



# REPRESENTATIVE ENGAGEMENT

## Brokerage Operations Reengineering

|                         |   |
|-------------------------|---|
| <b>Client Profile:</b>  | <ul style="list-style-type: none"> <li>National diversified financial services firm</li> </ul>  |
| <b>Business Issue:</b>  | <ul style="list-style-type: none"> <li>Improve operational efficiency and effectiveness within back office operations areas</li> <li>Reduce back office cost structure</li> </ul>   |
| <b>Engagement Plan:</b> | <ul style="list-style-type: none"> <li>Identify fixed components of operational costs and design a plan for reduction</li> <li>Reduce variable operations cost components associated with maintenance, account turnover, and transaction activity</li> <li>Manage staff levels to optimized levels</li> </ul>   |
| <b>Solution:</b>        | <ul style="list-style-type: none"> <li>Identified and addressed cost allocations within Brokerage Operations, allocating costs to the appropriate business unit</li> <li>Identified and presented unit cost data by department and activity within Brokerage Operations</li> <li>Designed a channel migration strategy utilizing intelligent electronic forms</li> <li>Designed a centralized lock box, reducing the occurrence of lost checks, increasing control over physical checks, reducing float and accelerating conversion to cash</li> <li>Designed and implemented staffing models to identify excess capacity and control future capacity requirements</li> </ul> |
| <b>Benefits:</b>        | <ul style="list-style-type: none"> <li>Identified opportunities to reduce staff levels by 40, resulting in \$1.8 million in recurring annual benefit</li> </ul>   |

### RESULTS

| Rec #        | Recommendation Short Description | TOTAL ESTIMATED BENEFIT COMBINED- LOW |               | TOTAL ESTIMATED BENEFIT COMBINED- HIGH |               |
|--------------|----------------------------------|---------------------------------------|---------------|--|---------------|
|              |                                  | Benefit (\$/year)                     | FTE Reduction | Benefit (\$/year)                      | FTE Reduction |
| 1            | Opportunity A                    | \$400,656                             | (9)           | \$641,050                              | (14)          |
| 2            | Opportunity B                    | \$92,543                              | (2)           | \$154,239                              | (3)           |
| 3            | Opportunity C                    | \$2,266                               | (0)           | \$3,777                                | (0)           |
| 4            | Opportunity D                    | \$6,577                               | (0)           | \$10,962                               | (0)           |
| 5            | Opportunity E                    | \$96,960                              | (1)           | \$96,960                               | (1)           |
| 5            | Opportunity F                    | \$96,960                              | (2)           | \$193,921                              | (4)           |
| 6            | Opportunity G                    | \$484,801                             | (11)          | \$775,682                              | (17)          |
| <b>TOTAL</b> |                                  | <b>\$1,180,765</b>                    | <b>(25)</b>   | <b>\$1,876,590</b>                     | <b>(40)</b>   |