America Online, Inc., Financial Services

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IT initiatives are often considered separately from the business processes they support. This case shows how America Online, Inc., the world leader content provider for Internet, employed business process management (BPM) principles to justify an electronic funds transfer (EFT) project initiative for handling employee expenses and vendor invoices.

Through the use of Interfacing's Charter (a Microsoft® Visio® add-on) and Designer (a process simulation software), AOL modeled the as-is and the to-be business processes and captured the use and impact of the Computron-enabled system applications on the supporting business process. AOL saw the impact on the process before implementation and demonstrated the benefits to get organizational 'buy-in' for this initiative.

EFT Process

AOL is a very dynamic organization undergoing rapid expansion. In order to support this growth, the company aims at the continuous improvement of its operations. Within the department of Financial Services, this transformation process is being formalized and each new improvement project has to go through a full cycle of proposal creation, approval and implementation. AOL turned to Interfacing for their consulting expertise in business transformation and for its BPM software products to help in this process.

America Online, Inc. chose its electronic funds transfer (EFT) initiative as a pilot project. This process includes the steps taken from the moment an employee completes an expense reimbursement, or AOL receives a vendor invoice, until the time that the payment is processed. Currently, it is a mostly manual, time-consuming process that provides no flexibility to the customer, internal or external. Under the EFT proposal, AOL is to introduce an electronic system, based on existing Computron applications, where the customer is offered the option of receiving directly into his/her account the amount due. This, in turn, is expected to result in better and more efficient service levels.

The challenge lies in the fact that the proposed framework is an IT based solution, which supports a business process. AOL wanted to analyze the feasibility of the proposed EFT process and measure its benefits, in terms of elapsed time, total operating cost, resource utilization levels and customer satisfaction.

A comparative study was conducted through the use of Charter and Designer. This included:

- The process mapping of the current mode of operations as well as the EFT process, thus creating the as-is and the to-be models respectively
- The simulation of both process models, followed by the analysis of the results obtained

The use of the Charter and Designer offered AOL a rigorous mapping approach. This resulted in accurately capturing all cost and times contributors in the as-is model. It also helped shape the desired EFT process. Potential problem areas were identified prior to implementation, avoiding costly and disruptive refinements later. Also, the analysis of the business process helped in designing better Computron-enabled systems by depicting the links between the two.

Through the use of Designer, AOL was able to capture the impact of the EFT process through all the desired metrics. Accordingly, the following benefits were captured for the introduction of the EFT process, considering a weekly volume of transactions:

- The elapsed time is reduced by 55 percent, leading to clear customer satisfaction
- The total operating costs are reduced by 30 percent
- The critical resources are freed for up to 51 percent of their time allocated to this process

The Future

AOL is expanding the use of Charter and Designer for a wide variety of additional initiatives in the Financial Systems and other enterprise functions, following the same approach.

Benefits Summary
Charter and Designer helped:

- Reduce elapsed time
- Reduce processing cost
- Increase resource freed time
- Identify and analyzed system interfaces through process mapping
- Enhance customer satisfaction (faster system, providing more options)
- Provide greater management control through simulation of proposed schema prior to implementation