

Financial Industries

Operational Excellence

Operational Excellence in Financial Industries

# „Designing an effective and efficient value chain in Financial Industries“

Operational Excellence is the dynamic ability to realize an effective and efficient value chain through the integrated development and use of process-related, organizational, technological and cultural factors. Excellence aligns processes with strategic goals and continuously innovates, implements, monitors, and optimizes them. Hence, Operational Excellence is not a state but a continuous course of action: Permanently focused on corporate strategy, processes must be designed, implemented, monitored and subjected to ongoing improvement.

At the heart of the Operational Excellence Framework lie the processes of value creation in finance institutions, which need to be designed across a range of functional areas to ensure the efficient development and provision of products and services for customers. To this end, the OpEx Framework groups all relevant management topics concerned with developing and providing services, together with customer management (or the respective sales interface), into four core categories of equal importance.

This not only helps reduce the complexity of the individual topics, it also supports the objective of achieving Operational Excellence by creating a balanced, methodologically coordinated management approach. This means the process of ongoing development must take place to the same degree in all four core categories:

- The field of **Strategy Alignment** comprises the rigorous and consistent alignment of processes with corporate strategy.
- **Process, organization and IT Management** constitute the main issues of the architecture, especially designing the organizational structures of a company, its processes and its IT environment.
- The field of **Performance Management** contains organizational, process-based and methodological factors of performance controlling. Major individual components include cost, quality and capacity management.
- **Human Capital Management** focuses on managing the “human element” of a company’s resources and consists of the manifold aspects of active HR management.



Horváth & Partners' Operational Excellence Framework

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#### International maturity level assessment

Since 2009, banks, insurance companies and other financial service providers (e.g. asset management companies, leasing firms) have been asked each year to assess their Operational Excellence. Operational Excellence in Financial Industries is an international study carried out in five languages. Alongside Germany, Austria and Switzerland, companies from other countries also participate. In this way, we observe the main regional and international trends and developments in the financial centers of the world, collated and presented in a structured and analytical way, facilitating international comparisons within globally active companies. Currently, approximately 100 finance institutions worldwide are participating.

#### Become a member of the exclusive OpEx Network!

We would like to invite further people responsible for OpEx-related topics to take part in our ongoing study. As a participant, you will receive detailed findings from the study free of charge and become a member of the Operational Excellence Network – an exclusive circle of OpEx experts from academia and industry – giving you access to additional services. Join up and take advantage of the opportunity to attend our regular OpEx events, where you will have the chance to discuss the findings of our study and current issues from the world of Operational Excellence with representatives from banks, insurance companies, and other financial service providers.

In return for estimating their own position in the core categories of Operational Excellence, participants receive an individual report of their results free of charge as part of an on-site visit by Horváth & Partners at their premises. Here we identify weak points and have the possibility to discuss some solutions.

Alongside the comparison of individual results with the results of all participants, we have the possibility to compare different organizational divisions or various regions/countries of one company with the others. Simultaneously, we can focus on specific industries to consider the characteristics of specific group companies.

You can find further information on our website:

[www.opex-fi.com](http://www.opex-fi.com)

**Do you have any questions?**

**We look forward to hearing from you!**



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Benefits of the Operational Excellence Network