

# Ritchie & Associates

*The Performance Improvement Consultants, Since 1967*

## **Back to Basics-Savings of \$2.9M**

### **Client Profile:**

This large Canadian Bank also operated as a Trust Company and provided several Corporate Trust Services. Having performed work in several of their Corporate and Personal Services Departments, including; Pension Administration, Benefits Planning, Treasury & Securities, Mortgage Administration, Ritchie & Associates was asked to review their Stock and Bond Transfer Departments in Montreal, Toronto and Vancouver. The three locations had 750 full-time employees and utilized temporary help during peak periods such as stock splits and year-end.

### **The Need & Approach:**

The company had recently invested in new software to assist in the record keeping functions and to reduce the processing time for the various transactions. The EVP of Corporate Services and the Vice President of Stock & Bond Transfer asked Ritchie to perform an Analysis to determine why the company had not realized the expected productivity gains. Also, what was the opportunity for reducing labor costs, while maintaining the strict turnaround times for each transaction?

After discussions, it was agreed to initiate the Analysis in their largest operation, which was located in Montreal. Ritchie & Associate performed a three-week no-fee Analysis and provided the Executive Team with our findings, which included:

- Productivity levels of approximately 55%, with the exception of the Dividend Re-Investment Department.
- Forecasting of Key Volume Indicators and the associated functions of Labor Planning & Scheduling were performed, but on an informal basis
- Performance Metrics Reporting was lacking, as the required key performance indices were not tracked. There was no means for determining earned hours and consequently the gap between required and actual labor hours used was unknown.
- In addition, while the new software did reduce the processing time for their transactions, several system impediments all but negated the processing time gains

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In conclusion, the Department lacked the Planning, Scheduling, and Performance Measurement and Reporting components of a Management System to effectively manage the work and to deploy and schedule resources.

## **The Work & Results:**

Working in conjunction with the client's team, Ritchie & Associates deployed a "Back to Basics" Approach. We mapped the workflow processes and defined the activities performed by each position for the entire department. Observations were conducted and Standard Data was developed. While these activities were in process, together with the IT Department and several employees performing the processing activities, Ritchie facilitated 4 teams to address the 11 system impediments preventing optimization of the new software.

Ritchie developed, designed and implemented a Management Operating System that enabled Supervision and Management to effectively manage the work and resources. For most of the Departments, the System provided individual performance reporting, including productivity and input errors.

Because of the project, the Montreal Branch realized a 19% gain in productivity, which provided the client with a 4.15:1.0 Return on Investment. Ritchie, along with two members of the client's team went on to Toronto and Vancouver, where similar results were achieved. Ritchie ended up working in every Department for this client over a three-year period.

*"Personally, I am very impressed with their ability to understand and grasp the details of our various business units. The results speak for themselves; we have saved millions from their efforts and are positioned to manage our businesses more effectively. The cost savings will benefit us several ways, least of not which is the opportunity to pass along some of the savings to our customers.*

*In my 30 year banking career, I have never encountered a firm like Ritchie, who delivered significant value, did what they proposed to do and performed their work in an unobtrusive manner. I have no hesitation in recommending Ritchie to any organization seeking a means of improving their business processes, efficiency, and effectiveness.*

Executive Vice President, Corporate Services