, 5 weeks shorter than the expected timescales. To-date, two years into the project implementation, 42 processes have been fully automated supporting 591 activities. The system is used by nearly 1000 users.

On average there are around 3,500 cases created monthly and over 20% are closed in the same month period.

“I'd use Bizagi for any project, regardless of size, scale or complexity. It truly is BPMS without limits.”

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Alberto Serfaty, Senior Manager  
Performance Improvement, EY

## 1. Overview

Initially, BBVA decided to set up a real-estate unit within the bank to manage the significant increase of properties and land returned to the bank through repossessions caused by the financial crisis.

The objective was to create one department focusing on this challenge and address the growing problem fast. A new organizational structure needed to be defined to support daily operations of this new unit, which were very different from the wide-ranging activities that BBVA focused on.

The IT systems were to enable the efficient end-to-end process execution from the admission of the assets (property and land), management, marketing deploying all relevant channels (web, TV, broadsheets), through to the asset disposal.

It was evident to the management of the real-estate department that they needed a completely independent architecture from what already existed at BBVA, especially as there were plans to separate the department from BBVA and make it function as a standalone business.

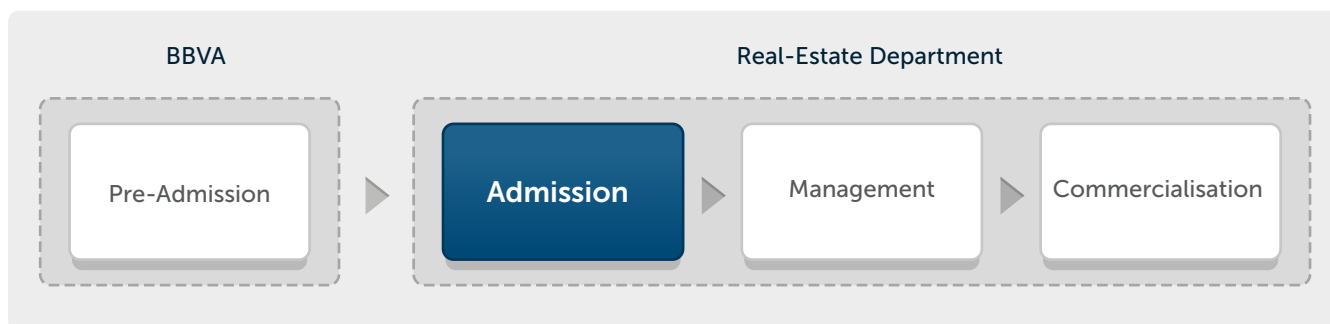


Figure 1: The real-estate unit process design definition

The project deployment was divided into 3 project areas:

**Area 1: Admission** – managed the receipt of assets, whether it came from the acquisition, auction or other sources. It became apparent that a BPMS solution was required to automate the admission processes. While the parent company, BBVA, had a corporate BPM solution in place, the tight and demanding project deadlines needed a more agile approach that could meet the key objectives:

- **Fast implementation;** main processes were expected to be automated in less than 6 months
- **Easy integration** with other systems to ensure that the solution operates seamlessly within the IT architecture defined for the unit
- **Monitoring and traceability.** It was necessary to ensure a complete audit trail of what was happening and when, for auditing purposes.
- **Key Performance Indicators (KPIs)** that were easy to define and measure

**Area 2: Real-estate management** - which was to be managed by the newly selected ERP solution, Navision.

**Area 3: Commercialization** - which involved marketing and selling the assets through the web portal.

A year into the project deployment (January 2013), the executive team decided to re-engineer the underlying IT architecture and make the BPM layer visible across the whole supply chain.

This is when Anida business was formed as a separate organization from BBVA. There was now a need to bring more process control and traceability which couldn't be delivered through the ERP system in Area 2. Bizagi's system was deployed for the real-estate management, and this automation started in March 2013.

“**Hit hard by the financial crisis, BBVA was challenged with an increasing number of repossessions. By choosing Bizagi over existing BPMS, we were able to isolate the problem and create a separate architecture designed with agility in mind.**”

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## 2. The Key Innovations

The vision defined by the executive team in collaboration with EY was accomplished in 18 months, when the completely new and more dynamic infrastructure was deployed and integrated. The Bizagi BPM solution was initially selected to automate Area 1 (admission processes), but within a year of using the system, the team decided to make BPM the underlying foundation for the whole process lifecycle.

### 2.1. Business

The BPM solution not only streamlined the most challenging ‘admission’ processes but also enabled the automation of the real-estate management and other additional processes in very short-timescales. This contributed to the increased quality of service offered to the internal stakeholders and customers.

As far as BBVA were concerned, it was of paramount importance to reduce the ‘bad debt’ and remove toxic assets from the company’s books in the shortest time possible. The automation of the admission processes have addressed these very important challenges; repossessed properties are now processed and validated in a fraction of the time.

On the receiving end, customers who buy the repossessed assets, have much higher visibility what is available for sale, purchase origin (from the compliance perspective) and the purchase approvals happen faster as the supporting information is managed by the BPM tool and the authorization is fully automated.

The success of this initiative hasn’t gone unnoticed internally; other parts of the bank are now working on learning from this experience and expanding the use of BPM in other functional areas.

### 2.2. Case Handling

The admission process was of the critical importance to BBVA, it was a completely manual process prior automating it. Previously, all stakeholders involved in the admission managed it through various emails which caused lack of control, visibility and traceability.

After delivering the end-to-end automation of the admission phase, the process controls were dramatically improved, which helped the customer to make swift decisions which activities were to be outsourced and the ones to be managed in-house, focusing on core competencies.

In the latest Anida’s system architecture, BPMS became the underlying foundation for process management and integration with other systems to ensure smooth and fast execution.

Case templates needed to provide the flexibility in capturing all the relevant information related to different types of admissions. Yet it was also important to ensure a common structure for each admission type, so only one file was created for each asset lifecycle (from its admission through to sell).

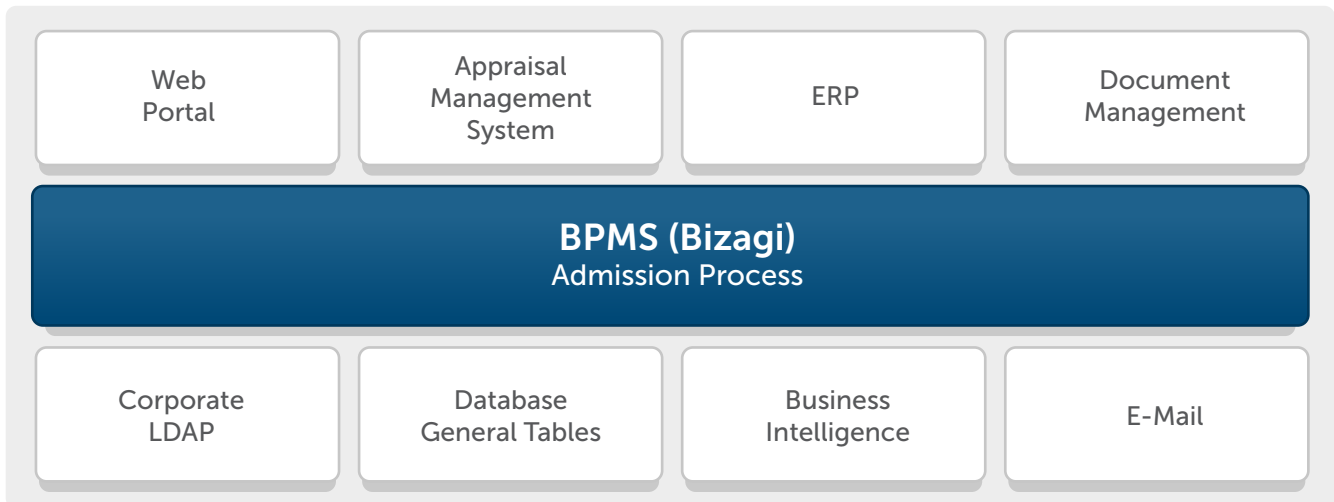


Figure 2: Anida's System Architecture

Key roles involved in the admission workflow included Risk Analyst (BBVA), Admission Analyst, Legal Department, Finance Department, Accounting Firm and Asset Valuation Companies.

Assigning activities to individuals varied depending on the type of activities. Activities management was assigned to the relevant department and was based on the workload of that department. Workload balancing was effectively deployed to split assignments across the teams involved, taking into account the volume of pending activities for each individual.

However in some cases specialist skills were required to perform certain activity, so the appropriate rules captured that requirement, for example, asset valuation.

Some activities, required senior approval before moving to the next stage and this was also catered for and automated.

As far as the template changes were concerned, they were always driven by the business. IT's function was to perform an impact analysis of the expected change on the process flow and produce workflow or template redesign that was shared with the business unit, who would give their approval before the changes were implemented.

The customer was very pleased with the speed of deployment of the Bizagi's BPM system, and its ease of use, so shortly new processes were added for automation; these included the 'provider certification' and 'virtual committees' (generic approval process) among others. Bizagi's use within the organization has been gradually growing since and reached its significant milestone when it was selected as the BPM layer for the underlying IT architecture and extended to support Area 2 of the project – the real estate management.

### 2.3. Organization & Social

The real-estate department was a completely new initiative created by BBVA to address the problem of fast growing numbers of repossessions. The true organizational innovation was the vision of the executive team (supported by EY) to create a completely new IT infrastructure that would be more dynamic and agile than the existing and rather complex IT infrastructure, that supported the functions of the bank. In less than 18 months all systems were implemented and fully integrated.

## 3. Hurdles Overcome

### 3.1. Management

Half way through the project, the management team recognized that there was a need for a more process driven control and traceability throughout Area 2 (real-estate management). In March 2013, having reviewed alternative options, the management team made a swift decision to implement this stage with the BPMS rather than through ERP. This agility in decision-making helped to get the project on track.

In addition, the positive experience of using the BPM tool encouraged the team to review the underlying architecture and extend the use of BPM as a platform visible across the whole value chain – extending, interacting and connecting with all other systems.

### 3.2. Business

The main business challenge for BBVA was to tackle the fast growing number of repossessions and ensure that the bank losses were reduced to the minimum. As one of the most recognized brands within the Spanish financial services market, BBVA had to protect their brand reputation, reduce losses and build new revenue streams.

Consolidating all the asset repossessions problems in one management unit was a very smart decision as it has allowed for an increased focus on this growing problem and has raised the visibility of this challenge with the executive team.

Another smart decision was to give the complete freedom to the management team of the real-estate unit in deciding what IT architecture and tools the unit needed to support this fast growing business problem.

### 3.3. Organization Adoption

There were several adoption challenges including:

- Setting up the real-estate department in 2011 and a year later making it an independent business called Anida. This required employee commitment and buy-in to this relatively significant change.

The life in this department has always been fast moving, but working for a relatively new brand (Anida) could have been perceived different and perhaps less positive than working for an established financial giant, BBVA.

The early success of automating the admission processes has helped to build this acceptance as the initial problems of escalating out of control repossession cases have now been under control and fully automated which improved employee job satisfaction and gave staff more time to focus on value added activities.

- The change of the underlying IT architecture to that enabled by Bizagi platform, also required careful handling, especially working alongside the ERP team to make them accept that BPM tool would now manage Area 2, leaving the ERP solution to focus on its core capabilities - the transactional and accounting functions.

## 4. Benefits

The main aim of the project was to automate the 12 admission processes which was accomplished in 19 weeks, 5 weeks shorter than expected.

To-date (July 2013), 42 processes have been automated, 591 activities and events modelled, nearly 1000 users trained and over 25 integration points completed.

### 4.1. Cost Savings / Time Reductions

The admission process automation resulted in the following time reduction benefits:

- Reduced time of the asset admission cycle achieved through process redesign and automation
- Outsourcing of non-core activities is now in place and properly managed which allows Anida to focus on their core competencies and outsource commodity or specialist functions like asset valuation; this resulted in faster execution times as without the BPM system in place it was impossible to control the outsourcing process

“ **Avoiding traditional implementation stages (analysis, design, test, etc.) and utilising agile methods has many advantages. Mission-critical projects are delivered in weeks rather than months. Pieces of the projects are implemented quickly then improved if necessary.** ”

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## 4.2. Quality Improvements

The visible quality improvements resulted from the following:

- Achieving the traceability of the asset's life-cycle to ensure compliance with regulations and audit trail of every transaction.
- Processes standardization to ensure quality and compliance.
- Effective integration and synchronization of all different activities and stakeholders involved in the process to improve the quality of decision making and response times.
- Minimized levels of incidents/wrong decision making, ensuring almost immediate resolution.
- Improved control, support and management of the process lifecycle.
- End-to-end case management improved and simplified interactions between all parties involved as the BPM system provided a single and a complete view of each case lifecycle.
- Improved agility in adapting processes to comply with changing regulatory requirements.
- Better quality decision making and transparency achieved through the single view of the asset and process information.
- BPMS helped to implement controls for each process or activity easily, which resulted in higher quality outcomes.
- Improved quality of reporting and forecasting based on KPIs, historical or future trend analysis. BPM system automatically gathers all the important information about the process/cases which can be mined without programming skills.
- Managed the end-to-end outsourcing process that ensured that Anida procedures were followed and SLAs were delivered. If the outsources didn't meet the agreed SLAs, the system allowed for an easy re-assignment of the provider.
- Ensured that only 'clean' assets got admitted as there were more stringent checks and validations in place before the admission.

**On average there are around 3,500 cases created monthly and over 20% are closed within a month.**

## 5. Best Practices, Learning Points and Pitfalls

### 5.1. Best Practices and Learning Points

- ✓ Ensure that the relevant Business Units are involved in every phase of the life cycle.
- ✓ Simplify all the documentation - just one document supporting all of the main project phases – process discovery, process specification details, test and training.
- ✓ It is important to have a clear vision of the process scalability (when and how new processes are added). The BPM system offers several alternatives and it may be challenging to choose the right option without proper planning in place
- ✓ Ensure that users recognize at an early stage that every process is subject to improvement. This will help manage customers' expectations. As processes change all the time, deliver v1.0 before changes are made. The benefits of a good BPMS is that it supports the continuous improvement
- ✓ If process changes in your BPMS are easy to make, don't fall into a trap of servicing every change request. As mentioned before, deliver your process in key milestones and embark on changes if agreed stages or process stability accomplished
- ✓ It is recommended to appoint a Process Owner who has a vision of what the process is and how it is going to change in the future. The Process Owner acts as a central point for collecting the improvement feedback, otherwise changes may get out of control, if not reviewed and prioritized properly.
- ✓ Consider the phased 'roll out' to manage the customer expectation and user acceptance

### 5.2. Pitfalls

- ✗ Even though changes are easy to implement, it is important to have process stability prior making them
- ✗ Avoid following the standard implementation life-cycle (analysis, design etc); agile methodology is the way forward as it saves time and delivers quality
- ✗ If possible try to avoid history cases migrations (passing through the process) and live cases are better to finish where they started

## 6. Competitive Advantages

Many financial organizations have suffered financially and their brand image was tarnished as the result of the crisis. BBVA acted fast to consolidate all their repossession related problem areas into one independent unit and supported the new department financially to build the underlying and necessary IT architecture to address the growing problem.

As the result, BBVA problem was addressed fast and the negative equity created through the repossessions addressed in a matter of weeks, not months.

Anida, now a separate business from BBVA, continue to grow their revenues from the successful and fast disposal of the repossessed assets and have also diversified into home and commercial building constructions, where it makes sense.



## 7. Technology

Bizagi automation solution helped Anida to respond quickly to new business requirements and adapt to constantly changing market dynamics. Here are the summary of benefits obtained from using Bizagi:

- ★ **Improved operational control**
  - reduced operational risks associated with manual processing
- ★ **Better quality of service**
  - ability to measure the service quality ensuring a consistent quality levels
- ★ **Costs reductions**
  - increased employee productivity
  - streamlined & simplified tasks
- ★ **Greater flexibility**
  - improved ability to adapt to market needs
- ★ **Agility**
  - reduced time to market
- ★ **Scalability**
  - ability to adapt to fluctuating demands
  - grow the system at the same pace as the business grows
- ★ **Monitoring**
  - information captured on who did what, when and how
  - total traceability of operations
- ★ **Process information**
  - real time insights into each operation state and the associated teams
  - Clear business rules and standardization
- ★ **Real-time response**
  - ability to redistribute urgent work to meet unexpected demands
  - bottlenecks easily identified
- ★ **Management specialization**
  - ability to target specific operations
- ★ **Resource utilization**
  - coordination as well as dynamic and efficient distribution of work load among the teams
  - more efficient use of resources

In addition to the main project objectives listed earlier in this document, the key technology objectives were:

- Define and create a master record, which would bring together all interactions that took place in the asset admission process
- Integrate the asset admission process with all relevant operational transactions from other internal departments
- Create a structured repository of information that consists of a database and a repository of master data
- Integrate with corporate systems and tools: ERP, Document Management, LDAP, Valuation software, Appraisal management, single sign-on, email system etc.
- Define a comprehensive suite of management reports

Twelve admission processes were delivered by only 5 people in a matter of 19 weeks; much shorter timescales than expected. In order to make the most of the resources available, the team was split into three work streams, executed in parallel, where possible:

- **Functional design/testing**
- **Modelling /process construction**
- **Design and construction of interfaces**

Depending on the prioritized list of processes, the design, development and testing of interfaces was executed in parallel with the process construction.

Finally, it was decided to Roll-Out the system gradually (staged Roll-Out), to manage the users satisfaction and the positive acceptance of the new system. The level of problems were minimal in the 1st two months after implementation. Interestingly, the problems started occurring when users realized how easy it was to make the process changes and no Process Owners were in place at that stage to manage this in a structured way. This challenge was quickly addressed (as summarized in the Lessons Learnt section).

## 8. The Technology and Service Providers

Anida project involved creating a brand new IT infrastructure to support the new business unit. The prime contractors were Bizagi and EY Spain. EY Financial Services operation specialize in the enterprise-wide business transformation initiatives and they led the initial stages of the process design and detailing the specification. EY team worked very closely with Bizagi consultants to manage the process construction, development of all integration points, system testing, user certification support, training, implementation, post-implementation support as well as system maintenance.

Anida selected Bizagi BPM solution to model and automate their business processes. Because Bizagi Process Modeler can be downloaded for free from the Bizagi website, users at Anida and EY learnt the system prior to embarking on the project. As the Bizagi website also offers a comprehensive self-service program that includes e-learning, training courses and videos, the learning curve was significantly shortened.

Bizagi Process Modeler is an intuitive drag and drop application which can also be used to generate process documentation. Anida used Bizagi BPM Suite to automate their processes, turning their process models into executable applications. With Bizagi it is very easy to move from process modeling to execution, without the need for technical knowledge, so the system is often used by Business Analyst and business line managers.

Bizagi BPM offers a complete solution which includes design and implementation of the process workflow and automation of processes. As Bizagi is an integrated BPM Suite, Anida was able to manage the complete process life cycle without any other additional or external tools. Bizagi's flexibility and capability of integrating and automating several processes simultaneously, creates a robust system can be easily adapted to business growth as more and more processes are automated.

Corporate features (multi-tenancy, BPMN process engine, multiple language support, time-zones, long lasting process transactions, enterprise data model, among others).

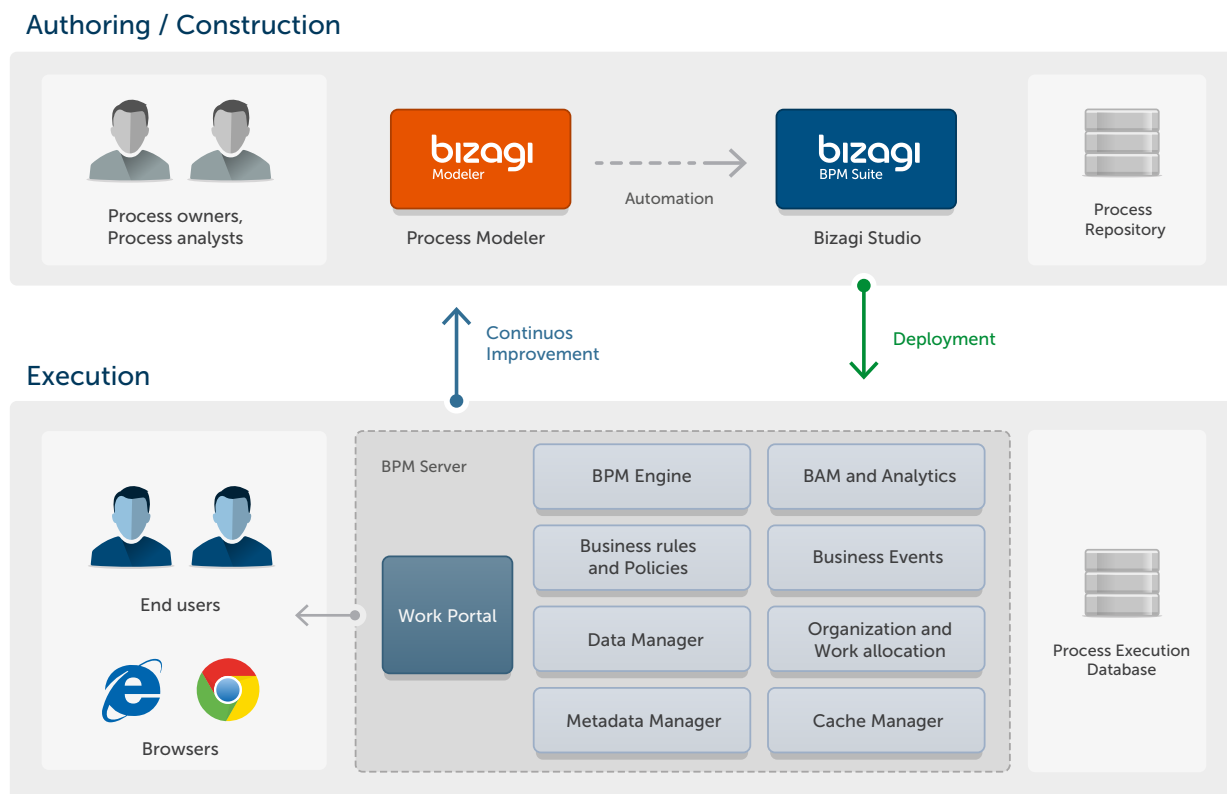


Figure 3: Bizagi's System Architecture