



Innovate, Automate, Accelerate

Target swiftly cuts complexity for tier 1 bank



Disentangling complexity in a leading bank

The Facts

CHALLENGE

Identify and implement long-overdue changes to a tier 1 bank's processes – increasing control, improving the customer experience and delivering efficiencies.

SOLUTION

A joint delivery model, featuring an onsite team using Appian to redefine and streamline critical business processes end-to-end.

RESULTS

- 8 processes transformed and counting
- 84% reduction in back office processing times
- 64% increase in customer satisfaction
- 80% reduction in manual intervention

In under ten weeks, Target Group helped a tier 1 bank transform one of its most complex and labour-intensive processes – applying targeted automation to reduce back-office processing times by 84%. The new processes are more cost-effective and more popular with customers and colleagues. And it's just the start of a broader programme of transformation that underpins its ambitious growth plans.

Here's a scenario many financial services providers will recognise. Our client, a tier 1 bank, had set itself some ambitious, yet attainable growth targets. But behind the scenes, it was acutely aware of the challenges such growth would place on its complex infrastructure and resources. Built up over decades, the bank has a mix of different legacy IT systems from different generations, with customer data spread across them. Unsurprisingly, its processes were riddled with bottlenecks: hand-offs between systems, multiple authorisations and manual interventions. These were not only costly but also had a detrimental impact on the customer experience.

None of this was news; again, like many others, it had previously attempted to streamline its operations. However, these projects had typically stalled without delivering clear benefits. With new compliance challenges, a desire to enhance its digital presence and ongoing imperatives to cut costs, the bank recognised it had to try again.

Target Group was appointed on the back of a commitment to deliver tangible outcomes, fast. 10 weeks later, the Target team had made good on that promise – transforming one of the bank's most complex end-to-end processes and instilling a working model that has helped deliver further savings and service improvements since.

Prioritising change, proving the concept

The bank wanted an end-to-end solution, from process analysis to redesign to implementation and fine-tuning. From Target's experience the theory of process maps and reality of an operation differ greatly. By working with colleagues, the team were able to build processes according to the specific customer demands, redesigning them to respond to requests quickly and easily.

Within days of being engaged, Target presented the bank's project team with a series of one-page summaries of opportunities for improvement – each clearly setting out the potential benefit to the business. Alongside this was a proposed delivery model, based on a joint delivery team, shared governance and single set of performance measures.

The approach won approval and the bank accepted Target's recommendation to use a complex credit refund process as proof of concept.

Rapid transformation, soaring satisfaction

The existing process was fragmented, labour-intensive and a high risk of error. Unsurprisingly, customer satisfaction with it was low. To assess the validity of customer claims for refunds on loan payments, agents were required to check multiple systems. They then had to calculate the amount due and create the refund request, which itself had to be approved by a manager. In addition, the agents were required to record details in a separate reporting system. On average, this single process would take 10 minutes of agent time, and because of the need for approvals would frequently take up to 5 days to be completed.

Target pinpointed multiple opportunities to automate and streamline the process. Using Appian IBPM Platform, Target's on-site team redesigned the process and implemented a new rules engine. This meant that agents could manage the whole task from a single interface. Now, they enter the customer identification details and receive an instant answer on whether the customer is eligible for a refund. Because the calculation is automated, the need for managerial authorisation has been removed; agents can simply select the refund method and the process is complete. Other systems are updated automatically.

Under the new system, 80% of refunds are processed within a minute and 50% in under 30 seconds. In a project lasting less than 10 weeks from approval to delivery, five manual controls were replaced by 11 automated ones, meaning the system is now more secure for the business. Customer satisfaction with the process has increased by 64% and it has freed agents up to focus on tasks supporting growth.



Automating strategically, accelerating delivery

But this substantial impact was only the start. With the working approach validated, the bank gave Target the go-ahead to start addressing further areas of complexity. Eight different end-to-end processes have now been transformed, enabling the bank to achieve significant savings on its annual run rate, while consistently improving employee productivity and the customer experience.

With a new platform in place to connect disparate systems and processes, the bank can also accelerate its move to digital – projected to deliver further savings – and make smarter use of automation across its business. Target's approach, reusing process components and services where possible, ensures swift deployment and swift acceptance: the team focus on ensuring all interfaces are user-friendly so there is no long familiarisation period for staff.

Transforming operations, transferring knowledge

Target aims to help the bank conclude its transformation journey inside two years. By that time, the bank will not only be benefitting from optimised processes, but will also have a platform on which it can deliver continuous improvement. Equally importantly, through Target's knowledge transfer, it will have the skills to make that happen.

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About our client

Target's client was a tier 1 bank – referring to its core capital. Like many others in the sector, it has grown organically and through acquisition, and has a complex mix of IT systems of different ages. The sector is highly regulated and extremely competitive.



About Target

Target Group is a leading provider of Business Process Outsourcing (BPO) and operational transformation for over 50 major financial institutions across the globe, including clients such as Goldman Sachs, Morgan Stanley, Credit Suisse, Barclays and Shawbrook Bank.

Our leading fintech platform manages assets in excess of £24 billion, enabling our clients to automate complex critical processing, servicing and administration of loans, as well as investments and insurance. We deliver competitive advantage and enable scalable growth. Alongside BPO and software solutions, Target leverages deep domain expertise to advise on process improvement, due diligence, and regulatory compliance.

Target systems currently process over 19 million accounts and collect £3billion of direct debit payments each year on behalf of both private and public sector clients.

For further information about Target Group, please visit www.targetgroup.com or call us on **0845 6506200**