Helping design and implement a financial transformation for a leading global bank by integrating and automating key processes, and improving accuracy and efficiency while reducing costs.

In a global bank’s finance department, product control and cost control are key in governing the health of the department’s financial statements. Product control regulates the revenue-generating trading desks, producing trade- and desk-level profit and loss (P&L) statements. Cost control governs expenses incurred by the lines of business, ensuring accurate financial reporting. Any operational or controls inefficiency in these areas will be costly.

That’s why our investment banking client asked us to evaluate and help optimize its finance operations, focusing in particular on finance-related processes that the company believed could be better designed and more productive.

Our assessment found two primary efficiency problems. First, we found that product control and cost control were operating independently of each other, even though they performed similar functions and created similar reporting

AT A GLANCE

A global bank needed to integrate key finance processes supporting its financial operations, aiming to optimize the processes, improve controls, improve output quality, and cut operating costs. We standardized and automated the processes, and developed and implemented an outcome-based services model to operate them efficiently.

Outcomes:

• $80 million in business value delivered through 40% FTE reduction.
• $1 billion in risk-weighted asset reduction.
• Daily P&L delivery time reduced from T+1 to same day.
• Period-end close accelerated by 5 days.
• Late posting reduced by 99% (from + 80/minute to <1 minute).
• 80% improvement in accuracy through automation.
outputs. Second, we learned that the processes themselves were highly manual and prone to inaccuracy.

Our multi-phase solution addressed both issues. We integrated the financial control processes, consolidating them under one vendor and standardizing procedures and controls. Next, we automated all manual tasks in the process using robotic process automation (RPA) as well as our point solution for P&L automation.

Today, the single-vendor services model is delivering significant cost and performance benefits for the company. Operating costs are 30%-40% lower, outputs are delivered faster, and errors have been reduced by 80%.

Consolidate, then Optimize

The engagement was conducted in phases and can be described in terms of “inter-” and “intra-process” redesign.

The inter-process work focused on consolidating product control and cost control processes under one vendor. This would yield significant efficiencies of scale, establish a standardized operating model, and generate immediate savings for the client.

The next step was to examine each process from end-to-end, identifying where there was duplication of work, and where the processes could be standardized and streamlined. The goal was to harmonize procedures and controls for standardized outcomes at every level of the organization.

Automate Manual Tasks

Next, we looked within the process for opportunities to automate manual tasks. To do this, our team utilized cognitive and rules-based automation, as well as our solution designed specifically for automating and simplifying P&L tasks and processes.

The result was a transformation of this key finance function, which shortened the period-end and financial statement reporting cycle, and greatly improved ledger and reporting accuracy. We also helped generate significant cost savings for the company.

For more information, visit: Cognizant.com/cognizant-digital-operations