

## CASE STUDY



The Bank of Tokyo-Mitsubishi UFJ, Ltd.

MUFG

### Efficiency & Flexibility in Securities Processing

**60%** reduction in Loan Ticketing manual steps

**50%** reduction in Loan Ticketing processing time

**< 3** month project payback

Bank of Tokyo-Mitsubishi's London-based operational hub, the European Operations Centre (EOC), deployed the Singularity Process Platform™ as part of a broad leadership initiative to improve business process performance across the Bank's extensive European Office Network.

Choosing the London and Paris Loan Ticketing processes for the initial implementation, the Bank now has greater Loan Ticketing capacity while operating on a lower cost base. The Bank's representatives are equipped to make better decisions and to provide customers with more efficient and higher quality service. Increased levels of automation have reduced the opportunity for re-keying error and have improved data quality, lowered the incidence of ticketing issues and trimmed processing costs per ticket.

Following the initial London-Paris implementation the Bank looks to achieve further cost/income gains by extending its process improvement initiative across the European Office Network.

**Singularity**



The Bank of Tokyo-Mitsubishi UFJ, Ltd is part of the Mitsubishi UFJ Financial Group (MUFG), the world's largest financial institution, measured by assets, and the world's 5th largest financial institution, measured by market capitalisation. The Bank provides to its clients a comprehensive portfolio of financial services including commercial and investment banking, trust products and services and wealth management through a network of offices and agencies spanning over 40 countries.

## SCOPE

The initial focus of the Bank of Tokyo-Mitsubishi's process improvement initiative was the Loan Ticketing process spanning the London and Paris operations. This scope was chosen for the first Business Process Management (BPM) implementation because of immediately available cost/income ratio benefits that had been identified. The Paris/London implementation offered a well-contained proving ground for BPM at the Bank while also resulting in the deployment of an explicit process that could then quickly be rolled out elsewhere to achieve more extensive benefits.

## CHALLENGE

### IMPROVING COST/INCOME RATIO

Doing more with less, by increasing revenue while simultaneously reducing costs, is the principle challenge of the Bank's process improvement initiative. As customer expectations evolve and competitive pressures increase, a low cost/income ratio positions the Bank to grow more successfully.

### END-TO-END PROCESSING

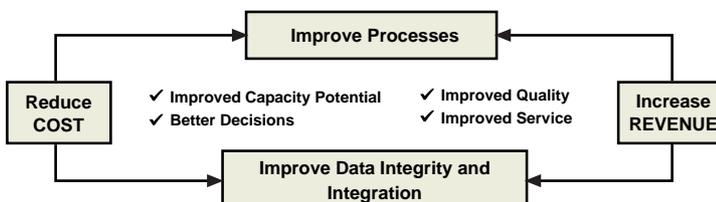
Loan Ticketing had been a highly manual process. The speed of loan decisions, the capacity of the Bank to process customer loan requests and the quality of loan records were determined by the flow of hand-written, paper tickets between Loan Officers in the different departments and geographies.

### CUSTOMER SERVICE

Customers contacting the Bank by telephone expect a Loan decision immediately. To fulfil this expectation requires evaluating the Customer's credit availability, recording details of the Customer's loan request, and offering the latest-available market rates. To improve customer service the Bank needed to streamline and automate the loan decision process, adding velocity to workflow so that a Front Office Loan Officer could deliver a loan decision more quickly in that first customer phone call.

### PROCESS & SYSTEM INTEGRATION

To ensure the integrity of customer, loan and financial data across the Bank the Loan Ticketing process needed to be integrated into the Bank's other processes and systems, including core systems resident in the Japanese headquarters.



## SOLUTION

Bank of Tokyo-Mitsubishi's new Loan Ticketing process contains fewer steps, involves higher levels of automation, requires less time of Bank staff and provides Bank customers with faster, better service.

- Loan Tickets are no longer paper-based
- Electronic Loan Tickets move throughout the ticketing process, quickly crossing departments and geographies without loss of data integrity
- Customers receive faster loan decisions
- The "cost of service" has been reduced while the "quality of service" has increased
- The Paris/London process provides a template easily deployable to other geographies
- The Loan Ticketing process has built-in flexibility which allows it to evolve easily and quickly to meet the Bank's future needs

## PROCESS DESIGN & IMPLEMENTATION

The London-based European Operations Centre team worked with Paris Office colleagues to design and implement a new, standard Loan Ticketing Process. Differences in process understanding were analyzed and resolved. Procedures, policies and technologies were deployed to implement the new standard process, and the process was integrated to existing Bank systems.

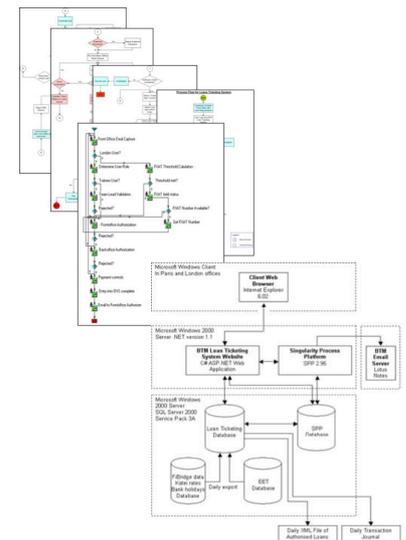
- Process maps and detailed step-by-step process definitions were developed and agreed
- Integration points with existing and new technologies were specified, designed and implemented
- Web-based interfaces and email integration ensured timely, suitable and easy engagement of front- and back-office Bank staff from numerous departments and locations
- A revised technical architecture integrated the legacy and new technology components into the complete Loan Ticketing solution.



Singularity helps its customers profit through process. Whether by deploying the award-winning Singularity Process Platform™ or by utilizing our services and solutions, Singularity's customers build, execute, monitor and optimize high performing business processes that deliver tangible results.

## RESULTS SUMMARY

- 60% reduction in Loan Ticketing manual steps
- 50% reduction in Loan Ticketing processing time
- 3 month project payback
- Better embedded controls in the Loan Ticketing process
- Improved quality of data throughout the process
- Better "Straight Through Processing"
- Lessons learned for next process automation projects
- Significantly reduced opportunity for manual input errors
- Localised Process Templates for each geographical region
- Automatic Process Duration Management Escalation
- Data Integrity Integration of Back Office and Process Data



*'The Singularity Process Platform is a powerful tool for process improvement and automation and Singularity's local assistance has helped us overcome project challenges as they arise.'*

Siew Ong – Project Executive  
The Bank of Tokyo-Mitsubishi UFJ, Ltd

# WHY BUSINESS PROCESS MANAGEMENT?

## MOTIVATION

The European Operations Centre (EOC) at The Bank of Tokyo-Mitsubishi UFJ, Ltd is the hub of a large and competitively differentiating European Office Network. The EOC is chartered to help this Network increase revenue and reduce costs while connecting the customer more directly to the operational ledger. Business Process Management (BPM) helps the Bank realise these goals by ensuring excellence of business process throughout the Bank's operation. BPM streamlines processes, increases levels of automation and accountability, and makes process performance more clearly and quickly visible.

## HOW BPM WORKS

Bank of Tokyo-Mitsubishi conducts day-to-day business by executing business processes, such as New Account Opening, Loan Ticketing, etc. BPM is an approach to managing these Bank processes throughout their lifecycle, from their initial creation to their continuous improvement. In simple terms a business process can be thought of as having a 4-phased lifecycle and BPM provides business and IT staff at all levels with the tools, techniques and technologies that enable them to effectively manage each of these phases.

The initial phase of the business process lifecycle is the **BUILD** phase where a process is created or streamlined, usually by a collaborative design effort involving both IT and business staff. Business Processes are designed, mapped, simulated, tested and deployed during this BUILD phase.

During the **DRIVE** phase BPM orchestrates and executes efficient processes that integrate people, systems and partners in real time. In other words, BPM ensures that the process is consistently executed in day-to-day operation and that the process executes according to the designs created in the BUILD phase.

During the **MONITOR** phase BPM provides the tools and techniques that deliver valuable insight into a process's performance and design. It is at this phase of a process's life that process performance is measured and analyzed and ideas for iterative process improvement emerge.

Closing the loop on the lifecycle of a business process, BPM implements process improvements at the **OPTIMIZE** phase, ensuring that processes adapt and evolve as business needs change.

## WHY SINGULARITY?

Singularity specialises in Business Process Management (BPM) and is recognised as a leader in the field. By leveraging Singularity's experience, track record and technical leadership, Bank of Tokyo-Mitsubishi adds valuable assets which help the Bank achieve its cost/income and process excellence goals

*'Business process management is a crucial part of our drive to improve operational effectiveness across our entire operation. The Singularity Process Platform is an essential enabler of the process improvements that are vital to this project.'*

Trevor Beagrie  
General Manager  
European Operations Centre  
The Bank of Tokyo-Mitsubishi UFJ, Ltd



## Singularity

Singularity is a leading provider of business process management solutions to the global financial services industry. From offices in London, New York, Singapore, Ireland and India, we implement measurable improvements in process performance for leading financial institutions including JPMorgan, BNPParibas, Morgan Stanley, INVESCO, M&G and UBS.

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