Untangling the Forecasting and Planning Process

PROBLEM

A top Canadian global bank's dysfunctional financial forecasting, planning and analytics processes (FP&A) resulted in unnecessary overhead expenditures and growing employee dissatisfaction

SOLUTION

Alacer radically improved over 100 banking FP&A processes using Kaizen continuous improvement approach

RESULTS

Personnel costs cut by 15%, data quality drastically improved, cycle time cut by two days, lower overtime, higher employee morale

OVERVIEW

The employees at a top Canadian global bank were grumbling: not only was the organization's financial forecasting, planning and analytics (FP&A) process inefficient and costly, it took an enormous amount of employee time and effort to produce the monthly, quarterly and annual forecasts the bank required for its seven business lines. In order to understand how to best streamline the FP&A process, Alacer's senior process experts needed to collaborate with bank managers to identify the root causes of problems and gain their acceptance of action plans to eliminate them.

CHALLENGES

When reviewing the bank's existing FP&A processes, the Alacer team discovered duplication of effort and too many process types/ steps required to complete tasks. This resulted in inefficiencies due to multiple handoffs of information between business partners (internal and external) and improperly sequenced workflows. Alacer generated process maps for over 100 unique tasks that clearly defined bottlenecks and pain points. Kaizen (continuous improvement) sessions were then held with all key stakeholders and senior management teams to identify and implement quick hit improvements, followed by the development of a longer term approach to improve the entire FP&A process before the next annual planning cycle.

RESULTS

Over 40% of the bank's FP&A processes were re-sequenced and optimized, resulting in a two-day improvement in forecast cycle time, drastic improvements in data quality, a 15% capacity savings, with a related reduction in overtime costs and a significant improvement in employee morale.

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