BUSINESS PROCESS MANAGEMENT WITHIN THE NATIONAL BANK OF MOLDOVA

Business process management	this area includes a disciplinary approach to identify, project, execute, document, measure, monitor and control the automated and non-automated business processes in order to obtain consistent results, aligned to the strategic objectives of the institution.
General framework on the business process management system within the National Bank of Moldova (NBM)	is drawn up as the main normative framework to develop, model, implement, optimize, measure and maintain the business processes and the business process management system (BPMS) within the NBM.
Terms and Definitions *Business process*	a range of activities or independent tasks initiated by a repetitive or ad-hoc event, which transform various inputs (documents, information, etc.) into the desired results (services for internal and external parties involved in process achievement) to ensure the achievement of the established objectives.
Approach based on process management	management strategy based on the control of the processes, the interaction between them, on the achievement of their objectives, which are aligned with the organization's objectives.
Business Process Model and Notation (BPMN)	international accepted standard for modelling the business processes, which includes a graphic notation to describe the business processes in the form of similar diagrams with logical schemes.
Business process management system (BPMS)	the totality of the NBM business processes accompanied by an integrated framework on the identification and implementation of certain rules, techniques and instruments to carry out the process management activities, with the clear definition of roles and responsibilities of the parties involved.
Key Performance Indicators (KPIs)	are basic elements of the performance measuring and monitoring process. These may measure the aspects: time, cost and quality of a process. The use of KPIs measures the operation or strategic success of an organization or, in particular of a process.
Function of management and optimization of the business processes	a management function created to organize in a consistent and centralized manner the initiatives for managing and optimizing the business process. Within the NBM, this function is under the responsibility of the Department Strategy, Organization and Human Resource (DSOHR).
NBM management	Governor, First Deputy Governor and Deputy Governors.
The purpose of the Framework	is to define a system for organizing the model of management, optimization and monitoring of the NBM business process performance, to regulate the methodology applied in the process management and its key elements.
The basic objective of the Framework	is the development of a mature and efficient process management system, so that the bank's activity is oriented towards measured and controlled processes according to the best practices in this field, which could ensure their improvement and the accomplishment of the NBM mission and objectives.

Basic objective of the Business process management system	is the further improvement of the business processes with the implementation of the process management based on their ongoing performance and optimization, so that the bank's activity is oriented towards measured and controlled process, according to the international model CMMI (Capability Maturity Model Integrated). **Capability Maturity Model Integration (CMMI) is a process improvement form, an assessment program and a service administrated and launched on the market by the Carnegie Mellon University, a research university in the United State of America, known for its world class research. According to the Carnegie Mellon University, CMMI may be used to guide the process improvement within a project, subdivision or the whole organization. CMMI defines the following maturity levels of the processes: initial, managed, defined, quantitatively managed and optimized.*
The scope of the business process management system *The classification of the business processes:*	refers to all the NBM business processes, contributing to the achievement of the NBM fundamental objective, key tasks, functions and the bank's strategic objectives. • **processes on the NBM basic scope/tasks referring to the basic operational processes** - are processes related to the basic scope established in the NBM strategic plan and to the NBM related tasks. • **processes on other tasks of the NBM not referring to the basic scope (other operational processes)** - are the NBM activities carried out to achieve the NBM tasks, other than those referring to the basic operational processes. These processes are related to the State foreign exchange reserves management, State balance of payments, the NBM role as State agent, etc. • **processes on governance and support functions (governance and support processes)** - are processes describing the activities that support, measure, monitor, govern, audit the NBM business processes. The procedure of these processes ensures the compliance of the operational processes with the operational, financial, regulatory and legal objectives and the efficient operating of the institution.
Elements of the NBM business process management system	It is needed a documentation related to the process description in order to orient the processes toward operating, to enhance the awareness and understanding of the processes and to continuously monitor and improve them. A set of important elements are used in this regard: • **process analysis sheet (PAS);** • **detailed map of the business process;** • **summary map of the business process;** • **RACI matrix.** However, each process is based on the: • **overall map of the NBM business processes;** • **the global RACI matrix.** In order to avoid the information duplication and to facilitate the process understanding, the activities performed on a repetitive basis within more processes are grouped in sub-processes and are further reused in the processes.

Overall map of the business processes	provides an overview of all processes of the NBM and allows to identify the NBM processes grouped by core areas, tasks, functions. At the same time, this map allows to better understand the manner in which the business processes contribute to the NBM functioning as a whole. *The main objective of this map is to ensure a clear and unitary vision of the way in which the processes interact.*
Global RACI matrix	provides an overview of the subdivisions' roles and responsibilities for each NBM business process. *The main objective of the global RACI matrix is to ensure a clear vision of the way the responsibilities of the NBM subdivisions are split in each process.*
Summary map of the business processes	is a short process presentation and describes in a simplified way the process inputs and outputs, actions/tasks and the interactions with other processes or sub-processes. *The main objective of the process summary map is to provide an information overview of the process, without describing all the details.*
Detailed map of the business processes	is a cartographic representation of the whole process, including: the start, intermediate and stop events/phases; inputs and outputs to/of the process (documents, information, etc.); activities and the connection between them; decision points; interactions with other processes; internal and external parties involved; activities ensuring the continuity of the business process at operational level, regulatory basis, information systems used. *The main objective of the process detailed map is to provide a single, clear, efficient and transparent overview on the conduct of the process, which will be pursued in daily activity by all internal parties involved and will serve as a source of information for the activities of decision, assessment, optimization, automation, etc.*
Process Analysis Sheet (PAS)	is a textual description of the defined process elements, such as: process owner, process responsible, process participants, objective, number and hierarchical level of the persons involved, conducting procedure, KPIs, critical success factors, low performance symptoms, improvement opportunities, etc. *The objective of PAS is to accumulate important information for defining the process and analyzing its current carrying way in order to identify the improvement opportunities.*
RACI matrix of the process	consists in drawing up a Table (grid) that indicates the roles and responsibilities of the participants in each activity within a business process. *The main objective of the RACI matrix is to provide a clear overview on how the responsibilities are broke down for each activity within a process.*

Roles and responsibilities within the NBM business process management system (BPMS)	The governance of the NBM business process management system consists in the clear distribution of the roles and responsibilities, the interaction between the parties involved, in the establishment of the applied regulatory framework, the phases of the management cycle and other elements of the system, so that these could operate efficiently and bring added value to the NBM overall activity.

The NBM business process management has a centralized form, where the DSOHR has the responsibility of describing and analyzing the business processes through its function of process management and optimization. However, given the access to the general overview on all the NBM business processes, the DSOHR shall submit, through its function of process management and optimization, proposals for further improvement of the processes and coordinate the proposals received from the process owners.

The centralized management shall remove the multiplicity of obstacles and challenges associated with the interdepartmental interaction and collaboration, arising in case of decentralized management and aim to achieve the following basic objectives:
- to develop the organizational perspective of the process carrying out way and to promote an approach based on process management in accordance with the international methodologies and best practices in the field;
- ensuring a balanced and efficient development of NBM processes, aligned with the bank's strategic objectives.

The BPMS entails the existence and interaction of the following roles and their related responsibilities:	**Executive Board of the NBM is responsible for**:

- the approval of the BPMS framework;
- the examination, where necessary, of the proposals for improving the NBM processes within its competence and taking the decisions needed for their implementation;
- the approval of the annual report on the NBM process performance.

NBM management is responsible for:
- the examination, where necessary, of the proposals for improving the processes within its competence and taking the decisions needed for their implementation;
- the decisions about the priorities for the allocation of the human/financial and material resources;
- the promotion of the approach based on process management.

Coordinator of the process management system (BPMS Coordinator) - Director of DSOHR together with the Strategic Planning and Management Division, through its function of process management and optimization, has the following responsibilities:
- to develop the regulatory and methodological management framework of the NBM business processes according to the international methodologies and best practices in the field;
- describe the NBM business processes according to the approved methodology, their coordination with the NBM subdivisions;
- work together with the process owners and the subdivisions participating in the process in order to ensure a better understanding of the processes;
- assess the processes in order to identify the weak points or the symptoms of low performance and to determine the opportunities of process optimization;
- develop and manage the BPMS of the NBM;
- ensure together with the Information Systems Architect the synergy between the NBM business processes, information systems supporting their performance and the NBM strategy;
- review and update continuously the NBM processes for their optimization;
- assess and coordinate the proposals received from the subdivisions on the process modification for their inclusion into the PM

- facilitate the collaboration of heads of subdivisions involved in processes in order to implement the improvement measures;
- implement the process performance management through the definition, measurement, monitoring and reporting of the process KPIs by the responsible subdivisions;
- report on a consolidated basis, the performance of the business processes;
- implement the mechanism of interaction between the parties involved within the business process based on compliance with the time and quality indicators;
- ensure the counselling and knowledge transfer to the NBM responsible subdivisions.

Process owner - subdivision in charge of the process objectives achievement, being continuously responsible for the process design, development, execution and performance, which has the following detailed responsibilities:
- to define the objectives, process responsible, KPIs and critical success factors of the process;
- ensure the communication with the BPMS Coordinator, which could allow the process description in an efficient and operational manner;
- coordinate and to grant final approval to the process description drawn up by the BPMS Coordinator, ensuring that these are adequately described in terms of operations carried out;
- manage the changes in process;
- achieve the objectives and KPIs of the process and to monitor, report the process performance through the KPIs;
- submit proposals, when necessary, for the modification/optimization of the processes in order to increase their maturity and coordination with the BPMS Coordinator and subdivisions participating in the process;
- implement the improvement opportunities identified at the process level within the time limits set in the PAS and Quarterly Activity Plan.

Process Responsible - a person with a leading position within the subdivision - process owner with the responsibilities described in the process owner, having the following individual responsibilities relating to the processes:
- to provide the general overview of the process;
- provide the necessary information to the BPMS Coordinator, at his request, for documenting the processes;
- provide assistance to the experts of the subdivision to solve the deadlock situations, to make a referral to the subdivisions participating in the process if such process in not performed in due time, taking, when appropriate, the decisions/measures of resolution at the high decision-making levels;
- collect and centralize the proposals for the process improvement and modification;
- undertake the actions necessary for the implementation of the improvement opportunities identified at the process level within the time limits set in the PAS and Quarterly Activity Plan;
- submit proposals, where necessary, concerning the necessary measures (e.g. resource allocation) to reach the target values set for KPIs, to measure the KPIs and to collect the process results;
- communicate with the internal parties involved in the KPIs process performance and to report the KPIs actual values to the Head of subdivision and BPMS Coordinator;
- maintain and update internal regulations and working instructions related to the process, through the coordination with the subdivisions participating in the process and BPMS Coordinator.

Subdivision participating in the process - which carries out certain activities in the process, usually those of support, but this is not the owner of the process and has the following responsibilities within the perimeter of the subdivision:
- to carry out the activities in the charge of the subdivision according to the process map and RACI matrix at the process level;
- provide the resources necessary for carrying out its activities within the process;
- provide the necessary information to the BPMS Coordinator for documenting the processes;
- analyze and coordinate the process description, drawn up by the BPMS Coordinator;
- implement the improvement opportunities identified at the process level within the time limits set in the PAS and Quarterly Activity Plan;

- maintain and update internal regulations and working instructions related to the process, through the coordination with the process owner, other subdivisions participating in the process and BPMS Coordinator.

Information Systems Architect is the role of the Director of the Information Technologies Department, who is responsible to:
- provide a complete overview of the information flow within the bank and their manner of use;
- approach the aspects related to the correctness and availability of information, their reuse;
- ensure the infrastructure necessary to carry out the business processes, manage the information and roll-up the systems;
- provide solutions through the combination of the business architectural artefacts, technologies and information.

Executors of the subdivisions are responsible to:
- carry out activities within the process, according to the role allocated in RACI matrix at the process level, in quality conditions and terms related to the respective processes;
- inform the responsible of the process and managers of subdivisions about the blockages and deviations in the processes.

Phases of the process management cycle	The management of the business processes is a strategy adopted at the NBM level and may be defined as an activity implying the identification, description of current processes, their analysis, the modelling of the future processes (if necessary), implementation, monitoring and control of the processes. It should be mentioned that these phases are part of a continuous cycle.
Process identification	consists of the identification/listing of the NBM business processes through the formulation of their objectives and the identification of the relations with other processes. This phase shall be completed with the implementation of the overall map of the processes, which represents the NBM process architecture. However, this phase may also include the further identification of the processes requiring a current analysis of the BPMS Coordinator.
Description of current processes	means the understanding and study of the process, the identification of all elements of the process and its modelling under the existing situation (As-Is). This phase shall be completed with the process summary and detailed maps, RACI matrix and, partially, with the PAS of the process. These documents represent a combination of text and diagrams for a better explanation and representation of the process in its current form.
Process analysis	is the identification of the low performance symptoms of the processes and their causes, weak points, control deficiencies at the system and operational level. This phase also includes the identification of the process improvement opportunities and the evaluation of the benefits. This phase shall be completed by completing the PAS of the processes.
Modelling of the future processes	the description of the processes after the implementation of the improvement opportunities by drawing up all the documents related to the processes corresponding to that situation. This phase is necessary for the identification of some radical (transformation) improvement opportunities of the processes and for the rest of the situations, being an optional phase.
Process implementation	implementation of the future processes or of the identified improvement opportunities. The implementation may normally imply two aspects: organizational modification and process automation. Organizational modification refers to the activities necessary to change the way in which the

	process is carried out by the participants. Process automation is the configuration of the information systems (or reconfiguration of the existing ones) in order to support the future processes. Information systems shall be supported by the participants for obtaining the process performance.
Process monitoring and control	is the process monitoring, its governance and performance measurement through the KPIs. Reporting mechanism is an important instrument at this phase. Data obtained after the process monitoring are analyzed to determine the efficiency of the process. The process is continuously improved, carrying out the same cycle.
Process Performance Measurement	Key Performance Indicators (KPIs) derived from the process objectives represent the basis of the BPMS in the NBM. KPIs represent an efficient option to measure the process performance, to assess the NBM capacity in achieving its objectives and in obtaining performance. KPIs are defined based on the process objectives aligned to the NBM strategic objectives. The KPIs use facilitates the improvement of the results obtained, allowing the decisions-makers to work towards the desired results.
Methodologies	The transparent control over the business processes and their alignment to the NBM strategy are possible through the implementation of a set of efficient methodologies and instruments. *BNMN standard is one of the most known standards for modelling and managing the business processes, being extremely useful for the description and optimization of the processes, including for the implementation of the new information systems projects. This includes a series of intuitive graphic elements, which simplifies the understanding of the business process flow.* *The main objective of the BPMN standard is to offer a notation easy to understand for all users, from the experts that create and manage the business processes to the technical developers responsible for the technology implementation in carrying out these processes, for the users involved in the process phases and the persons responsible for the process monitoring.*
Reporting process related to the process management	Process management reporting consists of three components, such as: • performance related to the BPMS implementation within the NBM; • performance related to the implementation of the improvement opportunities at the process level; • operational performance based on KPIs set at the process level.
The performance related to the BPMS implementation within the NBM	is reported annually by the BPMS Coordinator to the Executive Board of the NBM based on the summary information within the DSOHR.
The performance related to the implementation of the improvement opportunities at the process level	is reported to the BPMS Coordinator by the responsible subdivisions within the reports on quarterly activity plan, considering that the improvement opportunities included in PAS are taken over in the quarterly planning. Thereafter, this type of performance is reported annually in a consolidated manner by the BPMS Coordinator to the Executive Board.

Process management system as an element and factor of consolidation of the internal control system	**The BPMS, through its specificity, is an important element of the NBM Internal Control System (ICS).** It strengthens significantly the ICS through the ongoing documentation, management and optimization of the business processes, mainly taking into consideration the objective of the framework is "Implementation of process management based on their ongoing performance and optimization, so that the bank's activity to be oriented towards measured and controlled processes". The business process description, KPIs establishment and monitoring, raise the awareness of all process participants over their role in the process, as well their contribution to the achievement of the process objectives, which will increase their responsibility level and, thus will strengthen the of all the ICS components. The strengthening and compliance with the internal control procedures are pursued within the business process management and optimization. The business process description and other related information are used as input data for the risks assessment and management processes; activity continuity management processes; other assessment and management processes. The business process descriptions and other related information are used as information sources for: internal audit and external audit processes; other missions for internal and external assessment, if appropriate; internal decision-making processes.