BMGI
Unlocking Potential Delivering Results

How the Private Banking Management Accounting (PBMA) division of a major bank has the mandate to provide accurate information for supporting the decision-making processes.

Problem
► Inefficient and defective IT tools and processes

Solution
► Validated Voice of Customer, Redesigned MBO toolbox and Eliminated shadow files

Result
► Reduced cycle time by more than 80%

► KPI-reporting defects improved from 3.6 to 4.2 sigma

The Problem

The Private Banking Management Accounting (PBMA) division of a major bank has the mandate to provide accurate, reliable, transparent and timely information for supporting the decision-making processes, internal and external reporting, and consistent performance measurement.

To do this, PBMA runs and maintains a comprehensive set of IT tools that give relevant information to management, controllers and business analysts. These IT tools get the data from 100+ automatic/ semi-automatic feeders linked to cross-divisional legacy systems and PC applications. Key tools include:

1. Management by Objectives (MBO) Reporting Toolbox provides relationship managers with user-friendly means to track their personal progress toward achieving quantitative performance goals.

2. Executive Information System (EIS) Profit Center Calculation (PCC) is a web-based application to facilitate the access and quick analysis of management information.

3. Customer Reporting grants quick access to client data.

The reporting process for all three of these tools was challenged by:

► An overly high reporting production cycle time of 17 calendar days versus what the Voice of the Customer (VOC) required.

► Material non-value-add time for data check and corrections.

► An EIS-PPC defect level of 3.6 sigma and such Key Performance Indicator (KPI) shortcomings as missing values, incorrect KPI value due to feeder and incorrect KPI value due to meta-data.

Therefore the project goals were to decrease production cycle time from seventeen to three days (primary metric), and to decrease the KPI error rate from 3.6 to 4.5 sigma (secondary metric) at the same time.

The Solution

A Black Belt performed an exhaustive VOC during the Define phase of DMAIC, fully validating the charter and transforming the Critical-to-Quality characteristics related to the above mentioned KPI metrics. During Measure, the Black Belt suitably mapped and baselined current processes against the adopted metrics.

During Analyze, several interviews and workshops revealed the root cause using a fishbone diagram, resulting in the following issues:

▶ Data checks not accurately defined and not standardized

▶ Communication channel not clear to clients

▶ Missing end-to-end process knowledge

▶ Unclear roles and responsibilities RE: IT tools

The prioritized causes for long cycle time and defective outputs were then validated through lower-level process analysis and cross-check interviews. The baseline continues on a monthly basis so the process findings can be cross-referenced with what the data shows.

A comprehensive set of solutions was developed and approved, including process as well as IT changes. The MBO toolbox was redesigned, and the "Stammdaten" calculation job was consolidated. Meta-data management was improved. IT re-laid the process for data feeders, and EIS-PCC reports were pre rather than post-published.

The Results

Reporting production cycle time (primary metric) was reduced beyond its target, and KPI-reporting defects (secondary metric) reached its target of 4.2 sigma.

Problem Solved.