

Providian trust: "tradition and technology



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Administration of estates, trust and agencies, will and estate planning, self-directed registered savings plan and dealer trustee services. Trust Operations - 10000 personal trust clients. Key Business Drivers Providing trust officers often spend a large amount of time correcting statements, costing the company between \$2 Million to \$5 Million because of the Inaccurate statements. Providing Is confronted with an outdated Information system causing undue advantage to more technologically advanced competitors.

Financial performance pressure: Net income reduced from \$63.5 M in 1994 to \$35. M in 1995 Lebanon, the senior UP of Trust and advisor proposed that the existing systems be upgraded with modern technology to reduce cycle time. Annihilative Objectives/Benefits Objectives Benefits Better Technology - Equip outdated systems with better technology. Update existing outdated reporting systems in order to make larger operations more effective. Reduce unnecessary expenses due to Inaccurate statements caused by relying on outdated systems. . Enable Management to centralize and control the client Accounts. Achieve discipline that had been lacking. Having clear Accountability. . Reduce lead time to process reports Faster & Accurate reports sent to client Reduce cost and thus increase revenue. 4. Installation of Access Plus software Reduce Cost by \$9.2 Million. Reduce Full time employees from 840 to 660. Annihilative Challenges and Solutions Solutions Control Management - Not able to identify all the critical risks and control objectives.

With more Simulated Work Environments held, controls will be adjusted and fine-tuned in the business process. Risks and controls of utilizing the DMS

will be fine-tuned during the one-month of simulated work environment. 2. Project Deliverables - Delay in completing Project deliverables or key tasks will result in significant post-implementation cleanup and bad impact on client services Management has added additional staff to support additional customization and testing activities. Avoid unnecessary implementation that would cause unnecessary risk to the business. 3.

Resistance to change Provide training to trust officers to improve profitability and competitive position Lack of accountability - Roles and Responsibilities are not defined and established clearly. Incorporate better methodologies and constant checks to make accountability ore visible and responsible.

Results: Although the project team had successfully converted \$2. 5 billion of internal corporate assets and proprietary mutual funds, it wasn't a complete success because this conversion only measured the base functionality of the system and didn't contain any of the client accounts.

Simulated Work Environment (SEE) was promoted as a dependable testing methodology which was planned to carry out testing at 20% Capacity at its headquarters with a few live data feeds. However, it was found that the trust officers never actually participated in the SEE. Implementation committee or ' Access Plus' had grown to 20 executives with no clear understanding of their structural roles and responsibilities. The failure of this project can be attributed to the following key decisions that Providing Trust made: Lack of efficient management practices and leadership qualities. O many directors. As a result, there wasn't a clear direction and management reporting hierarchy. Resistances to change from veteran trust advisors, who lacked the training in skills to handle the new technology. Failure for a detailed plan to <https://assignbuster.com/providian-trusttradition-and-technology/>

set up project goals, thus making it impossible to execute, monitor and intro changes. This failure led to poor performance. Relevance and analysis: The case talks about the project management challenges that occurred in order to re- engineer a new operating environment at Providing.

The goal of the re-engineering was to make Providing reduce costs and make the business process more efficient. There were certain Project Management problems during the re-engineering process. Here are the problems along with my analyses: Insufficient Team skills/Competence: Since the trust officers weren't conversant with the new operating systems and cosmologies being incorporated, it was a challenge to train veteran officers as well as to scale up their competence levels.

There should be a much more extensive IT and mindset training developed to train these officers and also take-in young technology adverse officers into the team. A combination of good technical skill-sets from the younger officers along with the domain expertise from the trust officers would have been a good combination to implement the reengineering process better. Communication deficit: The plan for the implementation of ' Access Plus' viewed wings from a headquarters perspective and didn't recognize the nature of relationship with the clients.

Since the local trust officers had better customer relationship experience with clients and knew the requirement of the clients better, it would have been better for the trust officers to be involved in making the implementation plan. This would have helped to make the process more client- oriented. Lack of accountability: There was a lack of clarity as who is

responsible especially to achieve the simulated work environment testing methodology among the trust officers. There could have been better measures taken to increase the accountability of the users as well as the management in the project risk profile.

The officers would have needed to be more visibly accountable so that the usage of SEE would have been monitored better. Key takeaways: Clear and constant communication between top-management and lower management on key decision making activities. Business re-engineering process should have a clear methodology of measuring the IT risk. Technology alone doesn't deliver value. Incorporation of IT-literate executives is very crucial for a faster and stronger transformation.