case study: financial services

re-engineered IT development and maintenance processes resulted in $11 million in annual cost savings

results at a glance:

Problem: This retail banking division of a global Fortune 50 financial institution was looking to reduce their operating costs. Cumbersome and complex processes and procedures built around an aging and entrenched IT infrastructure were causing lengthy delays in software development and maintenance.

Solution: An assessment based on input from the client's IT staff identified obstacles that were strangling productivity. The assessment used as its cornerstone a survey that resulted in 39,000 data points that when compiled and analyzed offered insights into remedial activities that would yield the highest returns.

Results: Re-engineered IT development and maintenance processes resulted in productivity savings to the client of 181,000 man-hours. This translated into approximately $11 million in annual cost savings.

client profile:

The retail banking division of one of the largest and most prominent financial institutions in the world, this division has 4,200 branches in 39 countries.
The division's IT department has approximately 700 employees, 1,300 servers, and 400 software applications. It generates nearly $20 billion in annual revenues.

business problem:

As is common with most financial institutions, this firm was dependent on secure — but aging mainframe computers. Longstanding processes and procedures built around their infrastructure placed a premium on security with a rigid Quality Assurance process. The process was so rigid and awkward that it resulted in widespread delays and frustration among both developers and users. For example, an offshore security team granted developers access to the production mainframes in short blocks of time to ensure they knew who was in the production environment. Developers received access keys that would shut them out only after an hour or two — after which they would have to make another request for mainframe access. This cycle would repeat itself ad nauseam.

Project management processes were cumbersome and antiquated. A developer trying to create a simple solution would have to jump through a series of time-consuming hoops. There were so many people and groups involved in the software development/modification approval process that lengthy delays were routine. As a result, development staff would find themselves sitting around waiting for a green light to move forward. Productivity suffered and costs were unnecessarily high.

Legacy IT staff received no training to update their knowledge and skills. Many had been doing the same job for so long their work habits were entrenched — around methods that had become stale years before. Updating their skills and convincing them to change the way they worked was imperative — but change isn't easy.

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the Randstad Technologies solution:

Randstad Technologies was given the assignment to conduct an assessment to help the client identify a small set of process and procedure changes that by re-engineering would yield the highest return. The project would focus on gathering input from the IT staff consisting of approximately 700 people. Three Randstad Technologies teams totaling fifteen full-time consultants quickly determined that it was impractical and unaffordable to talk to several hundred of the client's employees — so they fashioned an approach that would allow them to gather enough detailed input to feel confident that they grasped the most important issues.

The plan called for in-depth interviews with 75 IT staff members, additional round table discussions at five of the client's locations, and the administration of an online survey questionnaire to the remaining 600 or so staff members. The personal interviews and questionnaires solicited input about the problems IT staff were encountering and any input for addressing them. The result of the interviews and survey was a data set that consisted of 39,000 data points! It was so large that Randstad Technologies assigned a developer to create a tool to aggregate the data and construct a SQL database in which it was stored.

The Randstad Technologies team grouped the types of problems encountered by the development staff into a set of common "themes." The size of the problem was quantified into man-hours. The Randstad Technologies team also evaluated external industry-specific data on the techniques other large financial institutions were using to successfully manage similar processes.

Based on the survey findings and industry best practices, Randstad Technologies completely refashioned the client's development process. The revamped processes and procedures simplified and streamlined task and paper flow.

benefits delivered:

The survey identified issues in procedures which when modified and implemented resulted in a savings to the client of 181,000 man-hours. This translated into approximately $11 million in projected annual cost savings.

Getting to this level of savings was no small task. It took the ingenuity of the Randstad Technologies project teams to figure out how to approach this project in a practical way that would yield the most valuable insights. Instead of inundating the client with a laundry list of dozens of fixable issues, Randstad Technologies provided a list of 24 top problem areas and a shorter list that was realistic and manageable. From 39,000 data points, they were able to identify a half-dozen high-value activities that generated the lion's share of potential savings.

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