A large Europe based global bank has embarked on a journey to program to converge various Finance functions into internal shared services ‘utilities’ and eventually transform them into public utilities—servicing other banks.

The long term vision is to convert an inward facing cost centers into revenue generating profit centers. The Bank is a global investment bank with presence in more than twenty countries and revenue in excess of 50 Bn USD.

The Bank analysed its Finance Reporting functions and charted creation of the following utilities:
- Business performance reporting
- Compliance and Regulatory Reporting
- Cost Reporting
- Group Reporting

The primary business drivers for this initiative included, amongst others:
- Significant reduction in total cost of operations
- Standardised, simplified and automated processes
- Improved business insight and reporting
- Simplified, modernised Information Technology
- Readiness for internal shared service centre to be transformed to a public utility servicing other banks

Some of the key challenges include:
- Aligning Vendor recommended IT transformation programs with Banks ongoing programs
- Data confidentiality concerns limiting offshoring options

- Developing an operating model addressing the demands of Banks IT and Operations organisations— which were not necessarily aligned

A number of Industry learnings and best practices were amalgamated into the solution including:
- Establishing an end-to-end Data governance committee for consistent data definitions, sourcing and oversight as part of Banks DNA
- Aligning risk, regulatory and financial reporting processes for an effective and timely ‘close’ (monthly, quarterly, annual...)
- A Client – Vendor partnership model including: Defined points of contacts between Bank and Vendor; colocation of Bank and Vendor staff including leadership; rotational assignments between Bank and Vendor
- Banks’ staff, who were key to success of this complex program were rebadged to the Vendor
- Mitigating Data confidentiality concerns with Data Masking solutions; including separate approaches for IT Outsourcing and Business Process outsourcing; Strategic tie up with a partner present within the geographic boundaries of the Bank for functions that could not be offshored

A snapshot of the integrated IT and Business process transformation executed by the Vendor:
The program is being delivered from Vendors offshore and onsite location and a reduction in total cost of ownership in excess of 30% to the Bank has been committed.