bsg

Unlocking potential ➤ Accelerating performance

Banking

Providing a bank with **best banking practices** to competitively position them for the changing local and global credit banking environment

BSG partnered with a prominent South African bank to enable them to take pro-active measures against credit losses, gear up to manage risk and increase their market share by producing intelligence from their data to inform fact-based, value-adding business decisions.

Overview of the client's needs

- Provide a more personalised service to customers, with shorter turnaround times, to remain relevant to customers
- Retain and grow customers through greater efficiency, auditability and automation in the business banking credit division value chain
- Assist business in addressing operational challenges by identifying gaps and issues within the current information architecture

Objectives of the engagement

- Define a future state information architecture and roadmap to support information integration across the credit value chain and automate credit scoring and data workflows
- High-level overview of the current landscape for people, systems, data, processes, workflow and information
- Design the future conceptual information architecture for people, systems, data, processes, workflow and information

Benefits of the change

- Increased Rand value recoveries of outstanding customer debt
- Reduced turnaround time of key business processes
- Improved risk accuracy through early identification of high risk clients and predictive remedial solutions for potentially high risk clients
- Control, traceability and consequent auditability of all business bank credit risk value chain data

Aligning a bank to worldwide best practices by **identifying and prioritising operational initiatives** to achieve measurable business benefits within six to 18 months.

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CONSULTING | TECHNOLOGY

🖼 Engagement Overview

The business banking credit division provides credit scoring services for current and potential commercial customers, determines credit worthiness and associated risk exposure based on creditor's borrowing behaviour and offers remediation, recoveries and statutory reporting services for customers within the various commercial segments.

During the early phase of this project BSG gained an in-depth and fundamental understanding of the bank, as they immersed themselves in the client environment. The bank had approached BSG to support in defining a future information architecture and roadmap of initiatives, to enable the business banking credit division to deliver services with greater flexibility and efficiency.

The client had realised if they wanted to achieve process efficiencies and make decisions based on facts, they needed to move from a multiple IT legacy system to an orchestrated system architecture. Having a single source for data storage was key in enabling the bank to trust the information surfaced for fact-based decision making, "one source of the truth".

BSG commenced this project by analysing the current information architecture across various dimensions including people, process, governance, data and information and technology. This was undertaken in consultation with many of the bank's key employees, across the business banking credit environment's value chain. BSG utilised their wealth of banking knowledge, researching banking best practices as exhibited by global banks and working very closely with the client to truly understand the bank's environment – to articulate solutions pertinent to specific business units within the business bank credit value chain.

🎯 Objectives

The overall project objective was to enable business to make fact based decisions, by evaluating and implementing initiatives to positively impact business value in an integrated way. This project included recommendations to address:
- Information integration across the end-to-end business bank credit value chain
- Integrated workflows
- Automated controls

This was achieved by developing several tactical initiatives that address critical areas of concern within the bank. These initiatives were described in detail for the business to begin implementation and included:
- Clear definitions of the tactical initiatives
- High level tasks required to execute the proposed solution
- Estimated time lines illustrating the prioritised sequence of tasks
- Expected benefits to be achieved by implementing the initiatives
- RACI (responsible, accountable, consulted, informed) matrices of stakeholders required
- Proposed resources/skill sets required

⚙ Solution

BSG began by understanding the strategic objectives of the client and why a need for change was required. By adopting an outside-in approach, BSG focused on information as the golden thread in shaping a data-centric organisation.

The root cause for change was defined as the poor data quality and issues with the processing and storage of data; leading to process inefficiencies, reports not being trusted, unhappy employees due to administrative intensity and passive decision-making resulting in risk exposure for the bank.

Data → Intelligence → Knowledge → Effective Decisions → Top & bottom line growth

BSG commenced the project by meeting business unit leads as well as operational staff in order to gain an understanding of the full spectrum of perceived business issues being experienced. These problems were grouped and documented as themes within the business. A parallel evaluation of the client's IT infrastructure was conducted in order to obtain factual reasons for the occurrence of specific business problems or themes. The themes spanned process, people, governance, technology and systems, operational information and management information dimensions.

Projects and initiatives that were either in progress or in the pipeline were also documented and aligned to the themes that would be addressed, with BSG assisting the client in advising which projects were feasible and should be prioritised given the strategic goals of the bank. From a tactical point of view, BSG developed 11 detailed initiatives that focused on short-term solutions.

Given BSG's knowledge of advanced analytics, several of these initiatives were aimed at reducing risk, increasing revenue or improving process efficiency by producing intelligence from a host of data sources that enable the client to base decisions on facts rather than 'gut feeling'.

In addition, BSG proposed that a business analytics centre of excellence be established in order to use the client's data analysts more efficiently, given that the majority of their time was spent generating reports. BSG ensured the relevance of these initiatives were made evident to the client by providing examples that pin-point where in their business the initiative would be implemented and how it would benefit the business area affected. Finally, a time-versus-complexity benefit matrix was compiled to assist the client in prioritising which tactical initiatives to pursue first.

Being based in the client environment allowed the BSG team to design a practical strategy that made sense to the client and also ensured regular collaboration with client stakeholders. This ensured that the client had an engaged set of product owners to take responsibility for the tactical initiatives assigned to them.

BSG making a difference

An outside-in and inside-out process was taken by BSG to gather insights, thereby developing a comprehensive understanding of the bank's maturity and position to adopt a data-centric business model. The client now has a detailed view of best banking practices on a strategic level, with an understanding of what benefits can be realised by pursuing that view.

Contact

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