CASE STUDY | Reduce Fixed Assets Process Cost

How the project team was asked to look for opportunities to streamline the fixed-assets process across business units within the Financial Accounting (FA) department of a global bank.

The Problem
The project team was asked to look for opportunities to streamline the fixed-assets process across business units within the Financial Accounting (FA) department of a global bank. The team's primary metric was to improve efficiency as measured by time spent, and its secondary metric was to achieve alignment with the core functionalities of the Fixed Asset organization.

The Solution
During the Measure phase of Six Sigma DMAIC, the team realized that the process is organized differently across the various business units. Detailed process analysis revealed that process volume and savings potential were much lower than expected.

Given that more than 90 percent of all payment requests originate from Business Unit 18 (a unit that itself has fixed-assets accounting expertise), and based on the fact that the execution of payments is not FA core FA function, the project team suggested a transfer of the fixed-assets process to Corporate Real Estate & Services.

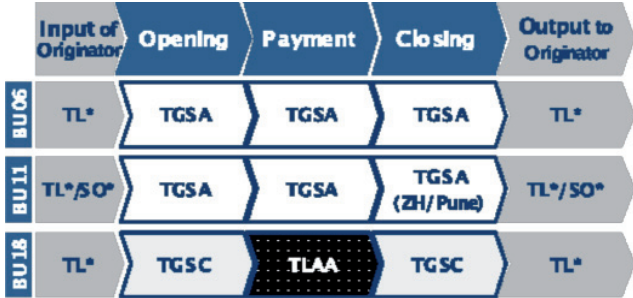The team consequently identified a new process owner and negotiated a transfer agreement.

The Results
Today, the formerly fragmented process with responsibilities spread across different units is centralized in one specialist function. This not only increased efficiency but also placed the process with similar processes under central process ownership.

Process control (formerly done by one department) and process execution (account openings) are now clearly separated from each other, and FA can concentrate on its core functions. The exhibits below show how the process implementation evolved from the hands of many departments to the auspices of just one.

Problem
► Fixed-assets process needs to be more efficient

Solution
► Developed and negotiated a new process owner

► Implemented a transfer of the process to a different, specialist department

► Improved the job-bank website

Result
► New process is more efficient and harmonized

Old Process: Fragmented

Input of Originator	Opening	Payment	Closing	Output to Originator
BU06 TL*	TGSA	TGSA	TGSA	TL*
BU11 TL*/SO*	TGSA	TGSA	TGSA (ZH/Pune)	TL*/SO*
BU18 TL*	TGSC	TLAA	TGSC	TL*

New Process: Harmonized

Input of Originator	Opening	Payment	Closing	Output to Originator
BU06 TL*	TL*	TL*	TL*	TL*
BU11 TL*	TL*	TL*	TL*	TL*
BU18 TL*	TL*	TL*	TL*	TL*