

# PDF – Process Development for Financial Institutions

Cloud Service Provider (CSP)



# Agenda

## 01 Examination

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## 02 Information Receipt

- Cloud Service Provider (CSP) is focusing exclusively on the financial service market and on software as a service. Accordingly, 360 banks are our costumers.
- We have 4.000 employees whereof 400 new hirings have taken place in 2022. Our revenue was about 2.200 Mio.€ in 2022.
- Since our customer faced are with the demographic change within their organizations – their employees become older and are retiring – it is difficult to run their business processes as it was the case until now.
- In addition, the cost pressure caused by individual business processes running by each of our customers and the trend towards mergers of smaller banks are a major issue for our customers. So standardized business process seems to be necessarily.
- Facing the needs of our customers the CIO and the whole management board of CSP recognized that a certain need for action is necessary. Accordingly, the board decided to set up the project “Process Development for Financial Institutions - PDF”. Further the board is aware about the fact that without external support the project is not hand able. Therefore, the CIO started an official application process for consulting companies.
- Luckily HNU-Consulting has successfully passed the first phase of the application process so that HNU-Consulting is part of the short list of potential candidates. Now it is up to HNU-Consulting to submit an appropriate proposal.

## Deliverables, Expectations and Grading

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- Based on the information provided by GPS it is your task -as a team of consultants of HNU-Consulting- to follow the invitation of CSP by submitting a proposal. **The proposal consists of two parts:**
  - **Document:** A written offer as a DOC and PDF (max. 15 pages on font size 12 including figures and tables)
  - **Presentation:** A presentation of your proposal as PPT and PDF document (~4-5 minutes per team member followed by a question-and-answer session about 10 minutes)
- **Grading**
  - **Both parts** contribute to your **individual grade** for this course.
  - **All team members** need to have the **same share** of work.
  - All parts of the work must be **clearly marked, which team member produced it.**
  - Additionally, there will be a „**team grade**“ assigned, if the overall teamwork reflects well in the document and presentation.
  - So, your **final grade** will consist of: Document (individual, 50%), presentation (individual, 30%) and teamwork (collective, 20%)

## Description

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- **The proposal should meet the expectation of CSP which are at least:**
  - Detailed project plan → How will HNU-Consulting tackle the problem of PDF?
  - Detailed project organization → How will be the setting of the project?
  - First potential solution → What are first ideas and thoughts of HNU-Consulting?
    - How should process development take place in the future by CSP?
    - What requirements must be fulfilled by CSP to provide the services of process development?
    - How can the service of process development be implemented within the organization of CSP?
  - Pricing and team members → How much must CPS invest and what can CPS expect from the team?
  - Information regarding the methodological approach → What kind of methods will HNU-Consulting apply to handle the project? Has HNU-Consulting beside the process developing know-how also the necessary project management skills?

## Setting

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- **Information:** Information provided by CSP can be found in section 2
- **Mode of Work:** Groupwork of 6 students (assigned by yourself till 22.11.2024) – **12 Groups are created in Moodle**
- **Submission:** Both parts of the exam must be submitted into the Moodle database provided within the Consulting course. Deadlines are:
  - **Document** (written offer): **20.01.2025 (23:55)**
  - **Presentation** (presentation slides): **28.01.2025 (23:55)**
- **Presentation:** You will present your proposals on **30.01.2023 (13:00-18:00)** and on **31.01.2025 (09:00-13:00 & 13:00-16:00)**
  - please note that you will present the material submitted so no changes are possible after submission
  - only the groups presenting on the respective day (morning or afternoon) may be present
- **Please remember:** Both parts of the exam are created and presented in the form of group work. However, the performance will be assessed individually. Therefore, it must be clearly marked in every document which group member was responsible for which section. Accordingly, it is demanded that every group member has an active part at the oral exam.



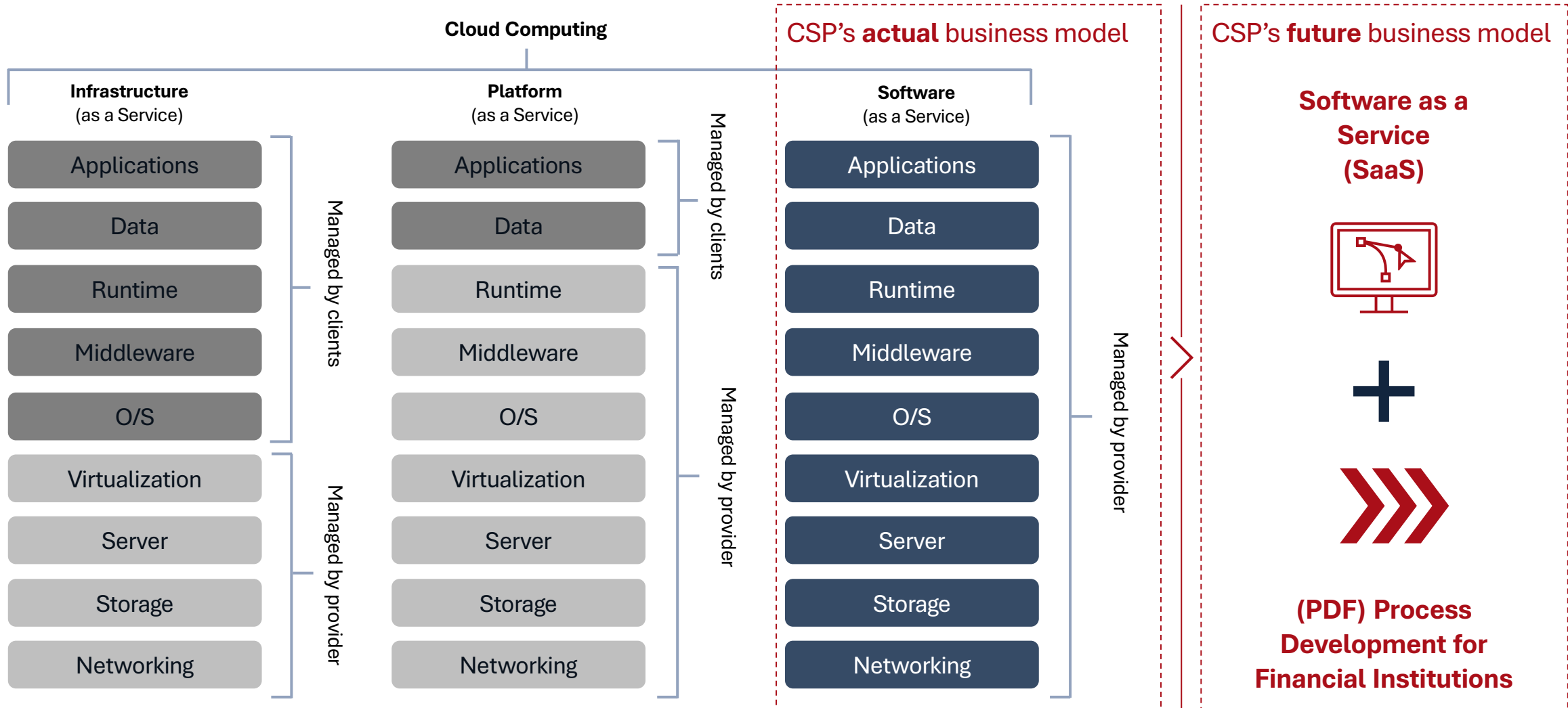
# Agenda

01 Examination

**02 Information Receipt**

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# CSP is a leading SaaS provider, which will extent its business model

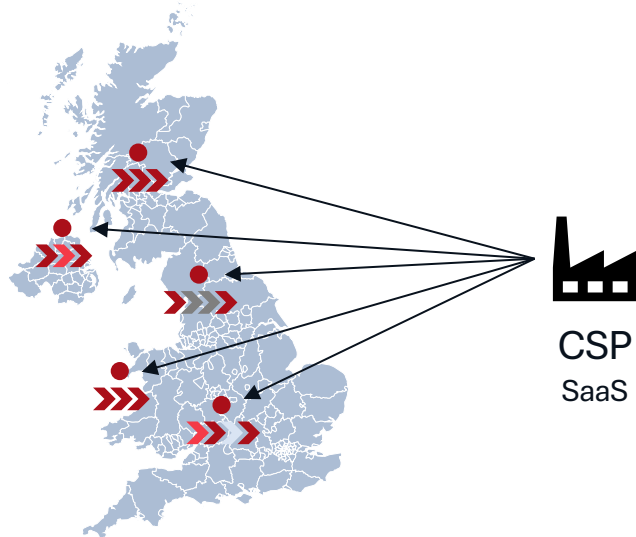




# The core of the project „PDF“ is that CSP extents its services by process development of banking processes

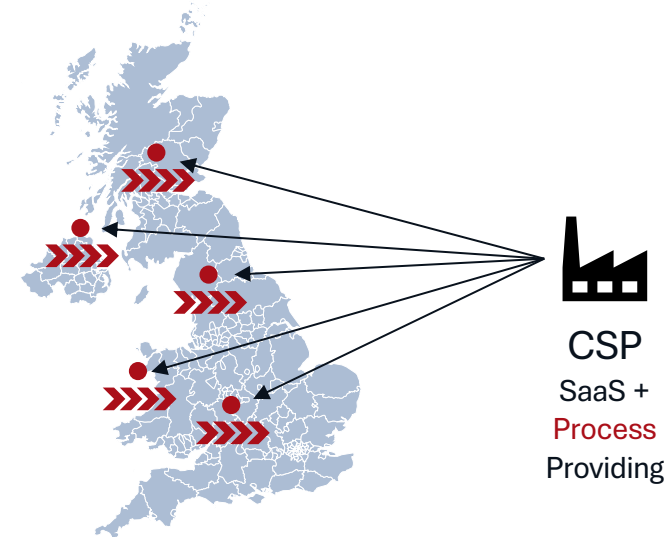
## Actual Situation

- 1.000 banking processes were created and maintained in a volunteer model by a group of banks
- Current model has its limits → Pressure for standardization is growing
- CSP's situation as a central cloud service provider creates new opportunities

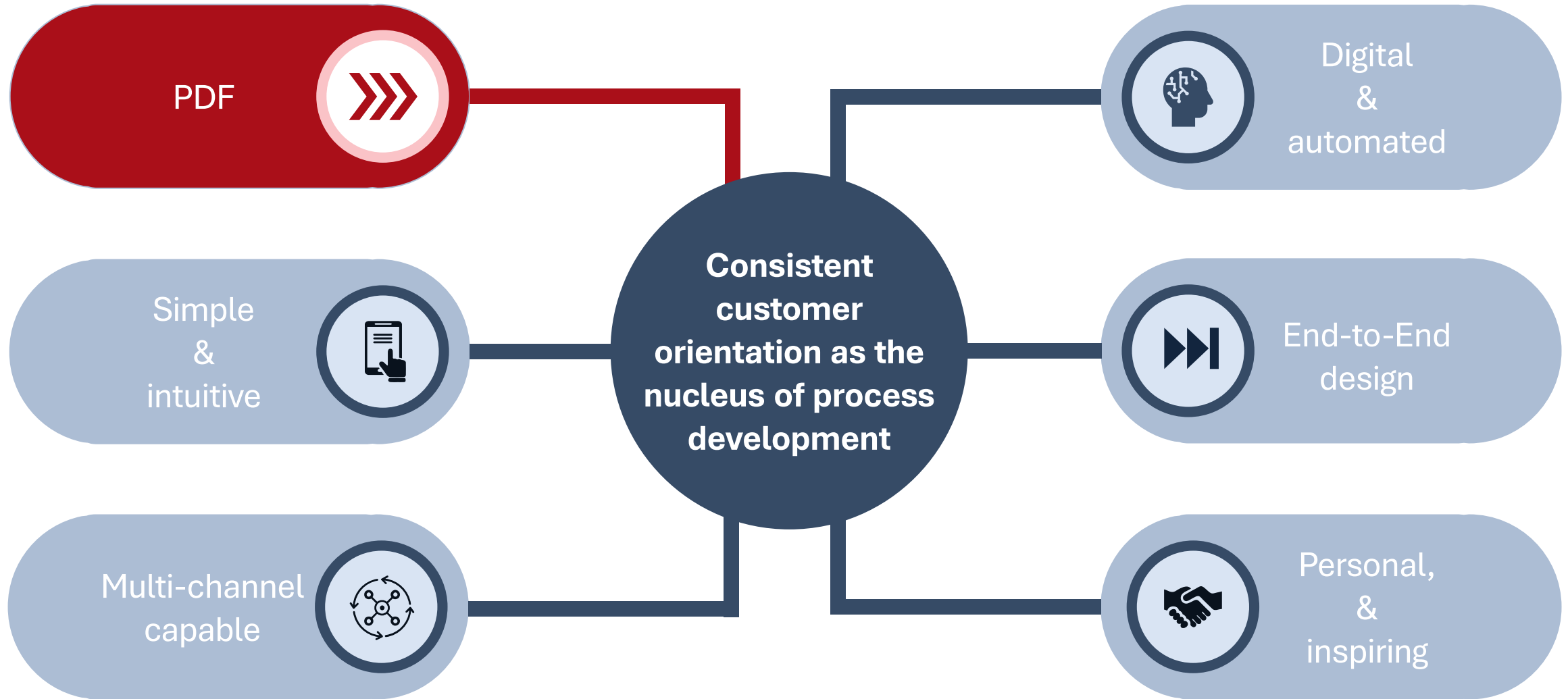


## Vision of PDF

- Rethink and professionalize process development to overcome current challenges:
  - Increasing quality, speed and commitment
  - Intensifying customer centricity
  - Develop more innovative strength and entrepreneurship in the style of the GAF A companies



# The focus of designing banking processes is on customer relationship



# Professionalization aims at more quality, speed and commitment for all banks

The overall objective of the further development is to increase the following dimensions so that all banks will use PDF comprehensively in the future.



## Quality

- End-to-end view incl. end customer perspective & multi-channel
- Strategy and regulatory compliant processes
- Compliance with standards and conventions



## Speed

- Interlocking process and IT development
- More standardization, quality and controlling for banks
- Publication of PDF documentation
- Publication in case of regulatory changes before implementation deadline



## Commitment

- Provision of resources for production
- Use of processes by banks

# CSP's vision 2028: Delighting customers through lean and engaging banking processes



**CSP will become the leading process provider in the financial market in the UK within 2028. Therefore, we develop easy-to-use, lean and standardized banking processes which we continuously improve to be future proofed.**

# The PDF vision fits seamlessly into the CSP strategy and is underpinned by six performance targets

## Strategy of CSP



**Convincing**  
Customer



**Increase**  
flexibility

## CSP's vision

# PDF VISION





CSP will become the leading process provider in the financial market in the UK within 2028. Therefore, we develop easy-to-use, lean and standardized banking processes which we continuously improve to be future proofed.

## Performance targets as the CSP's promise to banks

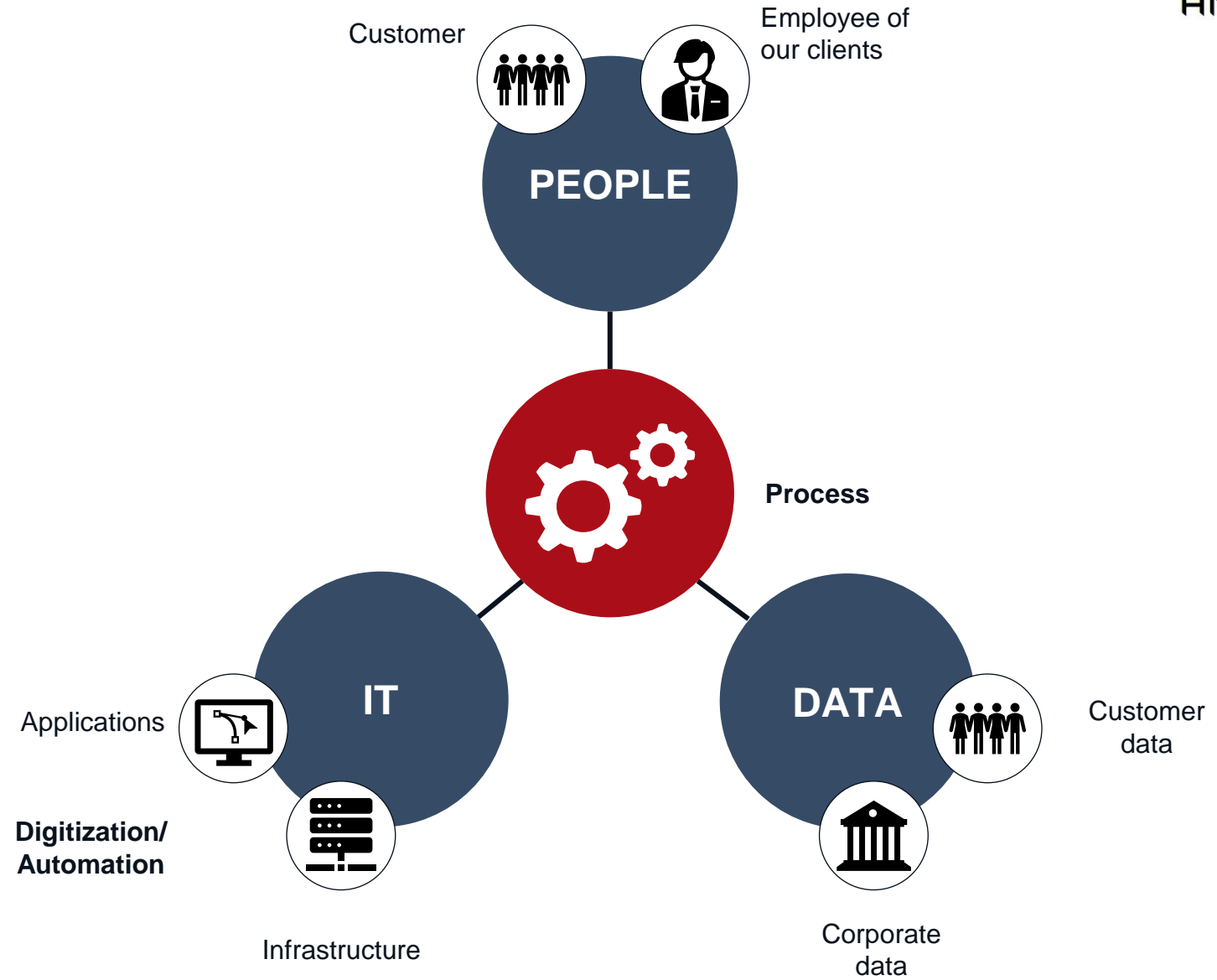
- 1 Coverage of PDF process map 
- 2 Strategy anchoring/ strategic further development 
- 3 Efficient process design 
- 4 Holistic and uniform process documentation 
- 5 Performance and delivery promise 

# The new or expanded performance targets form the basis of PDF - "Multi-channel orientation, efficiency, audit compliance"

## Performance targets as the CSP's promise to banks

- 1 Coverage of PDF process map**  > The PDF **process map is completely** covered
- 2 Strategy anchoring/ strategic further development**  > Further development is based, among other things, on **ongoing market monitoring** and related **bank strategies** as well as on **regulations**
- 3 Efficient process design**  > Process development considers **digital requirements, possible automation** for an efficient and lean process flow
- 4 Holistic and uniform process documentation**  > Process description and **documentation is complete** in accordance with the corresponding regulatory requirement (e.g., §25a KWG). Scope and depth of **processes is uniformly produced**
- 5 Performance and delivery promise**  > **Handover** of the "process results" to the banks takes place **completely and at an early stage.**

In terms of the vision and the achievement of performance targets, it is important to view people, data and IT as integrated in the process.

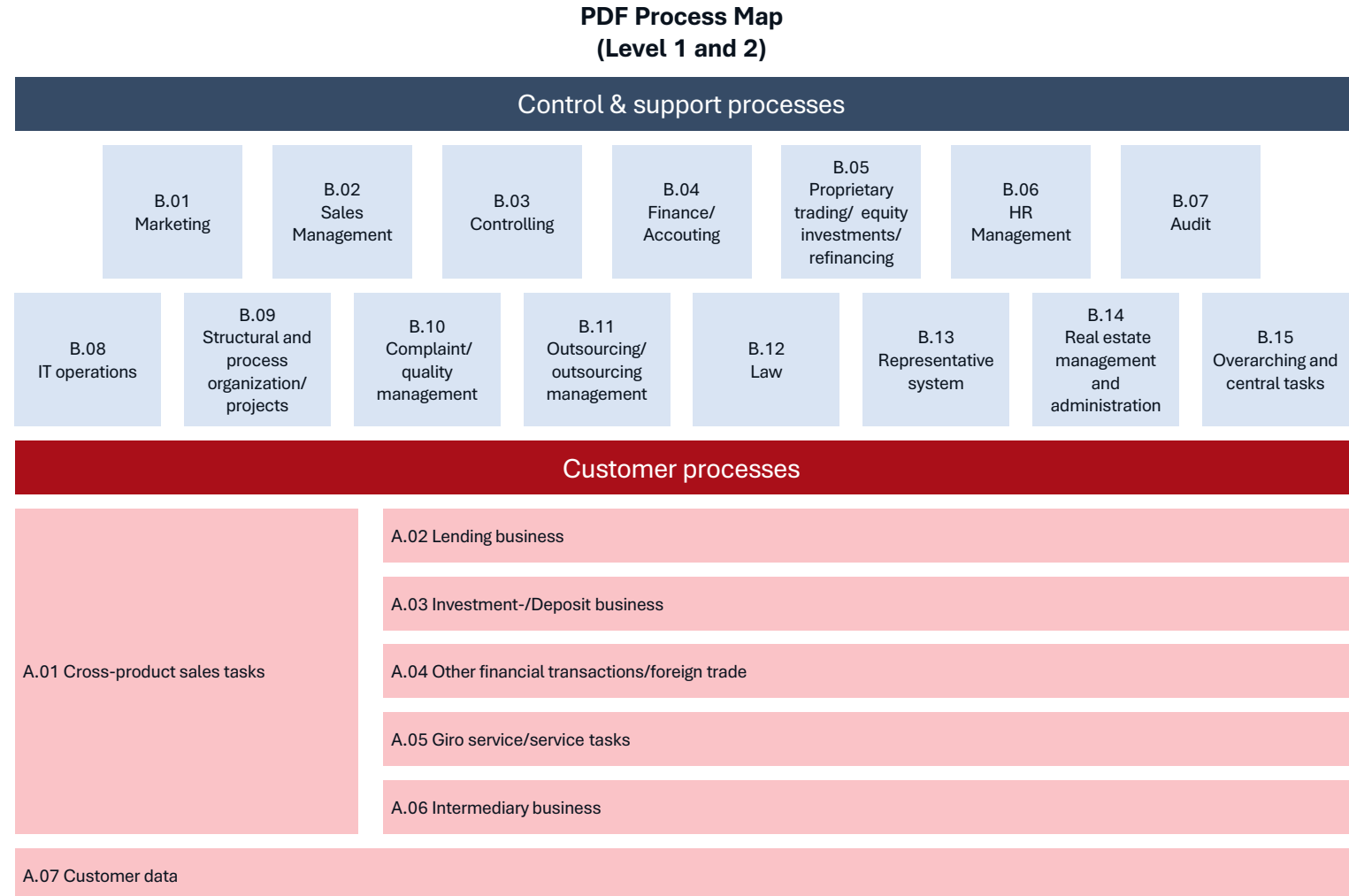


# The PDF unit is responsible for the PDF Process Map, which clusters the banking processes of CSP's clients



## The process map

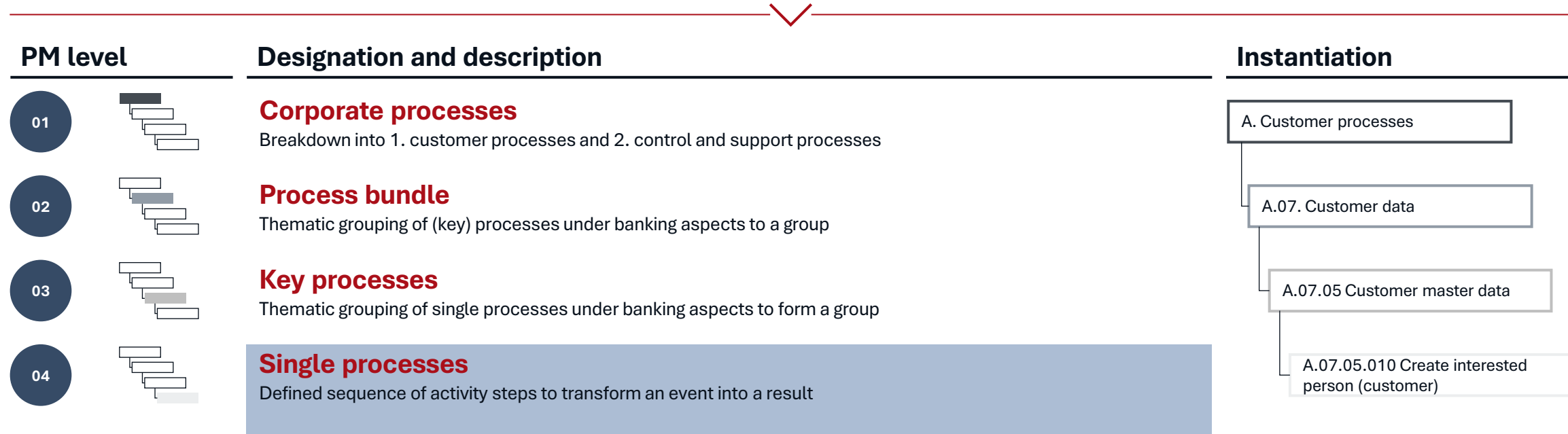
- contains all processes of the banks
- serves as a template for the creation of standardized processes
- ensures that business and technical development overlap
- harmonizes process and IT planning
- is the basis for PDF production
- maps responsibilities and accountabilities
- is maintained and further developed in its entirety by a PLK manager within the PDF unit





# The process map comprises approximately 1000 individual banking processes, which are aggregated hierarchically across four levels

The process map forms the structural and content-related framework of the process organization of banks. Overall, the process map provides a structured overview of the banking processes, including the interrelationships between them and a rough chronological sequence. **The processes are divided into 4 levels according to banking aspects:**

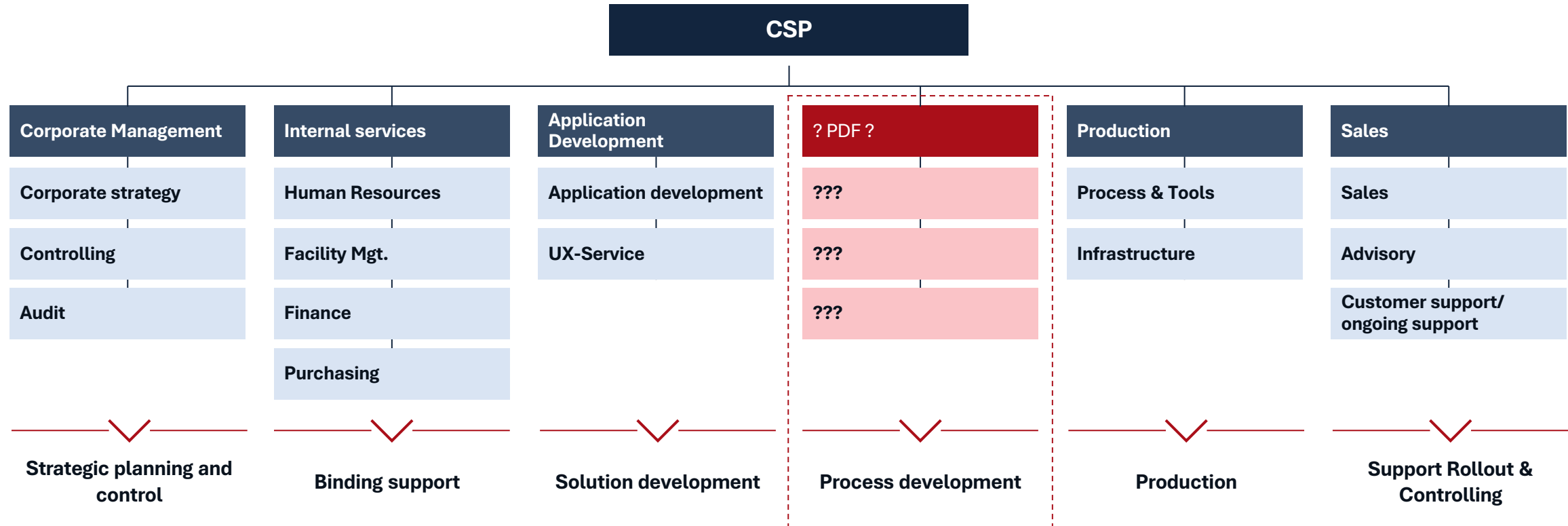


The **process documentation** provides information on the following points :

- Current versioning and release status
- Basic information
- Essential legal bases
- Process-related basics
- Responsibilities
- Process flow
- Risks and measures
- Forms, checklists and appendices
- Implementation notes

\*PM = Process map

# PDF within CSP's: An organizational view



- Question to be answered:**
- How should the PDF department be structured?
  - Which interfaces within the organization has the PDF department and how should they be designed?
  - Which roles and functions should be considered?
  - How many employees do you estimate for performing PDF?

## Process of application development



## Process of banking process development

### Question to be answered:

- Which processes are needed and how does they look like to perform PDF?
- How can the PDF process map be managed?
- How do we ensure process standardization and customer orientation?
- How can we achieve the gain the five performance targets of PDF?
- How can we interlock the development of applications and banking processes?

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# THE ART OF MOBILIZATION

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