

Client Profile

This European financial services firm operates in over 50 countries and is a primary market maker on the sell side. It provides wealth management, banking, asset management and investment banking services to institutions and individuals. Actionable Strategies was referred to the U.S. Investment Bank based on successful operational improvement projects at other top-tier banks.



Business Challenge

To meet regulatory deadlines, the bank was forced to implement numerous inefficient and manual processes. The errors in processing and bad data introduced escalating costs and slower processing times. Actionable Strategies was engaged to manage the fractured sub-processes and introduce improvements.



Stakeholders spanned the front, middle and back offices. Financial instruments include both listed and OTC products. There were two major beneficiaries of the project.

1. Americas Regulatory team who rolled up into the Global Regulatory Management team
2. Centralized data services group

The most significant issues arose as a result of U.S. regulations:

- ◆ Dodd-Frank Wall Street Reform and Consumer Protection Act
- ◆ FATCA (The Foreign Account Tax Compliance Act)
- ◆ Volcker rule of Dodd-Frank

Engagement Responsibilities

Actionable Strategies was engaged to manage end-to-end project lifecycle delivery across a set of process improvement initiatives. The most important activities included:



- ◆ Program management, PMO tracking and individual project oversight
- ◆ Regulatory requirements capture
- ◆ Impact assessment comprising both current state and gap analysis
- ◆ Stakeholder management and business analysis
- ◆ Business requirements capture
- ◆ Coordination of funding assessment and securing budgets
- ◆ Tracking of solution delivery encompassing:
 - System design
 - Process enhancements
 - Execution of IT implementation and process changes

Solutions Delivered

After stabilizing the processes that were rushed into place, Actionable Strategies proceeded to identified waste and inefficiency. We then managed improvement projects to deliver tangible business results. These were measured by metrics established during project definition.

Client-facing Processes

Redundant client communications were disruptive from the initial implementation of regulations but did not abate. Traders, client on-boarding, prime brokerage and relationship managers were all contacting clients. In general, they were asking the same questions leading to growing frustration. Communication processes were streamlined to tamp down client dissatisfaction.



Internal Processes

Process improvements opportunities were numerous and found throughout the organization. Duplicate processes were identified and consolidated to eliminate waste and the chance of errors.



Errors in the onboarding process often were not detected until the middle office checked the work. Bullet-proof onboarding the initial process reduced the cost of onboarding and lowered the cycle times. Process rigidity was addressed to prevent hedge funds with less regulations from being flagged and then manually cleared.



Excessive overhead needed to be aggressively removed. In some instances, after local approvals were received 10-15 offshore reviews were then applied. Bottlenecks often crippled the OTC review process.

Technology Integration

Systems required integration and consolidation. In one example, electronic trading for credit products did not flow data downstream for confirmations and allocations. In an end user example, there were multiple PIN platforms causing friction in processes and security vulnerabilities as users posted security credentials on monitors.



Automated Processes

Manual and fractured processes necessitated automated end-to-end processes.

Applying technology facilitated visibility by enabling report generation and real-time process metrics. Actionable Strategies defined these processes and wrote business requirements encompassing process, data quality, cycle time and auditing issues.



Process Management

Ongoing management of issues was a significant operating cost. An issue management system was defined to consolidate numerous spreadsheets used in manual tracking.



Automated workflows replaced e-mail as the method for routing requests. This enabled real-time tracking and visibility into process status.

Visibility outside the process was enhanced. Automated notifications to requesters kept them informed but also obviated the need to contact staff. This increased the usable capacity. Response time for exceptions was also enhanced. If a change resulted in non-compliance with Dodd Frank or FATCA, an automated notice would be generated for the appropriate management staff.

Workflow management enabled workforce optimization. For example, supervisors were able to assign work to specific individuals given the situation. This provided balancing capabilities and prevented bottlenecks.

Capacity management was enabled globally. Centralized distribution of work was now possible across regions. Similar to trading, middle and back office staff were able to pass the book cleanly without breaks. This enable processes to finish without long wait times between steps.

Business Results

Process improvement and automation results led to demonstrable business results measured by metrics established when Actionable Strategies took charge of the manual processes.



The most significant benefits were perpetual and included:

- ◆ Reduced processing times
- ◆ Lower staffing costs
- ◆ Improved processing with fewer errors
- ◆ Burndown of the large backlog of requests
- ◆ Elimination of redundant processing steps
- ◆ Management visibility into process metrics
- ◆ Alleviation of pressure on front-line leaders related to operational issues

Actionable Strategies was engaged in other areas of the bank as a result of the successes delivered.