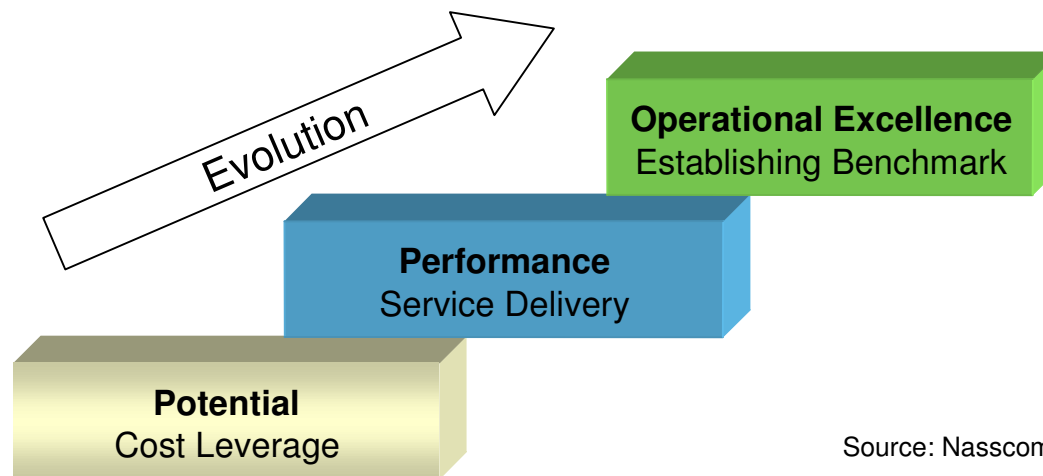


Partnering for Operational Excellence – Business Process Outsourcing –



The industry is maturing and is entering the operational excellence phase ...

- ❑ A recent study by Nasscom shows that the customers came to India because of the Potential in terms of Cost Arbitrage, stayed here because of Performance but will now look for Operational Excellence
- ❑ Achieving global performance levels is the next big challenge for the industry



Process improvement will be the key to achieve operational excellence ...

- ❑ Though the overall performance is strong data suggests that it is because of capable people and not stellar processes
- ❑ Studies show that Efficiency in terms of utilization of resources remains low for the Indian BPO industry
- ❑ Another survey suggests that the long term focus of client is on *innovation and productivity*
- ❑ The industry needs to innovate and concentrate on improving their processes to achieve higher levels of efficiency and productivity

India ITES-BPO industry

	2000	2004
End User Satisfaction	75-80%	80%
Client Satisfaction	75-80%	80%
Responsiveness	25-100%	60-100%
Quality (Fatal Defects)	>3%	<2%
Efficiency (utilization)	<65%	<65%

Source: Nasscom



Operational excellence can be achieved through a number of diverse initiatives ...

- ❑ Process orientation and consistency through standardized and documented process maps
- ❑ Business Process Reengineering and continuous process improvement initiatives like Six Sigma
- ❑ A process management framework to measure and monitor process effectiveness
- ❑ Containing operational risks arising in key and support processes due to internal and external factors
- ❑ Improving support processes to ensure speed and to build customer confidence
- ❑ Optimum staffing to ensure efficiency

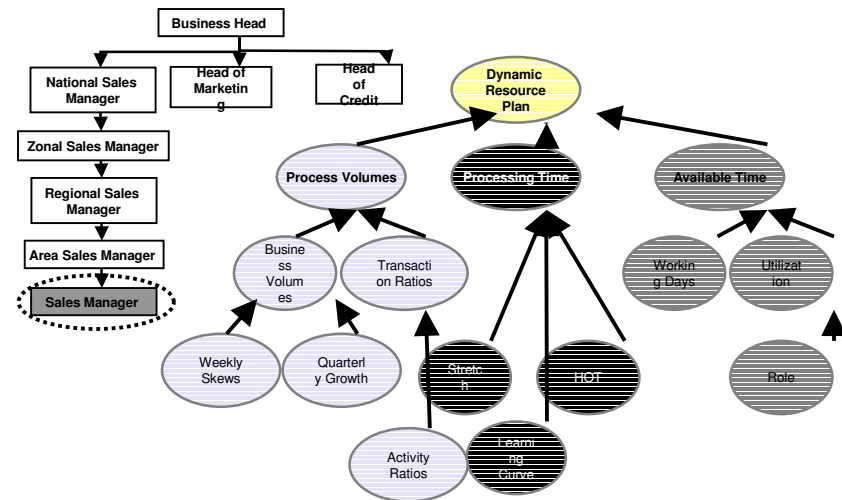
ECS has partnered with a number of organisations in their journey for operational excellence ...

- ❑ **Business Process Re-engineering** for a leading private sector bank led to various operational efficiencies
- ❑ Applying **LEAN and Six Sigma** techniques in the back office operations of a leading US based insurance company led to enhanced operational efficiency
- ❑ **Restructuring and redesigning** workflow at the shared services of a large global organization to achieve significant productivity gains
- ❑ Ensuring **process effectiveness** for operations of leading multinational bank
- ❑ Assessing **operational risk** for back office operations of a leading Indian private sector bank led to BASEL II and SOX compliance
- ❑ **Improving support processes** for offshore operations of a leading global financial major led to speedy ramp up
- ❑ **Creating a manpower model** for the back office of a leading European bank led to significant reduction in operating costs



Reengineering of processes led to savings of Rs. 8 million on an annualized basis

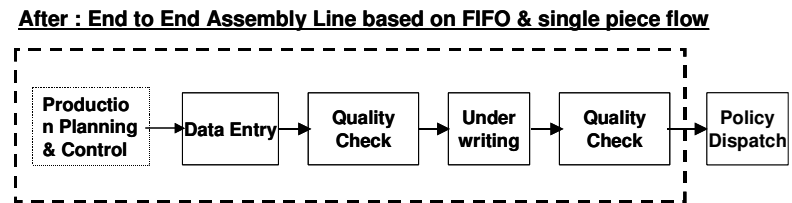
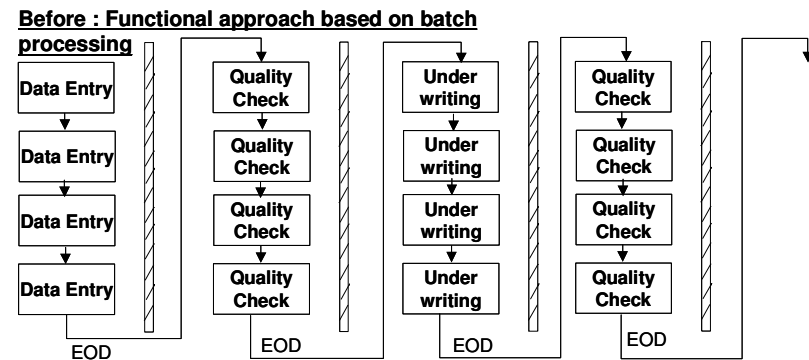
- ❑ Created a capability for handling much larger volumes, while bettering the customer experience
- ❑ Also led to
 - Reduced customer complaints 'Post-Enrolment'
 - Faster query and complaint resolution
 - Breaking of functional silos and creation of an integrated, customer-centric 'end to end' perspective across levels
- ❑ The processes reengineered included:
 - Credit card issue
 - Billing and payment
 - Special services
 - Query and complaint handling



Annual Business Target of Cards in Force	1,30,000
No of DMA Handled in a AA Class Town	10 DMA
Expected number of DMA visits per DMA in an a class town in a month	12 visits
Expected Number of DMA Visits per month	120 DMA Visits
Desired Productivity of SM	75%
Time Spent Per DMA Visit including traveling time	153 minutes
The Total time expected to be spent in DMA visit for AA class town	18360 minutes
The Time available per SM for DMA visit in a month @ 431 minutes daily	10775 minutes
Number of FTE needed as per model	24
Number of FTE forecasted by Sales	60

LEAN and Six Sigma implementation at a centralized processing center led to breakthrough savings ...

- ❑ Created an end to end assembly line based on FIFO and single piece flow
- ❑ Created self managed teams
- ❑ Improved layout reduced physical paper flow from 500 feet to 20 feet
- ❑ The new initiatives led to:
 - 80% reduction in TAT from 65 days to less than 14 days
 - Threefold increase in productivity
 - 40% reduction in overall costs



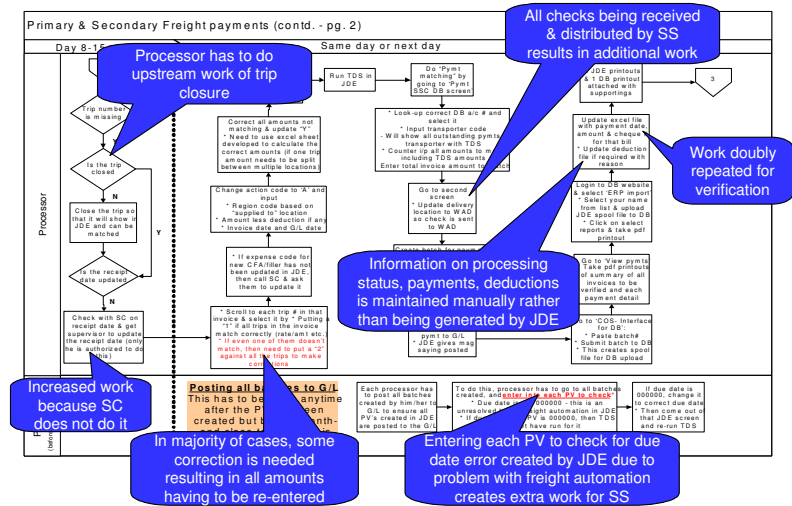
A modified workflow led to increased customer satisfaction at a shared service center ...

Through ...

- Clearly defined SLA's leading to better management of client expectations
- Well defined process for handling customer queries and timely resolution of the same
- Standardized processes with clearly defined standard operating procedures that are not individual dependant

Also led to

- Higher productivity and lower cost per transaction
- Higher confidence of the stake holders in the model leading to increasing use of the shared services model



- First cut processing
- Process all straight pass payments

Tier 1 processing

10-12 people

- Process all documents that cannot be processed in first cut due missing/incorrect information
- Do outbound calls, email follow-up

Tier 2 processing

5-7 people

- Answer all queries from internal & external customers
- Check with tier 1/2 processors if required

Query handling desk

2 people



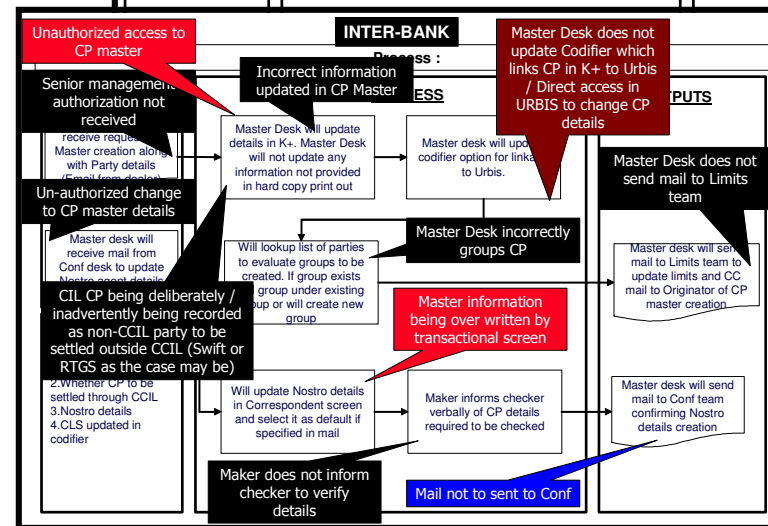
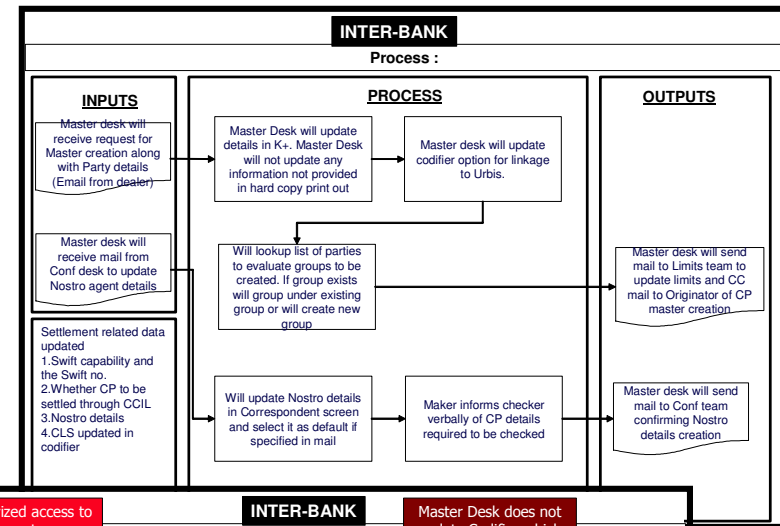
Increased process effectiveness through release of operations/processing time from the branch ...

- ❑ Reduced the overall cost of delivery while making an optimal trade off between cost and customer service
- ❑ Reduce the cost per customer acquisition thereby increasing the volume of customer acquisition
- ❑ Was achieved through migrating transactions to centralized operations leaving the branch more time for sales
- ❑ Enabled the branch to transform itself as a predominant “Sales & Service” channel
- ❑ Modified structure resulted in a 100% improvement in productivity levels and reduction of discrepancy levels of the customer requests from 25% to 8%. Also led to a reduction in TAT through 80% reduction in work in progress cases



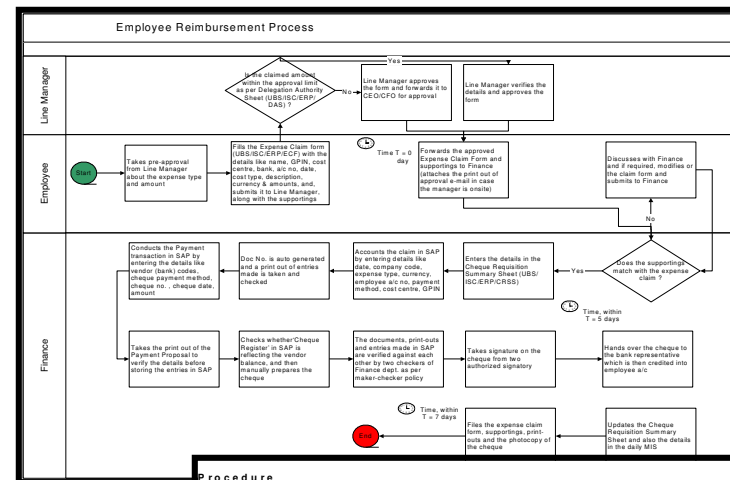
Assessed operational risk in various back office processes to strengthen internal control mechanism ...

- ❑ Developed detailed (level 3) process maps and identified key risks
- ❑ Identified risk profile as per Basel II requirements
- ❑ Improved process adherence on the floor
- ❑ Implemented best practices for operations
- ❑ Calculated current risk score and health index as per the Basel II requirement



Defined internal processes to streamline business and setting up the organisation for rapid growth

- ❑ Ensured that the organisation became process dependent rather than people dependent
- ❑ Created a quality management system for efficient review of each department and function
- ❑ Also, led to clear communication and understanding between departments about the service standards to be followed and roles and responsibilities to be shared
- ❑ Achieved this through
 - Standardizing and documenting of the key internal processes
 - Setting up of key metrics
 - Defining service level standards for internal customers
 - Putting in place processes and responsibilities for capturing and escalating key metrics



Procedure

6.1. Entry Criteria

- Employee fills the expenses claim form for claiming reimbursement of business expenses.

Submission and approval of Expenses Claim Form .

6.1.1. Employee takes pre-approval from concerned line manager about the expenses and amount.

6.1.2. Thereafter, Employee fills in the details of expenses incurred in expenses claim form as follows (Refer template:-UBS/IS/ERP/ERP).

a. Name
b. GPIN
c. Cost centre
d. Bank
e. A/C no
f. Date
g. Cost Type
h. Description
i. Currency and Amounts.

Employee submits the expenses claim form along with the supporting documents to the concerned Line Manager for approval.

6.1.2 Line manager verifies the claim form, against the supporting documents and approval limit as per the delegation authority sheet (Refer template UBS/IS/ERP/DAS). Based on this the Line manager approves or rejects the expenses claim form.

6.1.3 If the expenses claimed amount is within the approval limit, Line manager approves the bill and forwards it to the employee.

6.1.4 If the claimed amount is greater than the approval limit, Line manager forwards the approved form to the CEO/CFO for approval.

6.1.5 Employee forwards the approved form and supporting documents to finance department. In case Line manager is on site, employee attaches the print out of approval e-mail.

6.1.6 Finance department verifies the expenses claim against supporting documents and approval limits for further processing.

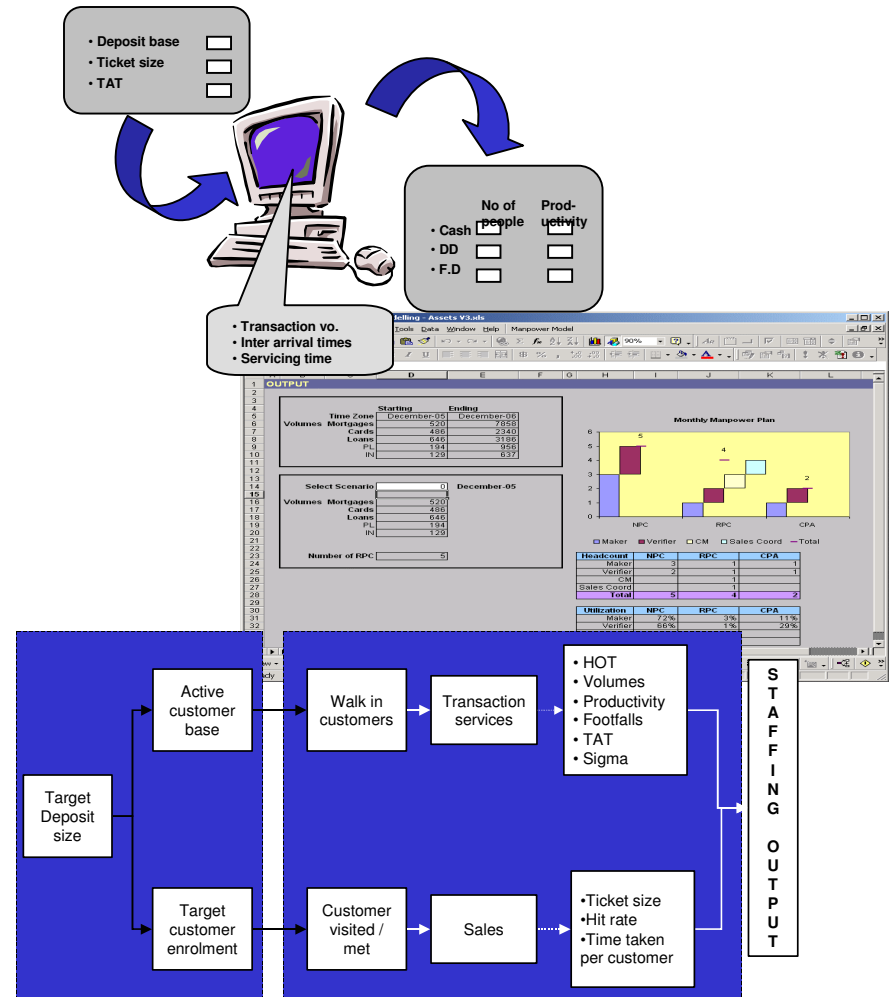
6.1.7 Finance department, if required, asks the employee for clarification or modification in the expenses claim form.

6.1.8 Employee, if required, modifies the documents as per the finance dept. advice and resubmits.



A resource planning calculator was developed and incorporated to improve productivity ...

- ❑ The manpower model could calculate the deployment for a defined workload based on the forecasted volumes and estimate the workload based on business projections
- ❑ The model could help assess forecast accuracy and had a way of incorporating learning's for future projections
- ❑ The model could exhibit
 - Manpower requirement for selected month
 - Manpower buildup in the various processing centers for each role
 - Role wise utilization on the projected loads



About ECS

ECS is a broad based management consulting firm

- ❑ Founded in 1991 as a subsidiary of the Eicher Group
- ❑ Acquired by Pricewaterhouse Coopers
in the year 2008, is now a wholly owned subsidiary of the PwC
- ❑ Has offices in multiple locations across India
- ❑ Helping clients in aligning their operations with their strategic goals
 - By using the latest concepts in supply chain management, strategic cost reduction, policy deployment etc.
- ❑ Pioneering the efforts of transformation
 - Through process management, TQM, TPM and Six Sigma consulting
- ❑ Supporting clients in developing a shared vision and culture
 - Through large-scale interactive processes, competency profiling, talent development, organisation structuring, development of performance management system, career planning process and employee coaching



ECS has helped large number of service organisations ...

- ❑ We have strong credibility & knowledge of transaction/ deal intensive service industry
- ❑ We have strong domain knowledge of the services industry
- ❑ We bridge the gap between technology & operational excellence
 - We are Implementation consultants who work on the Build, Operate, Transfer model
 - We have helped leading service organisations achieve and exceed Indian industry benchmarks in centralized operations – in terms of turnaround times, productivity, cost per transaction, etc
 - We have helped financial institutions set up centralized operations
- ❑ We leverage Lean Service, Six Sigma methodology, tools and techniques to develop robustness/ first time right processes
 - Focus is on building First Time right processes integrating our domain knowledge and knowledge of common gaps in solutions



We have extensive consulting experience in the services sector

Banks

- American Express Bank
- ICICI Bank
- Kotak Mahindra bank
- Standard Chartered Bank
- ING Vysya Bank
- Dubai Islamic Bank

BPO/Call Center

- Genpact
- WNS Global
- UBS Shared Services
- Castrol Shared Services
- Prudential BPO

Software

- Ramco Systems
- Aztec

Insurance

- ICICI Prudential Life
- Max New York Life
- SBI Life Insurance
- Allianz Bajaj Life Insurance
- Bajaj Allianz General Insurance

Telecom

- Tata Telecom
- RPG Telecom

Retail/Hospitality

- ITC Hotels
- Shoppers Stop

Entertainment

- Adlabs
- Zee Television



We have a strong team of professionals ...

- ❑ ECS consultants are from varied backgrounds – leading Indian business schools as well as established centres of learning abroad
- ❑ ECS team brings diverse industry and domain knowledge
- ❑ The strength of our people lies in their ability to employ their insights, skills and experience to develop realistic solutions for clients, and to help them manage change effectively
- ❑ Our relationships – within our company as well as with our clients – are based on trust, respect for each other, valuing each other as people and professionals, and developing partnerships
- ❑ The diversity of backgrounds within the ECS team greatly enriches the work environment and contributes to team spirit



We offer a set of unique propositions

- Collaborative consulting
- Knowledge about the Indian market
- Partnering in implementation through hands-on experience
- Creating ownership & empowerment for the change process
- Transfer of competencies to the client organization



Our clients view our focus on implementation as the key differentiating factor ...

- ❑ We always partner with our clients in implementation
- ❑ Our deep understanding across the strata of the organization is a crucial factor for managing change
- ❑ IMRB survey of consulting companies in 2000 rated ECS as the 'Highest value for money' consulting company amongst its clients
- ❑ Over 75% of our revenues is repeat business from our existing clients



Tangible results implemented and achieved at client site speak for our implementation credentials

Recent Advertisement in TV

How much time do you
Need to open an account -



....till your coffee gets
cold enough to sip...

New initiative helps ICICI streamline operations

By Rajarshi Roy
Times News Network

MUMBAI: A new management initiative aimed at enhancing customer and employee satisfaction levels has borne rich dividends for ICICI.

The Six Sigma Initiative has resulted in a 40 per cent reduction in operational costs for ICICI's demat operations, while the financial institution has saved 8.5 per cent in its home loan operations. The processing cost for ICICI's bonds operations has gone down by 16-18 per cent due to Six Sigma, says Ms. Buch, managing director and CEO of ICICI Direct said.

"Six Sigma is an holistic approach that aims at streamlining operations in such a way so as to not only reduce turnaround time but also to reduce the variability of service," Ms Buch said. "Take the example of issuing a cheque book: It might take an optimum of five days or it might be done in a day or the process might take even twenty days. But, by adopting Six Sigma, we not only reduce the optimum time of five days but also minimise the variability factor," Ms Buch explained.

In certain areas, the turnaround time has reduced drastically following the adoption of Six Sigma. In fact, in the case of one particular process which used to take 21 days earlier, is now being done instantaneously, Ms Buch added. The time taken to open a new account in any of the ICICI branches have come down by 33 per cent, she said.

By streamlining processes, Six Sigma helps enhance customer satisfaction levels, reduce wastage, and reduce manpower time overheads.

"Our operations are largely marked by peaking and troughing of worklevels, some much so that the work levels increase at a particular time of the month, while at other times the activity levels are low. This puts additional pressure on the employee. But Six Sigma helps in planning of activity so as to even out the work levels," Ms Buch explained.

ICICI has appointed Eicher Consultants for the implementation of Six Sigma and the process has been completed in three areas of ICICI's operations. These include the central operations of retail banking, home loans, and demat.

If a process were to reach the level of six on the Six Sigma scale, it would mean that the process would have only 3.4 defects in a million. While a 2.5 level on the Six Sigma scale implies a 15 per cent defect rate, a four level on the Six Sigma scale implies a five per cent defect, Ms Buch explained.

"In the central operations of retail banking, ICICI has achieved a Three Sigma level, while in the home loan business the FI has reached a 2.5 sigma level," Ms Buch added.

Business Times, Times of India, Mumbai, 28th March 2002



... And we deliver 'quantum tangible' benefits

- ❑ Turnaround Time reduction
 - 40% to 50% reduction from a customers point of view
- ❑ Productivity gains
 - 15 % to 30% improvement in Productivity
- ❑ Quality improvements
 - Reduction in errors by 30% to 50%
- ❑ Cost reduction
 - 20% to 30% reduction in cost per transaction

... offering the best value for money.



Thank You

Contact:

Harsh Bisht

harsh_bisht@ecs-limited.com

Phone: +91 9820199371



© ECS Private Limited

Confidential