

Case Study



Shared Services in Operations

Abstract

Infosys enhanced capacity utilization by 15% by merging sub processes for a global investment bank. This was accomplished by leveraging inherent synergies between the sub processes in terms of applications used, personnel skill sets and complementing volume trends.

The Client

The client is a leading global wealth management, investment banking and securities firm, and one of the largest global asset managers.

Background

The client had outsourced reconciliation processes involving level one investigation for multiple lines of business to Infosys. These business lines included Exchange traded derivatives, Equities, OTC derivatives and Prime brokerage across all the geographies that the client operated in. Infosys took over these processes and achieved 'business as usual' conditions with appropriate service quality levels.

Productivity improvement and cost reductions were the mandate for the project and Infosys looked within the now-familiar processes to further enhance productivity and capacity utilization of its resources without any deterioration of service quality. The reconciliation projects of the OTC Equity Derivatives, and Prime Brokerage Lines of business were identified as candidates for a productivity enhancement initiative.

Infosys Role

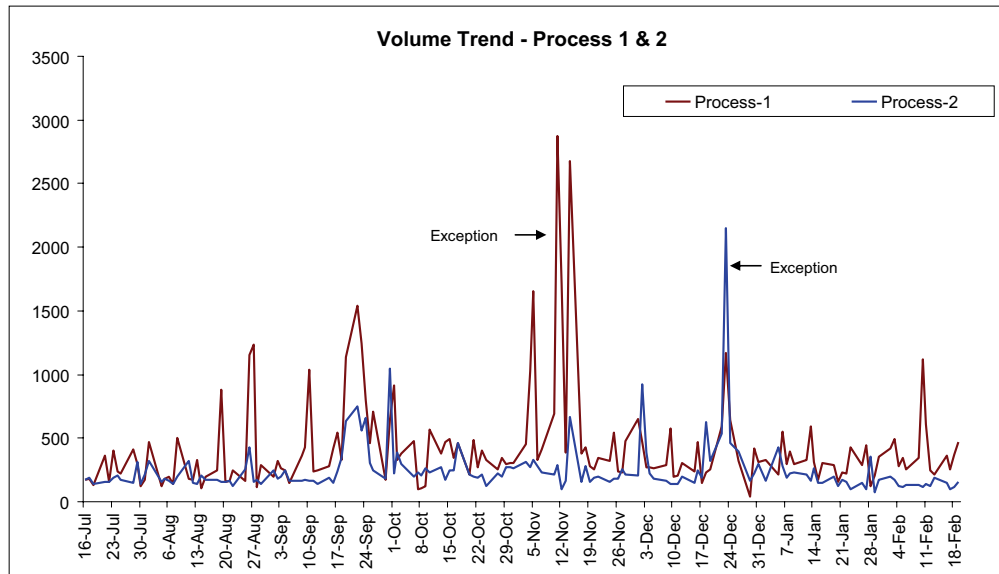
Infosys went about assessing and grouping common tasks across different entities (such as geographies, product lines, functions) in the reconciliation process for the two business lines and leveraging synergies in order to achieve optimal utilization of resources, knowledge retention, standardization and operational risk management.

Project 1

Shared Services in supporting Reconciliation process for OTC Equity Derivatives Line of Business

The reconciliation process carried out for the OTC Equity Derivatives line of business involved conducting level one investigation for Nostro (cash), Trade, Position and Actual vs. implied (AVI) reconciliations. The Nostro and AVI reconciliations were conducted on the same reconciliation platform and an assessment of the as-is state of the Nostro and AVI sub processes revealed similarities in process steps for both. As the two processes used the same applications & systems and were very alike in the process steps as well, it was evident that a common pool of resources could work on both. Detailed investigations revealed complementing volume trends (the peaks and trough for both processes were mutually exclusive) and the idea these two sub-processes could be merged. The viability of the merger was based on operational synergies such as systems, skill set of resources and common tasks.

With the opportunity clearly evident, a detailed road map to leverage the same was created. Due-diligence was conducted to confirm the earliest availability of feeds, volume trends, system latencies, turnaround time for delivering the reconciliations and availability of resources. Combining the impact of all these factors the shift patterns were re-aligned and resource requirement was agreed. A detailed cross training plan was created to create a fungible pool of resources, capable of managing both the reconciliations and the two processes were merged.



Caption: It is evident from the above graph that the peak and troughs for the 2 processes are mutually exclusive (with exceptions as notified on the graph)

Benefits

Infosys helped the client achieve the following benefits:

- Better resource utilization
 - Utilization improved by 25%
 - A 20% FTE reduction was achieved as a result of the synergies of the project merger
- The merged entity achieved early and most meaningful reconciliations delivery for both processes. This in-turn went a long way in rationalizing the risk profile of the reconciliation portfolio.

Project 2

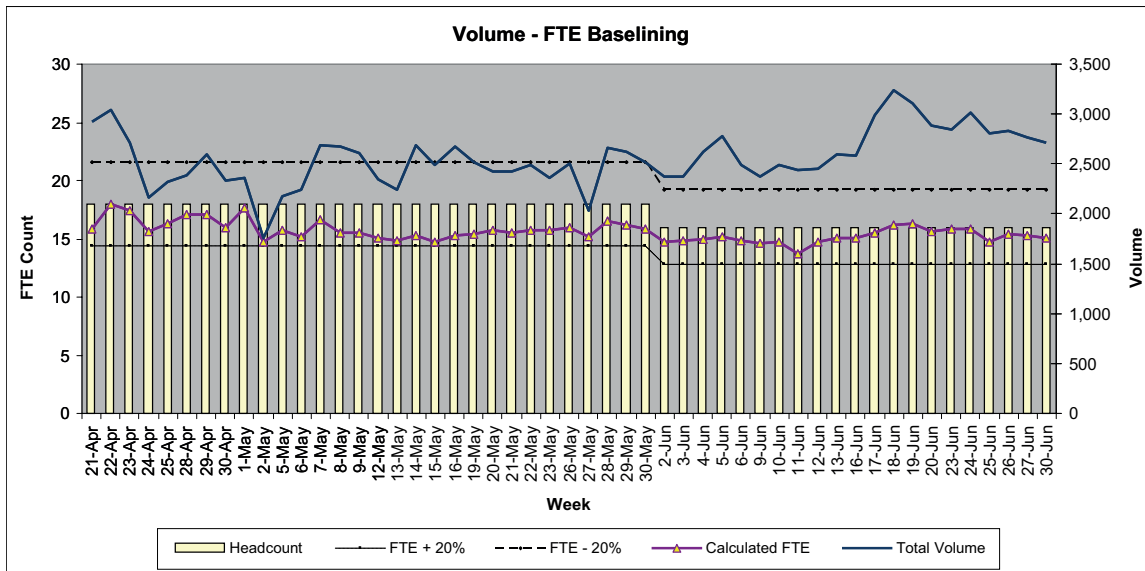
Shared Services in supporting Reconciliation process for International Prime Brokerage Line of Business

Infosys made an assessment of the AS-IS state of the reconciliation process carried out for the international prime brokerage line of business., which included a study of the tasks and activities carried out across the process. This process was being executed by two separate teams (wave 1 and wave 2) working on reconciliation and exception management activities. The tasks in wave 1 involved an upfront, basic investigation of feeds, which were then handed over to wave 2, where the second level of investigations and break resolution activities were carried out. The assessment revealed duplication of effort due to some repeat and non-value added activities at the time of handover from wave 1 to wave 2 and this duplication was eliminated. The two teams were then merged and a smooth merger was carried out. A detailed cross training plan was created for analysts from each of the waves for knowledge transfer. The other factors that were rationalized were shift alignment, load balancing and reconciliation availability and delivery.

As a result of this project, the following variables were standardized:

- Steps for investigation post merger.
- Shift time at which the resources operate and work allocation for resources based on optimal utilization of resources

The below capacity graph shows the reduction in FTE requirement post implementation of the project.



The horizontal bars in the above graph show the available FTEs in the process, pre and post merger. The savings realized from this project was passed to the client and the decline in FTE numbers is evident from 3rd Jun onwards.

Benefits

Infosys helped the client achieve the following benefits:

- Minimization of process steps which helped in risk reduction.
- 12% increase in productivity



For more information, contact askus@infosys.com

About Infosys

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