MULTIVERSE OF PROCESS SOLUTIONING

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PROCESS MULTIVERSE

Maintenance | Change | Invention

Incremental → Process Improvement → Innovation → Transformation

Disruption

PMI Project Management

Agile / Iterative

Six Sigma

Lean Management

Design Thinking

Data and Analytics

BPM (Business Process Management)

WHAT IS PROCESS IMPROVEMENT / INCREMENTAL CHANGE?

Making *small* changes to an existing business *process* that leads to a modest improvement for customers, employees, shareholders and/or other stakeholders

incremental changes include removal of 2-3 process steps, off shoring 1 – 2 FTEs, 5% increase in cycle time.

Shorter planning time and support from low to mid level management

Understand what are the current limits of the process and how the process is measured

WHAT IS PROCESS INNOVATION?

Bringing a new way of thinking that results in making **significant** changes to an existing business **process** that leads to a significant improvement of outcome for customers, employees, shareholders and/or other stakeholders.

Unlike incremental changes which generates limited value, innovation aims to generate improvements that increase value significantly.

Required a longer planning time and support from middle to high level management

Understand what are the current limits of the process and how the process is measured

Cannot work without a culture or environment of freedom of expression and thought

WHAT IS PROCESS TRANSFORMATION?

Making "*wow*" changes to an existing business *process* that leads to a major game changing outcome for customers, employees, shareholders and/or other stakeholders

Transformation aims to create a new way of executing the process that increases significantly value by multiples.

Required a longer planning time and support from high level management

Understand what are the current limits of the process and how the process is measured

Cannot work without a culture or environment of freedom of expression and thought

WHAT IS DISRUPTION?

Disruption occurs when new market entrants intentionally target overlooked segments of the market by delivering products and services with more-suitable functionality frequently more affordable than the established companies. Entrants then move upmarket toward mainstream customers while preserving the advantages that drove their early success. When mainstream customers start to adopt the entrant's offering in volume, disruption has occurred.

Disruption examples

A WORD ON DISRUPTION

Definition [Latin disrumpere, disrupt-, to break apart] 1. To throw into disorder or confusion.
- Webster II New Riverside University Dictionary

Focus on…

… the creating instead of the breaking

… being the innovator, not the disruptor

… making your clients, customers, employees lives materially better

- Your transformation was so forward thinking and innovative it has transformed the market itself.
- Disruption is an effect, short term, of a successful transformation/innovation and should not be a goal.

WHAT IS PROCESS MANAGEMENT?

- Clearly **define performance metrics** and expectations
- **Map processes**
- Draft a **single set of standards** for monitoring and testing
- Build **data warehouse** for all monitoring and testing data

- Perform initial **analysis of processes and controls** to identify improvements
- **Monitor and test** process performance and risk against **defined metrics**
- Track and **aggregate process monitoring** in centralized warehouse and align to issue management and change management processes

- **Ensure and measure** the completeness and quality of process management against standards
- Provide reporting to key stakeholders on **process adherence**
- Assess **technology solutions and system upgrades**

Define – Establish Standards

Manage – Administer Routines

Adhere – Sustain Quality
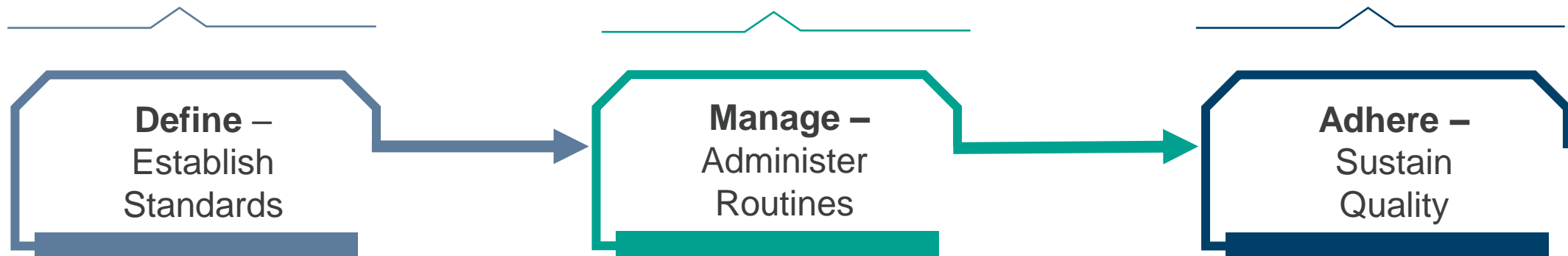
Benefit: Aligned Organization –
A single set of standards aligns the entire organization on expectations and practices for process management. Processes are managed consistently with business and risk management goals aligned.

Benefit: Operational Excellence –
Once the organization is thinking about process management in the same way, processes, risks, and controls can be analyzed and improved to drive operational excellence.

Benefit: Customer Satisfaction –
With strong process management, monitoring, and testing in place, business processes act as intended, ultimately delivering products and services that meet customer needs.

MEASURE OF SUCCESS

It is important to define measurable goals before taking any real actions so that we will know if we have succeeded or not.

Customer perspective

- Customer Satisfaction
- Customer Retention
- Market Share
- Brand Strength

Internal Perspective

- Inventory
- Orders
- Resource Allocation
- Cycle Time
- Quality Control

Finance Perspective

- Revenue
- Expenses
- Net Income
- Cash Flow
- Asset Value

Growth Perspective

- Innovation
- Employee Satisfaction
- Employee Education

LESSON LEARNED?

1 — **Don't underestimate the impact of taking people out of their comfort zone**

2 — **Hold regular meetings with stakeholders to understand their concern**

3 — **Listen, Listen, Listen and then Listen some more**

4 — **Show actions taken on specific stakeholder issues and concerns**

5 — **Identify measure of success and make sure you can baseline them**

6 — **Understand the unique vocabulary and history of the process**

CASE STUDY

Transforming a Technology Team

APPENDIX

PROCESS MANAGEMENT, MONITORING AND TESTING – SCORECARD METRICS (1/3)

Process Management, Monitoring and Testing	#	Metrics
Performance Metrics	7A	Average # of process performance metrics across business units
	7B	% of processes that a failure would impact reputation risk
	7C	% of processes reliant on third parties
	7D	# of processes that a failure would represent a financial impact over $1MM
	7E	% of KPIs out of tolerance levels
Potential Customer Impact	7F	% of process monitoring metrics that consider customer impact
	7G	% of Customer Satisfaction
	7H	Customer delay due to process / system breakdown (time in seconds)
	7I	# of customer facing high risk processes
	7J	# of customer facing manual processes
	7K	Amount of customer data related to the process
Process to Identify Risk and Controls	7L	% of processes that do not have risks and controls identified
	7M	% of processes covered by risk assessment
	7N	% of high risk and / or critical business processes

Note: *The metrics listed above are examples of how to objectively measure progress across different dimensions of the building block. This list is not meant to be exhaustive.*

PROCESS MANAGEMENT, MONITORING AND TESTING – SCORECARD METRICS (2/3)

Process Management, Monitoring and Testing	#	Metrics
Quality and Automation of Controls	7O	% of controls which are automated
	7P	% of manual processes
	7Q	% of high risk and manual processes
Routine Process Maintenance	7R	% of processes that are assessed annually
	7S	% of processes with planned change in next 12 months
	7T	% of processes with planned change that are customer facing
	7U	% of processes covered by business continuity planning
	7V	Likelihood of external litigation associated with the process
Standard Process Framework	7W	% of processes documented within process framework
	7X	# of policy exceptions
	7Y	% of new policies / procedures implemented in past 12 months
	7Z	% of processes with regulatory impact
	7AA	# of processes without a documented process owner
	7AB	% of processes with documented KPIs
	7AC	% of processes reliant on User Developed Applications (UDAs)

Note: *The metrics listed above are examples of how to objectively measure progress across different dimensions of the building block. This list is not meant to be exhaustive.*

PROCESS MANAGEMENT, MONITORING AND TESTING – SCORECARD METRICS (3/3)

Process Management, Monitoring and Testing	#	Metrics
Standards for Monitoring and Testing	7AD	# of hours spent on process monitoring and testing
	7AE	Average time to issue closure
	7AF	% of ineffective tests
	7AG	# of issues identified as part of testing
	7AH	# of past due issues identified as part of testing
	7AI	% of processes based on impact level (low, medium, high, critical)
	7AJ	% of controls tested / actively monitored within the first line of defense
	7AK	% of processes which have continuous monitoring
	7AL	% of process failures in the past 12 months

Note: *The metrics listed above are examples of how to objectively measure progress across different dimensions of the building block. This list is not meant to be exhaustive.*

DESIGN THINKING BASICS

What Is It?

"*Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success.*"

-Tim Brown, CEO of IDEO

Who Does It?

"*Everyone designs who devises courses of action aimed at changing existing situations into preferred ones.*"

-Nobel Laureate, Herb Simon

Why do it?

- Empower All to Innovate
- Activities Based Problem Solving
- Creative and Impactful Solutions
- Promotes Group Collaboration

DESIGN THINKING: A NON-LINEAR PROCESS

The **non-linear nature of the design thinking process** is portrayed in the below presentation. The five stages are **not always sequential**, they do not have to follow any specific order and they can often occur in parallel and be repeated iteratively.
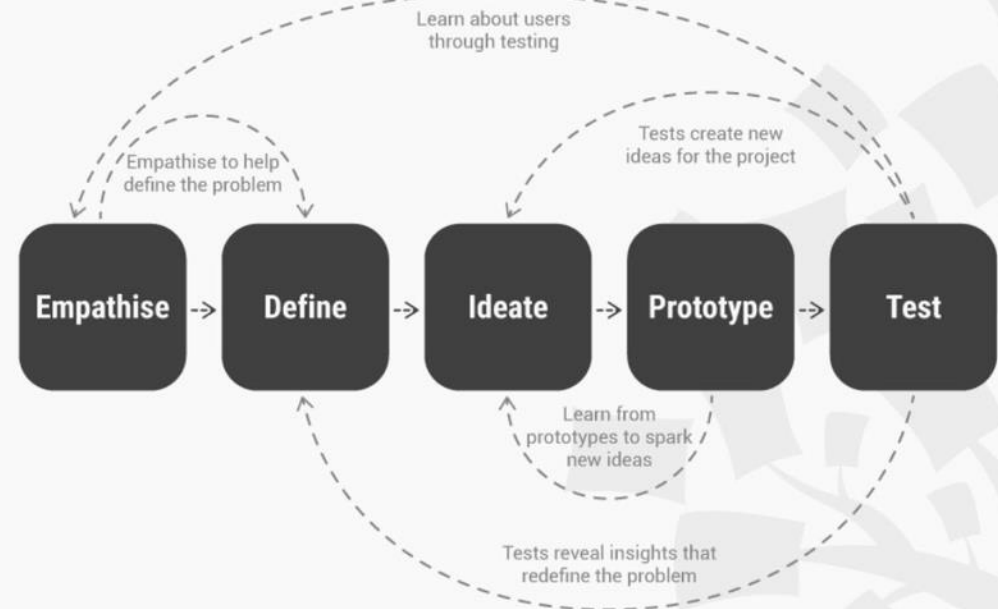
01 In practice, the Design thinking process is carried out in a **flexible and non-linear fashion.**
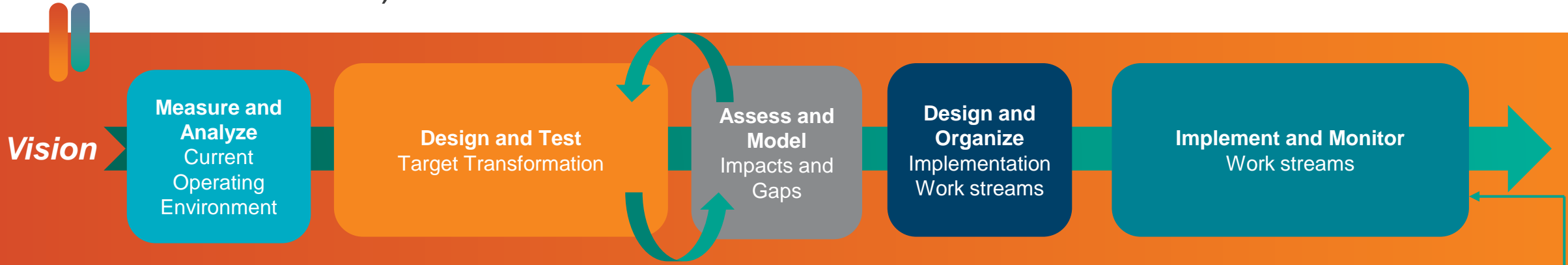
02 Different groups within the design team may conduct stages concurrently, or the designers may collect information and prototype during the entire project to enable them to bring their ideas to life.

03 Results from the testing phase may reveal some insights about users, which **may lead to another brainstorming session (Ideate) or the development of new prototypes (Prototype).**

DESIGN FOR TRANSFORMATION (BASED ON DESIGN FOR SIX SIGMA DFSS)

Vision

Measure and Analyze Current Operating Environment	Design and Test Target Transformation	Assess and Model Impacts and Gaps	Design and Organize Implementation Work streams	Implement and Monitor Work streams

Key Tasks

• Analyze location, value streams, processes. • Identify current CTQs.	• Develop Target Transformation Design: Value Chain, People and Location Strategy. • Test different design options. • Final design. • Identify CTQs. • **Identify Quick Wins**	• Assess gaps from current to the target design. • Assess risks. • Model target design	• Work streams developed for each gap or groups of gaps. • Funding proposals. • Business cases.	• Drive accountability through pursuit of identified solutions and outputs from workshop

FAST TRACK

Key Questions

What is our value proposition? *How do we organize our work?* *How do we organize our people?*	*What will be our value proposition?* *How will we design for value/cost?* *How will we design for our people?* *How will we measure success of the design?*	*What can we improve?* *What can we stop? Or Transfer?* *What can be automated?* *What can be off shored?*	*How will we assess the transformation?*	*How will we organize the transformation?*

How will we execute the transformation?

GRADUATE RECRUITMENT

By 31 March	**April**	**April**	**April/May**	**May**	**July/ August**
• Submit CV online • Deadline 31 March	• CV Screening & Phone Interview	• **Virtual Assessment Centre** (including individual interview, group interview, written test)	• Final Interview (with MD)	• Extend Offer	• New Hires On-board
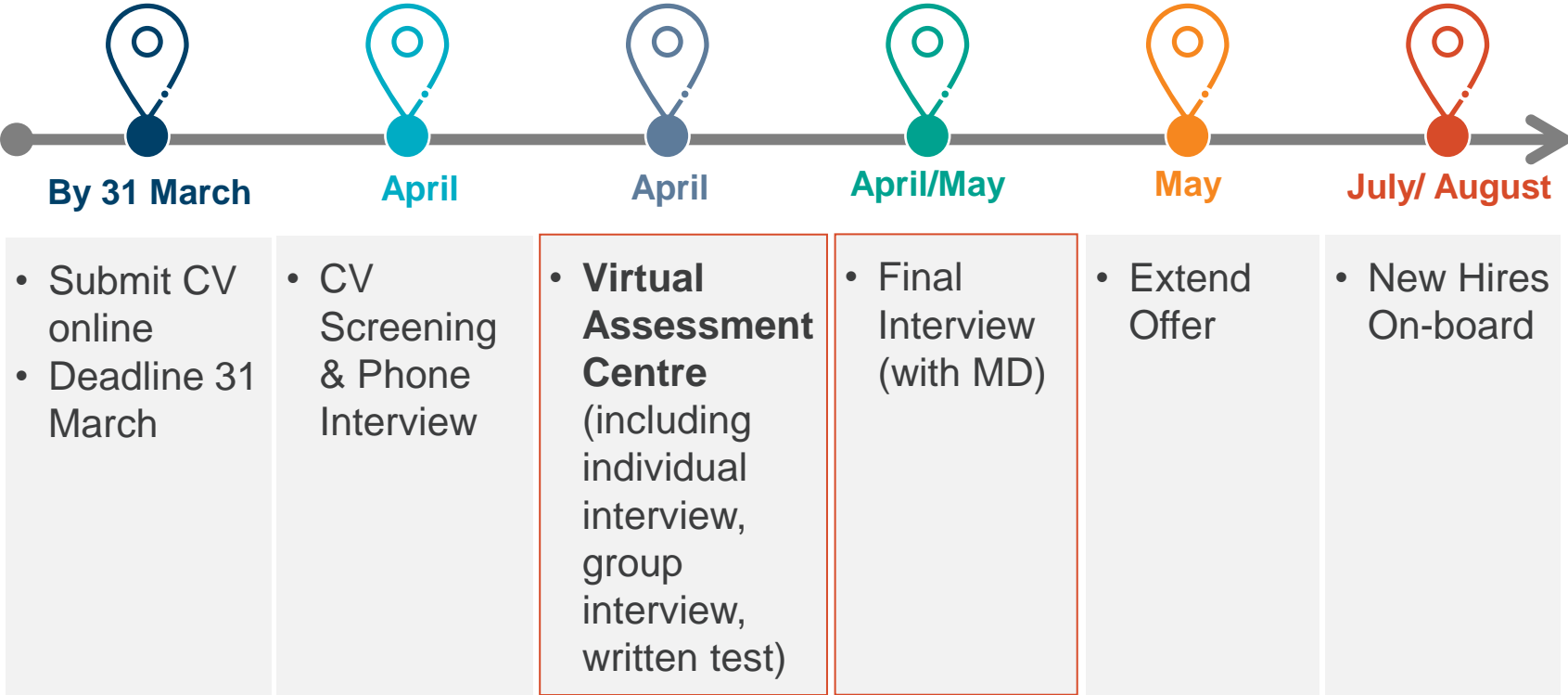
Visit Protiviti Career Website for more details & submit application: https://www.protiviti.com/HK-en/careers

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Areas of Expertise

- Transformation Management
- Program/Project Management
- Business Process Improvement
- Process Engineering
- Technology & Operations
- Automation

Industries

- Financial Services Technology and Operations
  - Global Markets Banking
  - Commercial Banking
  - Retail Banking
- Risk Management
  - Business Control
  - Operational Risk
- Audit Operations

Professional Certifications

- Six Sigma Master Black Belt
- Lean-Six Sigma – Black Belt
- Design for Six Sigma (DFSS) Green Belt
- Certified Project Management Professional PMP®
- US Patent Holder / Inventor

Professional Experience

Associate Director at Protiviti with over 20 years of experience in technology & operations, project & program management, process engineering and operational excellence. Throughout his career, David has specialized in technology and operations for major international financial services firms in the United States and Asia-Pacific.

David has been highly recognized as a financial services technology and operations thought leader who brings efficient solutions to complex business initiatives. He leads from the front and by example in order to drive organizational and operational change. David has that unique ability to be able to connect with partners from junior programmers to C Suite executives. David inspires followership and is a trusted advisor that executes flawlessly while developing and mentoring high performing teams. His motto is "There is always an opportunity to learn."

Major Projects/Roles

- Led transformation program for the legal group of a major Hong Kong bank which included process improvements, location strategy and automation efficiencies.
- Led Asia Pacific technology strategy for the legal group of a major Hong Kong bank.
- Senior Manager for the Operational Excellence team for a major Global Banking and Market Operations Group, leading 50 plus global operational process reviews and identifying over 200 material process efficiency and improvement opportunities.
- Led a Global Markets and Commercial Client Complaints MRA (Matter Requiring Attention) across all of US Operations to design and deploy a new client escalation and client complaints process and procedures.
- Led a team that identified 16 improvement recommendations for the payments cut off time across all 12 APAC branches for a major international bank.
- Led an E2E lean and controls assessment of the regional APAC Banknote process across 5 vaults which resulted in over 20 material improvements for a major international bank.
- Managed a process improvement portfolio that delivered over $13.7MM USD in direct expense reductions.
- Led the US Retail Customer Experience Program for a major bank across all channels that reduced monthly Failed Customer interactions (FCIs) from a baseline of 1.3MM to 136,000 and developed a patented system for capturing and analyzing root causes for errors and failures.
- Led global location strategy program for the commercial banking operations group of a major international bank.
- Led an E2E program team including technology, information security, compliance, operations, risk and audit to build a consolidated technology automation business control framework for the global banking and markets operations team of a major bank.

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