

Elevations Credit Union achieves process excellence

IBM Blueworks Live SaaS offering helps credit union win prestigious Malcolm Baldrige National Quality Award

Overview

The need

To better serve its members, Elevations Credit Union sought a tool to support its mission of becoming a process-driven organization by identifying, documenting and reusing its processes.

The solution

Elevations used the IBM® Blueworks Live™ cloud-based offering to document and link processes, thus gaining a more comprehensive understanding of its interdependent procedures.

The benefit

Using the Blueworks Live offering, the organization reduced the average time to fund a home equity loan by 52 percent and increased the number of loans handled per underwriter by 300 percent.

Elevations Credit Union is one of the largest credit unions serving Boulder and Broomfield Counties in Colorado. Founded in 1952 with less than USD100 in assets, the organization now has more than USD1.6 billion in assets. Elevations provides a range of financial products and services to its 115,000 members, including checking and savings accounts; car, student and business loans; mortgages; home equity lines of credit (HELOCs); and credit cards. The organization also has financial advisors to help members with financial planning, such as investments, retirement planning, income strategies and wealth transfer planning.

Setting ambitious goals

Although many organizations must compromise between competing factors such as financial success and member satisfaction, Elevations understood that achieving process excellence was one of the surest ways to eliminate the need for compromise. By recognizing the importance of a disciplined approach to process excellence, Elevations decided to pursue the prestigious Malcolm Baldrige National Quality Award, which recognizes excellence in seven key aspects: leadership; strategic planning; customer focus; measurement, analysis and knowledge management; workforce focus; operations focus; and results. To help the organization reach that goal, its chief executive officer first focused on the Colorado Performance Excellence (CPEX) Award, which recognizes organizations



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—Carla Wolfe, Vice President, Enterprise Performance Excellence, Elevations Credit Union

successfully applying the Baldrige criteria for performance excellence. The CPEX Award was the perfect stepping stone for competing for, and hopefully winning, the Baldrige Award.

When Elevations questioned its teams about their existing processes, it realized that many of them did not have basic documentation of their processes, let alone an understanding of how the many processes within the organization depended on one another. “The biggest challenge we had was trying to help people understand that all the processes in the organization are tied together. In other words, my outputs are your inputs, and my inputs are your outputs. We realized we had to start to map all of our processes,” says Carla Wolfe, Vice President of Enterprise Performance Excellence at Elevations Credit Union.

Choosing a tool on par with the goals

Elevations sought a solution to support the high expectations of its process improvement initiatives. “We needed to find a tool that would enable people to go in and actually see each other’s processes and work collaboratively. And so we just started doing a little bit of homework on the different types of systems that are out there. As soon as we saw IBM Blueworks Live, we immediately recognized that the simplicity of it was going to allow a lot of people to participate quickly,” says Wolfe.

Elevations used the Blueworks Live offering to build an overarching enterprise process map with all the organization’s processes divided into categories. “We had our people create simple, high-level diagrams to answer questions about each process, like what are the inputs, what are the outputs? What other processes should we be thinking about? Everything was captured inside of Blueworks Live. And we got a lot of work done really fast,” says Wolfe.

Solution components

Software

- IBM® Blueworks Live™
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Using the Blueworks Live offering, the Elevations staff quickly gained a clearer understanding of the importance of the many processes and how they are linked. It created value stream processes, which show from a more strategic viewpoint how to get from a member need to actually satisfying that need and then measuring the feedback.

Becoming more results-focused

Using insight from the Blueworks Live offering, Elevations adjusted its processes to improve member satisfaction levels. For example, Elevations used its member feedback process to pinpoint that the delay between submitting an online loan application and receiving a response frustrated members. The organization quickly established an improved loan application process. In the past, an underwriter reviewed every loan application, which took two business days or longer. Now, if the loan application meets standard underwriting requirements, members receive an immediate answer, and only those loans that fall outside the requirements need underwriter review. The organization also reengineered its mortgage process. Using the Blueworks Live offering, Elevations identified points of redundancy and bottlenecks within the process, resulting in more than 50 percent reduction in cycle times and improved member satisfaction ratings. In addition, Elevations set up new processes to ensure it communicates with members throughout the mortgage process.

Elevations Credit Union achieved the following benefits through its use of the Blueworks Live offering:

- A 52 percent reduction in average time to fund home equity loans
- A 71 percent increase in loans handled per underwriter
- A 61 percent reduction in average time from application to funding of car loans
- A 300 percent increase in loans funded with no increase in staff

The table below provides additional quantitative and qualitative benefits Elevations Credit Union achieved using the Blueworks Live offering for process improvement.

Before	After
It took staff average of 10 to 13 days for processing vehicle loans from application to funding.	Vehicle loans can be funded in 4 to 5 days.
Staff needed an average of 30 days to fund home equity loans.	Home equity loans can be funded in 14 to 15 days.
The organization funded an average of 483 consumer loans per month.	The organization can fund an average of 659 loans per month with the same amount of staff.
Overall consumer loan approval rates were at 65 percent, but customers perceived them as much lower.	Consumer loan approval rates are at 75 percent, and customers perceive this rate accurately.
Customers felt that underwriting turnaround times were lengthy, but actual times were unknown.	The credit union has been able to set a target of 60 minutes maximum.
The credit union could not easily identify individual performance.	The credit union can now identify individual performance results and compare these results with goals and expectations.
The credit union had established 175 loans per underwriter per month as the maximum capacity.	The credit union is handling approximately 700 loans per underwriter per month through process improvements and increased efficiency.

Just one year after launching its process improvement initiative, Elevations applied for the CPEX Award and won. “We never in a million years thought that within a year we would actually be able to apply for and win the Timberline level of the Colorado Performance Excellence Award. They gave us great kudos for our architecture and the way we

used Blueworks Live to build our process repository,” says Wolfe. “I sort of felt like Blueworks Live was standing on the podium with us when we got our award, because I don’t know how we would have done it otherwise.”

Elevations then set its sights on the prestigious Malcolm Baldrige National Quality Award, an honor that is bestowed annually by the president of the United States and the National Institute of Standards and Technology (NIST) to a very small number of organizations in the United States that demonstrate the highest levels of performance excellence. On November 10, 2014, Elevations received a congratulatory call from U.S. Secretary of State Penny Pritzker informing the company that it had won the award. In April of 2015, Wolfe and other representatives of the credit union accepted the award at the annual Quest for Excellence conference in Baltimore, Maryland.

Elevations anticipates that the Blueworks Live offering will help enable it to continue rolling out process innovations throughout the organization. “Now I think people truly, holistically understand that, once they understand their processes and how they do things, they basically have the keys to the kingdom. They can do anything. They can look at any part of the organization and improve anything they choose to improve,” says Wolfe.

For more information

To learn more about how the IBM Blueworks Live offering can help you, contact your IBM sales representative or IBM Business Partner, or visit: ibm.com/software/integration/blueworks-live or www.blueworkslive.com

Additionally, IBM Global Financing can help you acquire the IT solutions that your business needs in the most cost-effective and strategic way possible. We’ll partner with credit-qualified clients to customize an IT financing solution to suit your business goals, enable effective cash management, and improve your total cost of ownership. IBM Global Financing is your smartest choice to fund critical IT investments and propel your business forward. For more information, visit: ibm.com/financing



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