Compliance at Large North America Bank Gets Lean

PROBLEM

A large bank is overwhelmed with incoming compliance cases

SOLUTION

Alacer used Lean Kaizen to streamline the compliance review process

RESULTS

A refined process cut 26 unnecessary steps for compliance in 47% less time

OVERVIEW

In a two year period, the compliance department within a large North American bank experienced a 345% increase in case volume due to acquisitions, core growth, higher internal audit scrutiny and an increasingly intense regulatory environment. Previously, the bank had simply added personnel to handle the increased workload, but it was not the best solution; it needed to take a step back and determine if there was a more effective way to process the increased volume of work while maintaining its high quality. Alacer was called to lead a series of focused Lean Kaizen process improvement events in partnership with the compliance SMEs (subject matter experts) and the parties who generated 90+% of the bank's incoming case volume.

CHALLENGES

While senior management was supportive of streamlining the compliance review process, the production staff was skeptical of change. Alacer and bank senior management officials knew that, for any changes to be readily adopted, they would need to get staff members involved from the start.

RESULTS

Alacer planned and facilitated a series of four-day Lean Kaizen (a simplified approach to process improvement) events with participants from the bank's compliance offices across North America. The senior executives helped kick off the sessions, but trusted the Alacer team to come up with the best ideas. By using a series of Lean and Six Sigma tools, Alacer was able to identify and prioritize the key root causes leading to the work backlogs and longer cycle times, identified several types of waste and generated 20+ recommendations that could be implemented within 90 days. The resulting process had 26 fewer steps and took 47% less time.

Historical client engagement. Results reflect the original case study; outcomes vary.