Value Analysis and Security Process in a Bank

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1. Abstract

This paper focuses on how to secure processes at the *Caisse d'Epargne Grand Est Europe* (CEGEE). Several projects have been addressed with the value analysis approach, and the choice was made to present here the project on "Staff Entry, Mobility, and Exit". This choice is justified on the one hand by its strategic quality, since it is part of the 2014-2017 strategic plan of the *Caisse d'Epargne Lorraine Champagne Alsace* (CELCA), and on the other hand by its systemic dimension (it is related to a key process where a large number of actors face major challenges mainly in terms of organizational risks).

In this study, we will prove the interest and relevance of Functional Analysis (FA), a key step in Value Analysis to improve the processes of service production. The initiated FA approach relies on specific functions and leads to determine performance criteria with their levels and flexibility (CriNiFlex), characterizing the process in its organizational context. This functional definition illustrates the performance expectations and represents a complete diagnostic form of the current functioning. This collaborative approach has helped us bring out 20 improvement proposals by using the value analysis approach and the starting point for DTO (Design-to-Objective) when the costs are not the principal goal of the project. The prioritization of these proposals led to a deployment plan approved by the bank's senior management. The new process responding to the Functional Specifications Document (FSD), has been implemented gradually.

2. Context and Case Presentation

The Value Analysis project at the *Caisse d'Epargne Lorraine Champagne Alsace* (CELCA) has a two-fold objective. First, it aims to support the upskilling of the Management-Consultancy staff of the Organization and Process Department. Second, it aims to implement a continuous improvement mechanism which is part of CELCA's strategic plan "Innovate, transform, support". Four case studies were retained by the bank's management board. They were approached based on value analysis: 1) Marketing of Card Contracts, 2) Recovery Process of Unpaid Debts, 3) Staff Entry, Mobility and Exit Process, 4) EDI Flow Process. A partnership between AFAV (the French Association for Value Analysis in Lorraine), the IAE (the Institute of Administration and Enterprises of Metz – University of Lorraine), and the CELCA bank has resulted in conducting an action-learning training on Value Analysis led by a V4E Value Management Trainer. The four topics were approached by four working groups in project mode (kick-off meeting, COPIL Steering Committee, etc.); a final defense before the CODIR (Management Committee) led to the certification of the AFAV participant level (the European QVA certificate requires participation to VM projects).

In this paper, we have chosen to present the 3rd project "Staff Entry, Mobility and Exit Process". The study was conducted by a team of six people: a sponsor (decision-maker, member of the management

board), a pilot, a co-pilot and three staff members. The value analysis study received the continued support of the VM trainer.

The culture of process is very present at the CELCA bank, especially for the staff members involved in the organization's management and this study. Thus, the existing maps represent a valuable and relevant resource to illustrate the initial situation of the entry/mobility/exit process. The entry/mobility process targets newcomers and people who switch departments, while the exit process involves withdrawals of rights and equipment. The concept of organizational risks is very present because employees have computer equipment, codes, keys and other sensitive materials.

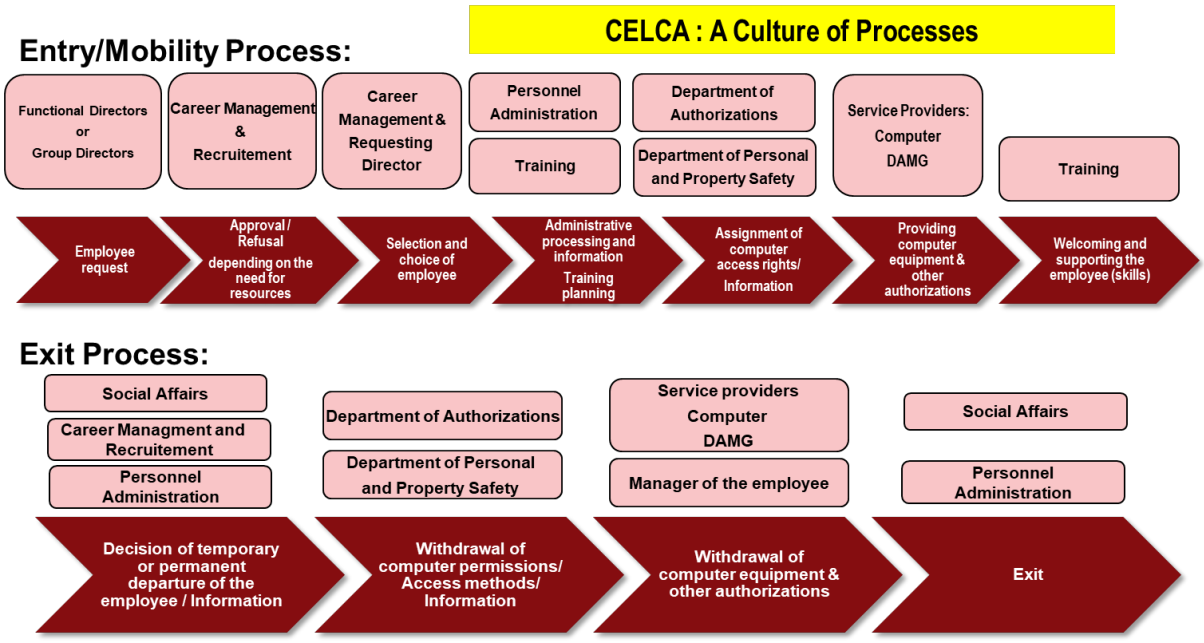

Figure 1: The Entry/Mobility Process

Interviews with the concerned department heads allowed for a preliminary analysis with a compilation of indicators and information relating to the process; we will highlight below some key figures collected over one year:

- 473 entries, 57 of which relate to permanent contracts, the remainder concerning internships, fixed-term contracts, temporary employees and trainees.
- 1,161 mobilities concerning changes of assignment and/or employment, missions and contract extensions.
- 49 exits for permanent departures, maternity leaves, breastfeeding and suspension of contracts.

For the same year, it has been noted that:

- 21.5% of authorizations are given or withdrawn after the movement D-day.
- 22.7% of the files required at least one back-and-forth among the departments of personnel administration, authorizations and reference systems.

These different data and the given context allowed us to initiate the Functional Analysis, being a preliminary and important step of the Value Analysis process.

3. Functional Analysis of the Process

After defining the context, the challenges and the framing of the project, the working group implemented the Functional Analysis approach by first generating a definition of the ecosystem relating to the topic addressed. Eight external environments interacting with the process under study were identified and characterized. The illustration shown in figure 2 below was used by the working group for animation.

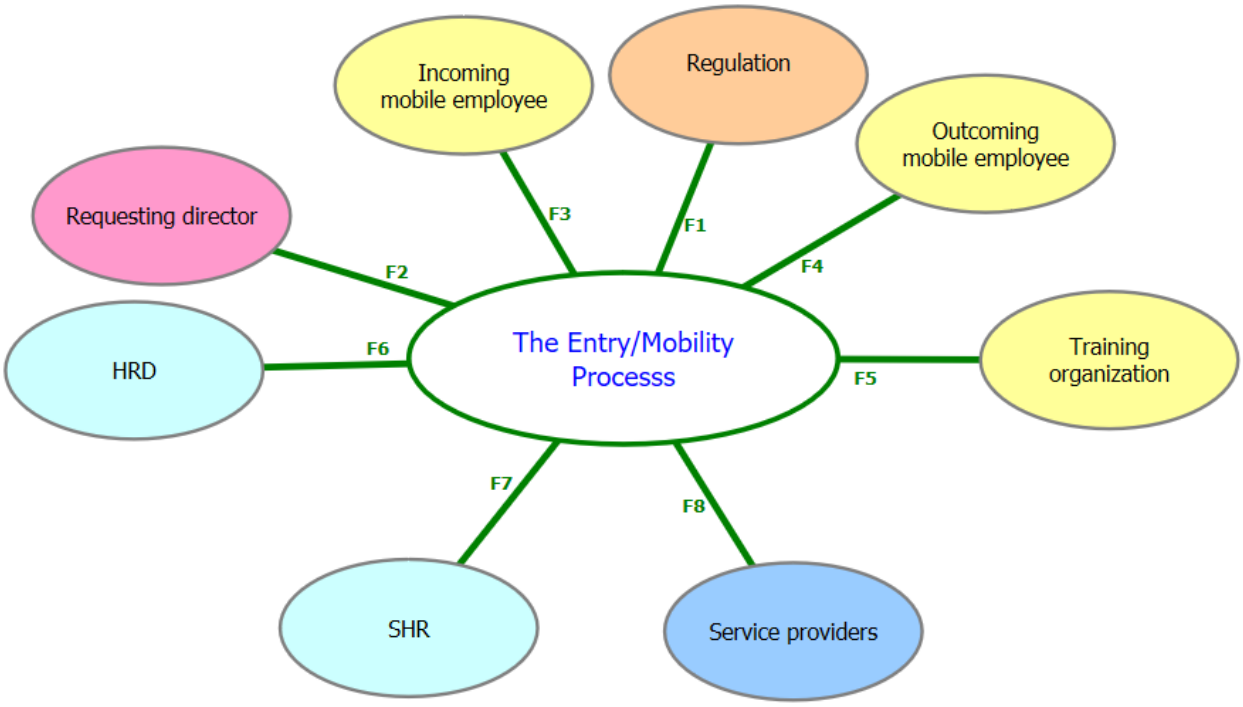

Figure 2: Functional Analysis and Ecosystem

With these eight external environments, the working group identified the following eight service functions:

- F1 Respect and anticipate regulations.
- F2 Inform the requesting director about the workflow and provide the human resource on schedule.
- F3 Inform and engage the employee on D-day.
- F4 Inactivate the profile of the employee on D-day.
- F5 Train the incoming or mobile employee.
- F6 Inform the HRD and prepare the personnel file.
- F7 Inform the SHR and provide/revoke authorizations.
- F8 Inform service providers and provide/retrieve deliverables.

These eight functions were later on defined by combining certain criteria with the level of requirements and some flexibility for each level (Figure 3). The characterization work has been both rich and relevant because it helps collect precise information on what is expected, since flexibility brings an added value regarding expectations on the level of requirements. The eight functions helped identify 59 criteria which were subsequently divided into 4 categories: 1) Relations and information between actors, 2) Legal and regulatory constraints, 3) Incoming and mobile employees, 4) Exiting employees.

DTO (Design To Objective) sometimes replace DTC (Design To Cost), when the cost is not the principal goal of the project, then criteria and their levels define the desired objectives. The analysis and

assessment of these 4 categories, and more specifically of the 59 criteria, helped raise certain questions regarding current and expected performance. Example, see figure 3: **Criterion**: Traceability of the demand; **expected level**: information and follow-up of the available request at any time with a **flexibility** 1 (i.e. it is highly valued). **RED** assessment of the current situation (a bad one) and we want to achieve progress to reach a good **LIGHT GREEN** level. This first assessment before/after the project expectations is valuable in contrasting the desired performance and the improvements to be made.

Characterization and related assessment is a relatively lengthy step which requires contact with specific departments in order to gather the right information. The collection of information was carried out via the VAFOP software (www.vafop.eu) whose database was the support for the exchanges with the trainer. The software is used to structure the value analysis process and represents a guide for the working group.

Moreover, and to take into account the systemic aspect, it should be noted that one criterion of the four categories which originates from one of the 8 functions can have a more or less impact on the other functions. Thus, we attributed a function to each criterion by evaluating the impact with an index (0, 1, 3, 9) according to the strength of this relation. The online viwing gives us the overall weight of the criterion (Figure 3). The table is drawn with ©Vafop. This first reading and analysis leads to identifying areas for improvement:

- Criteria such as for instance service agreement with the HRD with 0 flexibility, high expectation (change from RED to GREEN), and a significant overall weight 21.
- We also find other criteria with 0 flexibility, where the situation is good; we want to remain as such, and the impact on the organization is significant.

CRITERIA	Desired Level	Flexibility	Current Situation	Expected Situation	Criterion weight	F1: Respect and anticipate regulations	F2: Inform the requesting director of the workflow	F3: Inform and engage the employee on D-day	F4: Inactivate the profile of the employee on D-day
Relations/Information between the actors					0				
Request traceability	Be aware of the flow of the resource request from	1			27	1	9	3	0
Request traceability	from the beginning to the end of the process flow	1			28	1	9	3	1
Information support	Dematerialised workflow	1			14	0	3	3	3
Request traceability	Information and follow-up on the request available	1			27	1	9	3	0
Request traceability	Information on the request follow-up	1			27	1	9	3	0
Transmission of information to service providers	on D-3	1			46	0	9	9	9
Seize elements in the dedicated tools	Payrolls, authorizations	0			13	1	3	3	3
Request traceability	Information and follow-up on the request available	1			27	1	9	3	0
Propose 3 candiates to the requesting director	Within one month after expressing the need	2			2	0	1	0	0
Transmission of requests for additional authorizations	Subsidiaries and other specific services within 2 days after arrival	0			5	0	1	3	0
Service agreement of the HRD	Implementation and response deadlines	0			21	1	9	3	3
Service agreement of service providers	Implementation and information deadlines	3			28	1	3	9	9
Legal and regulatory constraints					0				
Labor law	Respect the law	0			21	9	0	0	0
Internal regulations	Respect the corporate rules	0			2	1	0	1	
Banking law	Respect of banking and financial regulations	0			17	9	0	1	0
Respect the labor code	Employment contract signed by both parties on the	0			19	9	0	0	0
Respect the regulations of branch agreements	Police record free from criminal convictions	0			19	9	0	0	0
Enroll the employee in regulatory and mandatory training sessions	AMF, physical security, E-learning	0			23	9	0	3	0
Completeness of the employee's file	Legal documents	0			19	9	0	0	0
Respect the labor code	Employer attestation and balance of all accounts on the exit D-day	0			20	9	0	0	9
Respect conformity rules	BPCE and CELCA	0			19	9	0	0	0
Exclusive use of his/her credentials	Information security of the employee and the	0			12	1	0	1	0
Regular control of the employees' rights	Materials and authorizations	0			28	1	0	0	9
Criteria for incoming and mobile employees					0				
Criteria for exiting employees					0				

Figure 3: Functional Analysis – Functions, Criteria and Assessment ©Vafop

4. Analysis of the Process Value

Functional Analysis is an important step that will help us not only identify solution proposals, but also prioritize them in terms of challenges, impacts and resources to be used. Functional Analysis, in particular Figure 3, helped us identify the use value where the criteria are characterized, weighted and identified before and after.

This first analysis was particularly valuable and led to the emergence of 20 action proposals (Figure 4) which we positioned on a table with 2 axes: challenges and accessibility. An initial analysis of quickwins (major challenges and strong accessibility) was carried out, followed by a re-reading with the sponsor as an additional filter for the proposals to be retained.

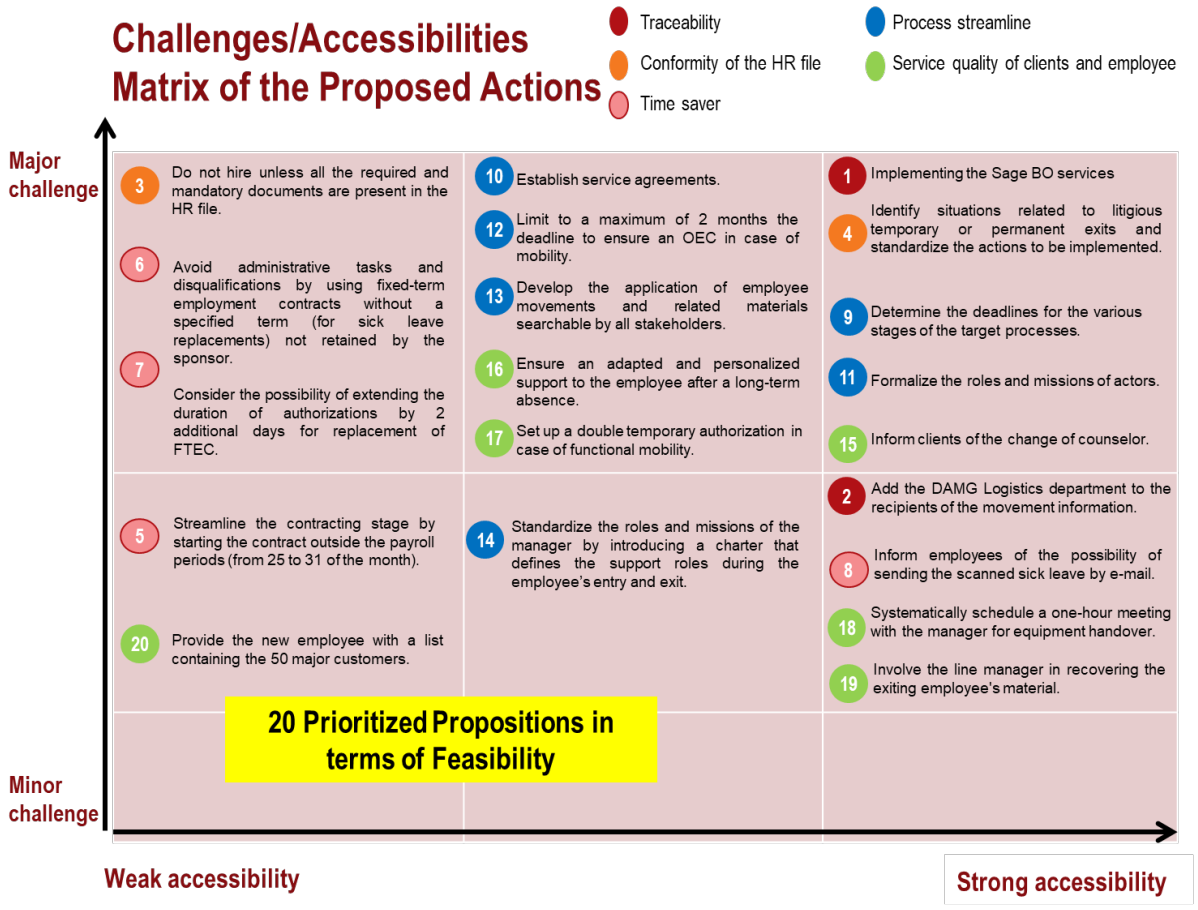

Figure 4: Value Analysis – Prioritization of Solutions

To complete and address a more value-exchange aspect, we used two tools; first, the weighted cross-tabulated sorting performed on the functions relating to expected performances. It helps identify the functions on which the most resources are distributed (financial, FTE, material), based on the following hypothesis: more resources will be allocated to a function whose expectations are high.

Code	F2	F3	F4	F5	F6	F7	F8
F1	V3	V3	V1	V1	V2	H1	V2
F2	F2	H1	H2	H2	H1	H3	H1
F3		F3	H2	H2	H1	H3	H1
F4			F4	V1	H1	H3	H1
F5				F5	V1	H3	V1
F6					F6	H3	H1
F7						F7	V3
F8							F8

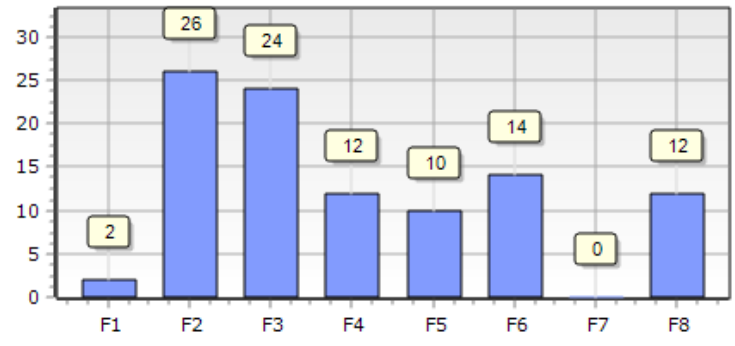

Figure 5: Value Analysis – Prioritization of Functions ©Vafop

This result is used to carry out at a later stage a Design-to-Cost (DTC) of the new process. Thus, in terms of functional expectations, we can identify who will provide the resources to move the project forward. Figure 6: We notice that the HRD contribution is significant, having 40% of resources.

Ressources affected to move the project forward (DTC result)	**% Cost**
DAMG Management team that take or take back matérial for mobility	16,80%
Management team that demande employee	7,70%
DOTI Management team that take or take back informatic matérial and habilitation	20,70%
HRD Management team for contribution and contractualisation with employee	40,50%
Manager of employee, for welcome and training	14,30%

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Figure 6: Value Analysis – DTC ©Vafop Result

5. Designing a New Process and Action Plan

We have therefore: a situational analysis, current performance and desired performance, the impacts identified across the organization, in addition to a list of prioritized proposals for improvements and expectations with regard to different contributors. These data can be used to establish a new standardized process (unlike the existing one) that meets expectations with a graduated commitment of resources identified with the DTC. The proposed process is simpler, and the entries better reflect the status of the persons concerned: OEC - Open-Ended Employment Contract, FTEC - Fixed-Term Employment Contract, etc.

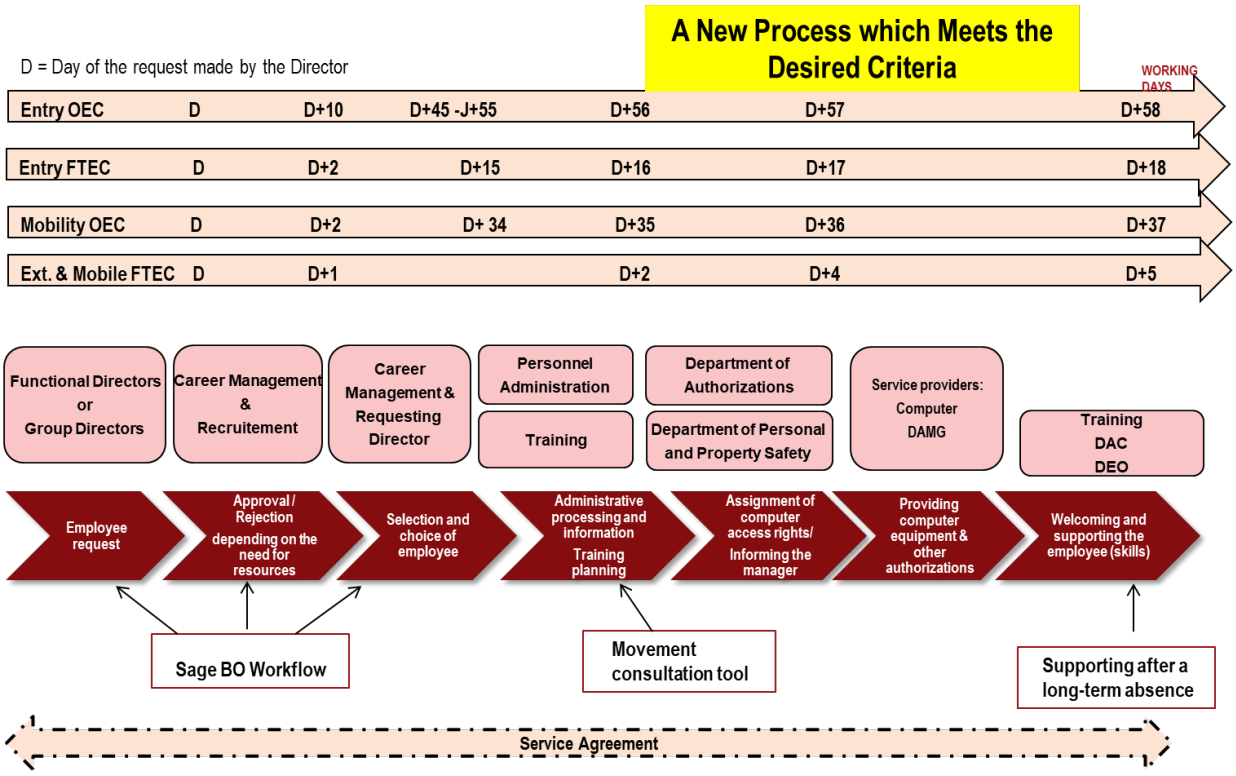

Figure 7: Value Analysis – The New Process

This first conception created with the working group helped us prepare and propose an action plan with a RACI (Table of commitments: who is Responsible for the action, who is the Actor and performs the action, who Contributes, who is Informed).

6. Outcomes

The project has generated a new process allowing:

- The incoming employee to have his/her entitlements in due time (D-day), *while 21.5% of authorizations were given or withdrawn after D-day*
- Reduction of the organizational risks (new levels fig 8) related to the employee's exit

CRITERIA	Desired Level	Flexibility	Current Situation	Expected Situation	New Situation	Criterion weight
Relations/Information between the actors						0
Request traceability	Be aware of the flow of the resource request from beginning to end	1				27
Request traceability	from the beginning to the end of the process flow	1				28
Information support	Dematerialised workflow	1				14
Request traceability	Information and follow-up on the request available at any time	1				27
Request traceability	Information on the request follow-up	1				27
Transmission of information to service providers	on D-3	1				46
Seize elements in the dedicated tools	Payrolls, authorizations	0				13
Request traceability	Information and follow-up on the request available at any time	1				27
Propose 3 candiates to the requesting director	Within one month after expressing the need	2				2
Transmission of requests for additional authorizations	Subsidiaries and other specific services within 2 days after arrival	0				5
Service agreement of the HRD	Implementation and response deadlines	0				21
Service agreement of service providers	Implementation and information deadlines	3				28

Figure 8: Value Analysis – The criteria levels from the new situation

7. Conclusions and Feedback on the Project

Based on this study on “Staff Entry, Mobility and Exit Process”, the decision maker has taken a stand on the various proposals that were submitted to him. Some of the actions were carried out quickly (5 finalized – 7 kick-started), while others were pending for a favorable organizational context (7 were initiated at a later stage).

Regarding the training dimension of this study, the choice of an action-learning training with four relevant topics and the unique “Value Analysis” approach guided by a trainer with a final presentation, has created an interesting and productive emulation. The software support served mainly as a guide to process and format the results and their characterization; it also facilitated the discussions not only between the trainer and the groups, but also among the groups themselves.

In general, Functional Analysis plays a key role in value analysis because it can be used to identify, qualify and prioritize performance criteria with regard to expectations. We then have some elements of the functional specifications document of the target process. Value Analysis uses the functional data to prioritize the actions to be carried out in relation to the defined project target. In this study, the DTO (Design to Objective) part was involved in the action-learning training, but its use in the project was reduced to the minimum.

In conclusion, the other three studies had a performance level that was significantly close to this one, both in terms of case results and methodological training on Value Analysis. Currently, we are pursuing our research in the field of services; our work has led us to conduct many studies in the field of hospital organizations, either on topics concerning patient care, or on more generic topics such as billing. These studies are often conducted using the Lean Six Sigma method jointly with Value Analysis in order to achieve operational and strategic alignment of solutions.

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