

At the time of the project the Glasgow office was Morgan Stanley's 2nd largest European site and 4th largest globally.



Morgan Stanley

Lean Projects – Alternate Sourcing / Why

- 1. To improve productivity**
More effective and efficient processes
- 2. To increase capacity**
Flexible business capacity to support additional business and eliminate "one site" risk
- 3. To develop people**
Attracting new talent, retaining and motivating employees.
- 4. Cost Management**
Lower real estate and labour costs

The team used numerous "Lean Techniques" during their project and followed a Plan, Do, Check, Act structure.

PLAN – Planning the project

The team used process mapping and mind-sweeping, engaging with all relevant employees. They designed techniques to collate Management Information and communicate their strategy.

Planning within the Client Services Group:

- Booking and confirmation of client trades
- Point of contact for internal and external clients
- Headcount ratio to client ratio

Planning within the Transaction Services Group:

- Settlement of European Morgan Stanley Trades
- Deal with internal and external customers
- 50 people / 100,000 exceptions per month

DO – Carrying out the analysis lead to:

- Day In the Life Of (DILo) studies
- E-mail collation / Pareto Analysis
- E-mail measurement
- Assessment of Management Buy In
- Employee Analysis of Process Maps
- Review of Service Level Agreements (SLA)
- IT requirements identified / Risk Analysis

The analysis of real data was pivotal to allowing the team to check the impact on the operational areas of the business leading to opportunities for change and improvement.

CHECK – Checking through the analysis

- Duplications identified in a number of processes and business areas
- Significant problems with e-mail traffic
- Duplication of report creation within groups
- Risk exposure: Certain duplication necessary to reduce financial / franchise risk
- SLA out of date

Act – What the team did

1. Remove duplication of report creation
2. Settlement Group to stop advising on trade exceptions
3. Introduce e-mail templates
4. Review Service Level Agreement between both groups to define who is responsible for trades

The Business Benefits

Using the fully loaded cost calculation it was estimated that by taking the above actions Morgan Stanley have the potential to save approximately \$99,000 per annum. This resource was planned to be utilised elsewhere within the wider TSG group to assist with processing increasing trading volumes without the requirement to hire additional resource. Essentially this project has created additional capacity within TSG with existing resource.

Total potential saving as a result of Lean Management \$108,945