

CATEGORY

IT PROJECT OF THE YEAR

WINNER

GROUP CONDUCT RISK APPETITE METRICS (CRAMs) – LLOYDS BANKING GROUP

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Overview

The mis-selling of Payment Protection Insurance (PPI) has both financial and reputational impact to financial institutions.

Lloyds Banking Group wanted to avoid any systemic unfair customer outcomes arising from its product design, sales or after-sales processes. In 2013, the bank recognised that it needed to enhance the group- and divisional-level qualitative conduct risk appetite metrics (CRAMs) to enable more effective decision-making.

An IT solution was needed to maintain a single definition of CRAMs data across all business areas and enforce the accuracy of data at the point of capture.

However, a third-party solution was deemed prohibitively costly, so it was decided to develop an in-house, bespoke solution.

Resources and delivery

To achieve a regulatory compliance deadline, the project was given an eight-month delivery window from definition through to implementation.

In order to meet these tight timelines, an agile approach to delivery was adopted. This meant significant upskilling for the project team, as agile experience across Lloyds Banking Group was relatively limited at that point.

One of the main reasons for the project's success was that the core project team was located in a single office and could adopt agile ways of working, with face-to-face daily scrums to promote fast decision-making. The team (usually based at locations across the UK and offshore in India) had committed to work in the same office three days a week despite this compromising their work-life balance.

The team also embraced the new way of working, recognising the group CRAMs projects as an opportunity to hone their agile skills and remain current.

Lloyds Banking Group's Lee Brown (left) and Michael Hinds





and intuitive way. As the bank had no comparable software available, it partnered with Tableau to integrate visualisation capabilities into the bespoke software being developed. This took place at the same time as an operating model was formed and resources were upskilled around Tableau's adoption in the business.

At the time, most colleagues had little or no knowledge of the agile approach or the techniques involved. So the project harnessed colleagues who did have agile experience, in a consultative capacity.

Project successes

The delivery of this project showcased the innovation, agility and close collaboration of the business and IT functions within Lloyds Banking Group.

Through the adoption of agile methodology, the team implemented an in-house, bespoke solution in less than eight months. Delivering a £3.5m saving on the third-party solution over five years, the bank now also owns the intellectual property of an asset that could be expanded or re-engineered to achieve other business priorities.

The group CRAMs system provides a solution that is supported by group IT, ensuring it is resilient and can facilitate division-wide reporting, with inherent workflow supporting data approval. The solution's rich visualisation capability helps stakeholders engage with management information data and encourages the taking of decisions on the back of it.

Most importantly, the development of the group CRAMs solution enables Lloyds Banking Group to identify and limit the repetition of mis-selling incidents, a direct benefit for customers.

Stakeholder management

The agile approach demanded frequent and personal interactions between the project team and senior stakeholders. This ensured that senior stakeholders were empowered participants in the project's journey, with an equal responsibility for its outcome.

In order that IT supply lines advocated and supported the project, a bottom-up and top-down approach was taken to set expectations. For example, in the early stages, the IT head of programmes presented to the CIO and his 200 senior leaders about the project's objectives and approach.

Challenges

Innovation around technology, people and processes was the primary reason why the project delivered a successful outcome in the timescale demanded. However, many challenges came with that innovative approach.

The original, prohibitively costly third-party solution had offered rich visualisation capabilities that helped engage stakeholders due to its ability to drill down into data in an interactive



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WINNER'S

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