



PROJECT PROFILE – Restructure Trade Processing Service

Restructure trade processing service is a large scale project sponsored by an Emerging Business Unit (EBU) of a Global Bank and its Trade Processing Center (TPC). The EBU has some unique processing requirements that TPC struggled to timely handle their orders. Also, the amount of EBU related exceptions affected the overall straight-through-processing (STP) rate of TPC and it was a cost/ budgetary concern to the operations. Below shows the DMAIC methodology adopted for this change initiative:

Defined: Identify disconnects between TPC acclaimed service with the top tier institutional customers versus the EBU's requirements. Conducted trade service forecast group meetings to solicit Voice-of-Customer (VoC) to define end-to-end points of process cycle, determined what should be considered 'same day' and 'intra-day' handling of transactions.

- **Challenges:** (1) Operations under expense task and perceived extra cost burden to process the high volume of EBU orders that are relatively smaller in ticket size per transaction. (2) Trade exceptions are part of EBU's risk control that should never be compromised. (3) Numerous calls generated from EBU's clients chasing of status while transaction may be in excess or await referral approval. (4) Legacy processing system awaited upgrade. (5) EBU revenue potential was uncertain at time of project inception.

Measured: Defect (according to new definitions) tracking by DPMO, cycle time sampling review of transactions, benchmark research on industry best practices. Presented a multi phases' project plan to Senior Management for endorsement. Assurance of project progress with vital few metrics and pulse check surveys at different stages of development.

- **Dealing with conflicts:** leveraged on VoC, emphasized on fact base findings, statistical evidence to prove hypothesis, articulated on cost of quality, & created a continuous learning environment.

Analyzed: Relative small ticket size per transaction, but tremendous volume / revenue potential from massive EBU clients. Substantial transactions require referrals due to tightness of credit facilities (by nature of the EBU clients). TPC setup was geared toward top tier institutional customers with many specialized functions and sub-functions, whilst EBU clients require fund coverage from different processing sub-units and complete related payment transaction within extreme short window of time.

- **Technical skills to accomplish the objective:** (1) Cause & Effect analysis of defects. (2) Problems prioritization with Pareto chart and Failure Mode and Effects Analysis. (3) LEAN value stream process mapping to redesign workflow in parallel to system migration. (4) Kaizen implementation of 'supply-chain pull service ownership model' to eliminate idle time and strengthen links between sub-units to tackle the intra-day issue. (5) Risk modeling to seek statistical justification in streamlining referrals with operations empowerment. (6) Design of experiments to pilot run change processes. (7) Established service level agreements with creative cost allocation mechanism based on customer profitability analysis. (8) Capability maturity model to determine stage of improvements.

Improvements: (1) Re-organization of TPC with EBU-focused experts to oversee coordination of sub-units as well as building intelligent database to cater for particular transaction natures. (2) Rearrange certain time sensitive process to be done by dedicated functions. (3) Re-alignment of phone center support with two tiers' model for the pro-active alert of potential problems and special management of 20% more critical EBU clients. (4) Operations empowerment with 15% credit referral streamlined.

- **Motivate & Influence of others:** Always stay focus on key issues, led by example, tenaciousness and passionate commitment to customer in earning support and respect by all levels of organization. Allow team members to envisage the strategic values of the project & set vital few metrics for milestone targets. Nevertheless, involve everyone on fact base decision making and create a culture of continuous learning.

Controls: the orchestrating effort reduced defect rate down to single digit level, notable cycle time enhancement, and much improved client satisfaction. The re-organized team consistently attained sigma level of close to 5 across all vital few measurements set out in control charts.

- **Strategic significant of this accomplishment:** taken the acclaimed TPC to its next level of success and supported the EBU to be the fastest growing business unit among this Global Bank.