

<b>Client</b>	The client's parent entity, a bank headquartered in Europe, is a leading global wealth manager, top tier investment banking and securities firm, and one of the largest global asset managers. The specific client in this case is the Head of Risk IT.
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<b>Project Name</b>	Credit Risk Operating Model
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<b>Project Start Date</b>	March 2005	<b>Project End Date</b>	August 2006
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<b>Industry</b>	<input type="checkbox"/> Commercial banking	<input type="checkbox"/> Insurance
	<input checked="" type="checkbox"/> Investment banking	
	<input type="checkbox"/> Private banking	<input type="checkbox"/> Asset and wealth management
	<input type="checkbox"/> Retail banking	
		<input type="checkbox"/> Corporate

<b>Category of Service</b>	<input type="checkbox"/> Performance measurement and monitoring	<input checked="" type="checkbox"/> Regulatory compliance and reporting
	<input type="checkbox"/> Portfolio risk management	<input checked="" type="checkbox"/> Business process improvement
	<input type="checkbox"/> Specialised risks	<input checked="" type="checkbox"/> Training and people change
	<input type="checkbox"/> Data Quality	<input checked="" type="checkbox"/> System selection and implementation

<b>The Challenge</b>	<p>The combination of legacy IT applications that had a single point of failure and a historical underinvestment in building the Credit Risk IT team constrained the ability to deliver change in a demanding environment. The relationship between the business and Credit Risk IT function had eroded and was characterised by underperformance in terms of delivering complex multiple release programmes and projects. This situation was manifest in a back log of approximately 200 change projects with no means of identifying which should be addressed as a priority.</p> <p>A new operating model was required in order to improve Credit Risk IT applications and systems. Organisational change was also to be delivered concurrently with an enhanced programme and project delivery methodology.</p>
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<b>Approach and Solution</b>	<p>This engagement required a total immersion in the client's environment and for the advantage consultant to work as an extension of the client's team.</p> <p>The advantage consultant was appointed to a 'Chief of Staff' role to assist the Head of Risk IT in developing a common understanding of the target architecture and to develop a programme of work and a team that would deliver this in coming years.</p> <p>Specific functions undertaken included:</p> <ul style="list-style-type: none"> <li>• Development of a new governance structure, including setting the roles and responsibilities of members of new executive Committees;</li> <li>• Developing and documenting the rationale for recommending (to the respective Steering Committee) the termination of projects;</li> <li>• Development of business case for a Target Functional Model, Target Business Model, and Target Architecture submitted to Management Committee of the</li> </ul>
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	<p>Investment Bank for approval and sign-off;</p> <ul style="list-style-type: none"> <li>• Working with Head of Risk IT to determine appropriate outsourcing options based on a view of the maturity of Credit Risk applications and systems, including consideration of outsourcing options;</li> <li>• Development of a communication strategy;</li> <li>• Planning and development of appropriate resource blend (permanent, contractor, and consultant), including preparation of budget;</li> <li>• Acting as Credit Risk IT representative and advocate to various Committees including Basel II programme and various business innovation initiatives;</li> <li>• Review of vendor contracts with regard to a legacy system to be decommissioned, and, system selection of a replacement package;</li> <li>• Liaison with the Project Management Office to ensure appropriate project monitoring and reporting.</li> </ul>
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<b>Results and Benefits</b>	<p>Through working with avantage the Client has transformed the credit Risk IT function. A clear vision of the target business model and architecture was agreed between the Business and Credit Risk IT functions and underwritten by Management of the Investment Bank. The respective functions were right sized and up-skilled to meet this demand for change. Three years on, the relationship between the credit risk IT and business function has moved to one of partnership with an established record of delivery.</p>
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<b>Software used</b>	Not applicable.
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