



# Creating a Change Platform for Risk Processes

CGD's Lesson in Agility and Adoption

# About Me

Joaquim Nogueira




## Personal & Background

- Portuguese (proudly)
- 47 years “young”
- 32 years working in IT and Organization departments
- Last 23 years working with Processes (both IT and business perspectives)
- Degree in Information Systems, the foundation for my professional path

## Curiosities & Superpowers

- Master degree in Architecture (yes, the one we live in), the foundation for my creative spirit
- Resilience and continuous purchase for new ideas and creations are my thing
- Wonderful wife and lovely cat
- Closed in-house with them for the past 30 days... and hanging on 😊

 <https://www.linkedin.com/in/joaquim-nogueira-42a50a1>

 [joaquim.nogueira@cgd.pt](mailto:joaquim.nogueira@cgd.pt)

# About CGD

## Structure & Strategy

### History

- Established in Lisbon, 1876
- 14k employees worldwide
- Total Assets: €90 Billion
- 20% market share (corporate & individual loan) in Portugal
- Portugal's largest public sector banking corporation

### Services & Locations

- Services
  - Retail banking
  - Commercial banking
  - Investment banking and venture capital
  - Asset management
  - Specialised credit
  - Insurance
- Locations
  - 23 countries across 4 continents

### Strategy

- Market competitiveness, profitability & solvency
- Significant restructuring of the operational platform, which corresponds to levers under control of the management team
- Increasing the operational efficiency of domestic operations, combining it with the simplification of the group structure and the restructuring of the international portfolio

# Agenda

---

- 1 **Background: Credit Recovery at CGD**
- 2 **Core Process Ideology**
- 3 **Roll Out, Solution & Results, What's Next?**
- 4 **Best Practices and Summary**



## Background: Credit Recovery at CGD

# Credit Recovery Basics

## Objectives

### Business Goals

**Cost & Cash Efficiency:** Recover as much money as possible with given resources



### Process Goals

- **Priority & Risk:** Know which customers to manage first
- **Speed & Compliance:** Know how to resolve cases as quickly as possible and to be in line with SLAs
- **Quality:** Know what will best accomplish that goal
- **Flexibility:** Be flexible to a dynamically changing landscape (e.g. COVID-19)

# Credit Recovery Basics

## Core activities





## Core Process Ideology



# Know and Manage (Rear View Mirror Mode)



# Drive and Orient (Cruising Speed Mode)



# Alert and React (Survival Mode)





# Navigate and Adapt (Prevision Mode)

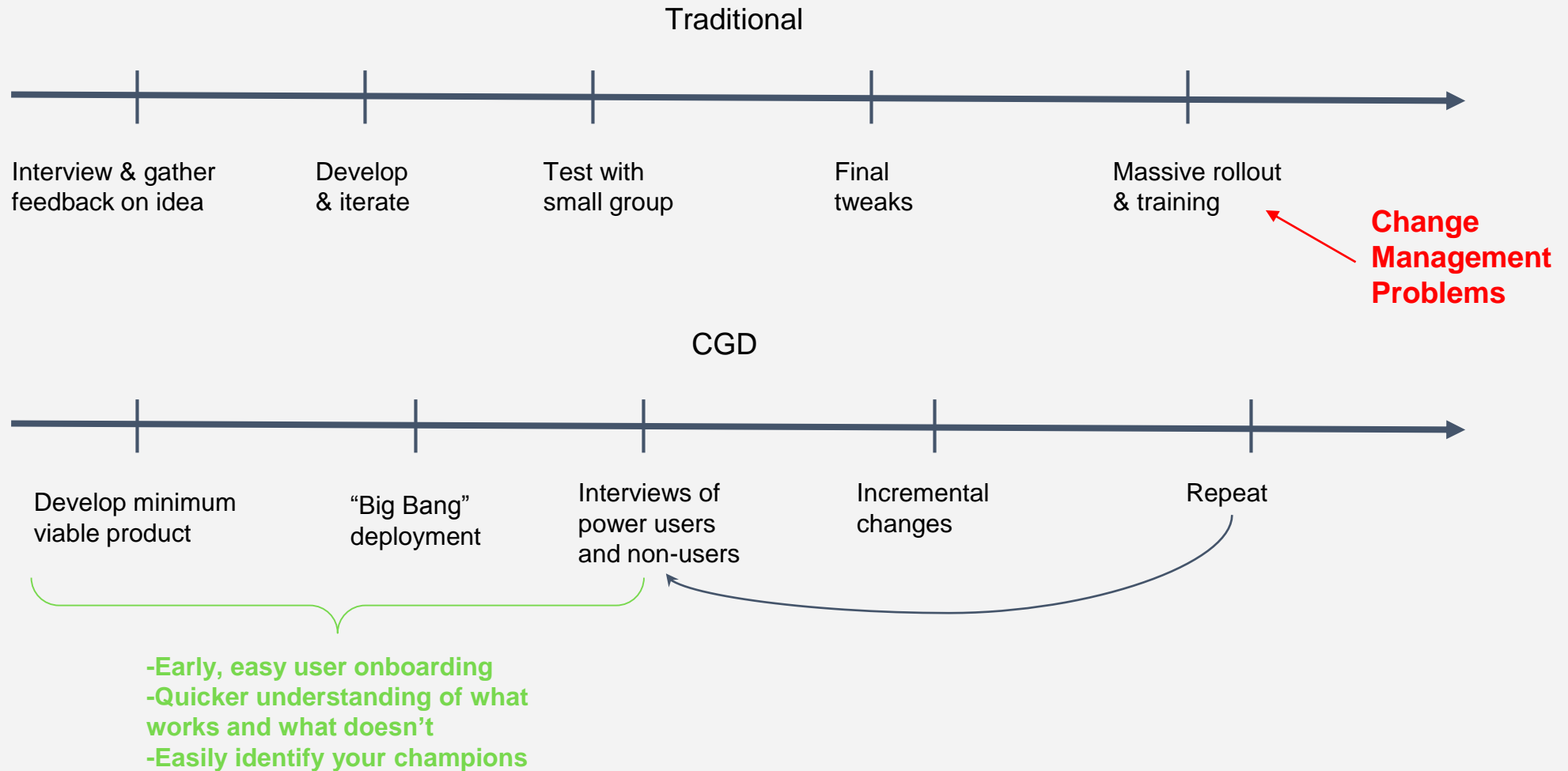




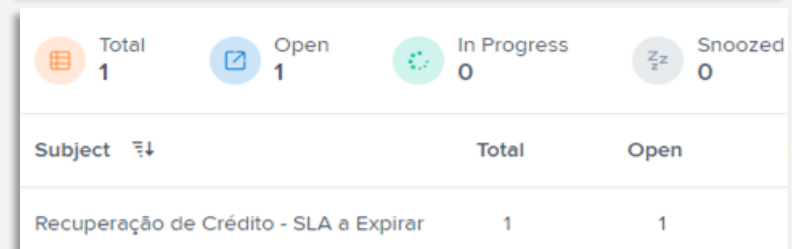
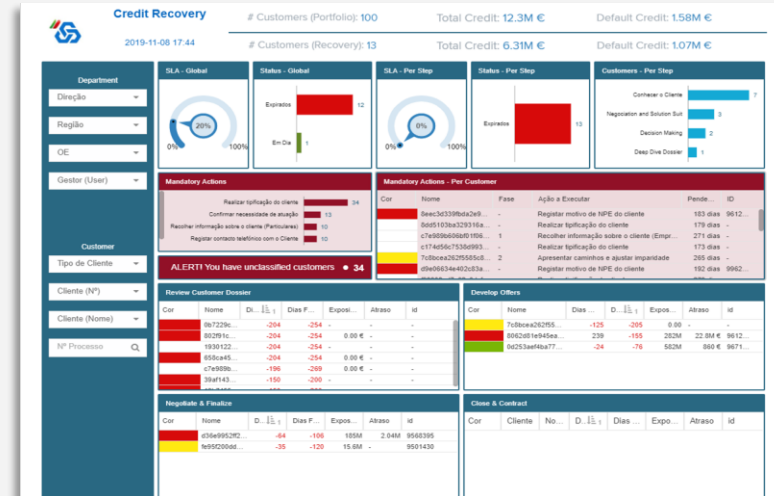
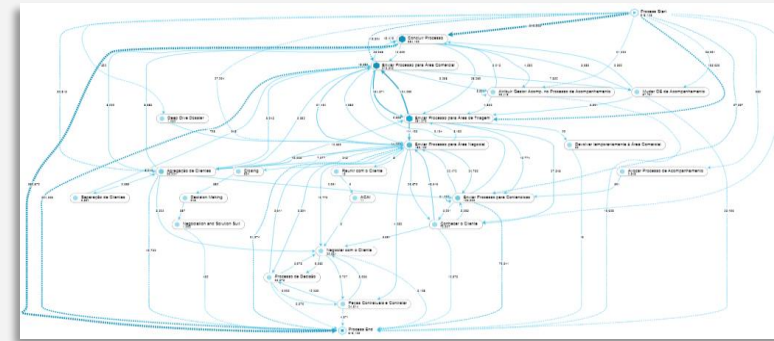
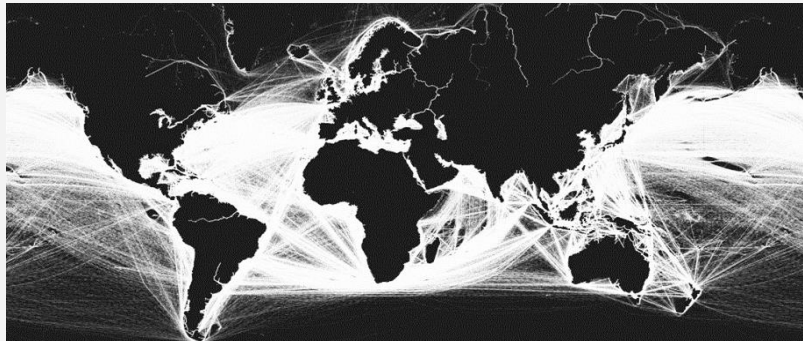
**Roll Out, Solution & Results,  
What's Next?**

# Roll Out

Putting user interaction at the heart of change

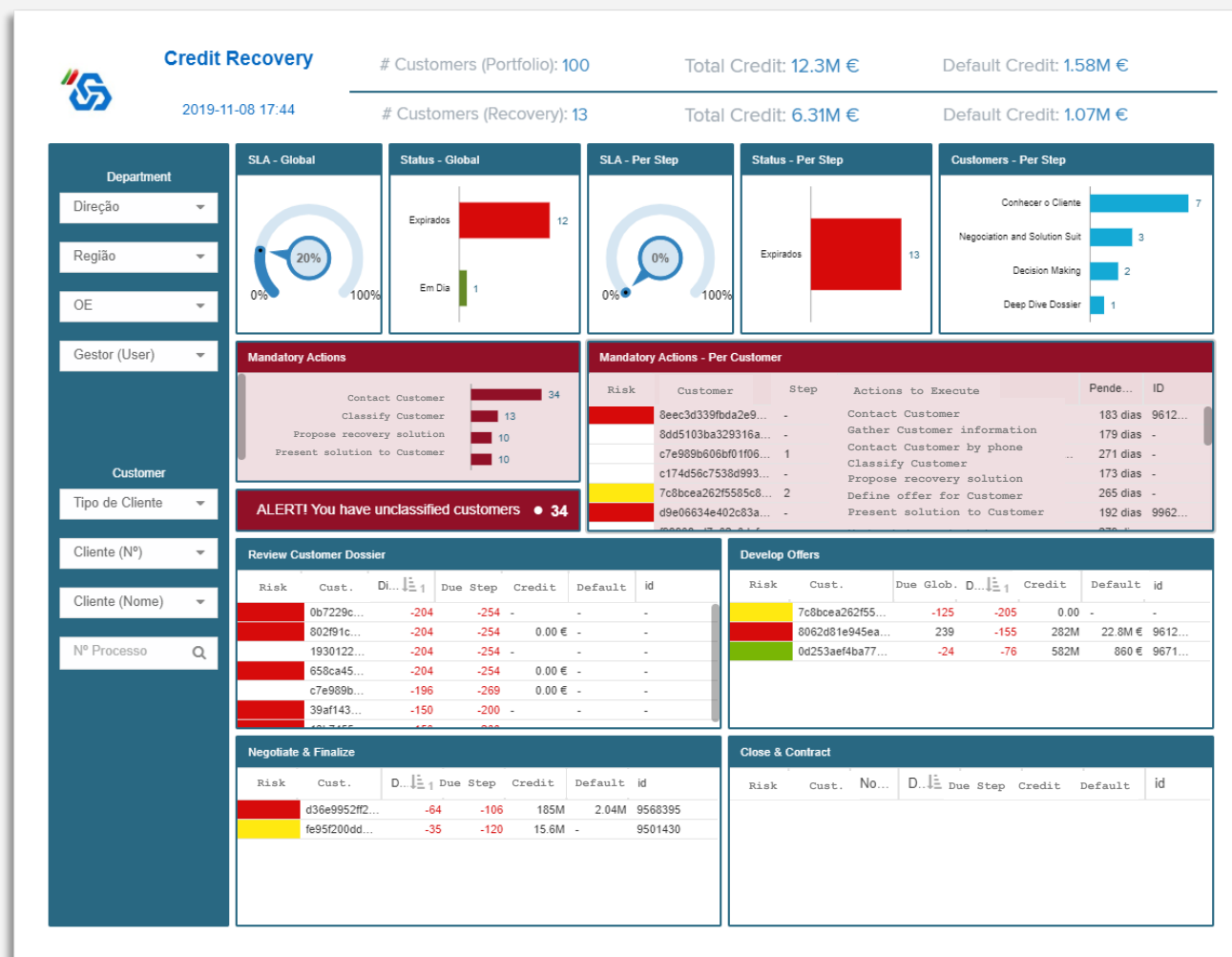


# Solution – Navigate » Orient » Alert... with one tool





# Solution – The manager's Cockpit



SLA Control



Mandatory Actions



4 Step Recovery View



# Solution - Overview

Built over several iterations

## Dashboards

### Features

- Basic Cockpit with gauges for SLA breaches
- Customers distributed by each recovery step
- Clear identification of recovery portfolio (nr. of customers and credit amounts)

## Action Engine

- Notifications on SLA breaches
- Notifications on additions to portfolio
- Notifications on due dates (>60 days)

### Improvements

- Customer's names (after GDPR approval)
  - Direct links to source system (URL to each specific customer case)
  - Highlighted critical actions to execute
- 
- Notifications on due dates – escalation to management (>120 days / >150 days)
  - Notifications on account balance increase

# Key Results

## Qualitative & Quantitative

### Speed

Cases resolved within the defined SLAs and customers recovered in earlier stages

### Efficiency

Proactive notifications removed tedious manual work to determine which customers were at risk for internal and regulatory deadlines

### Accuracy

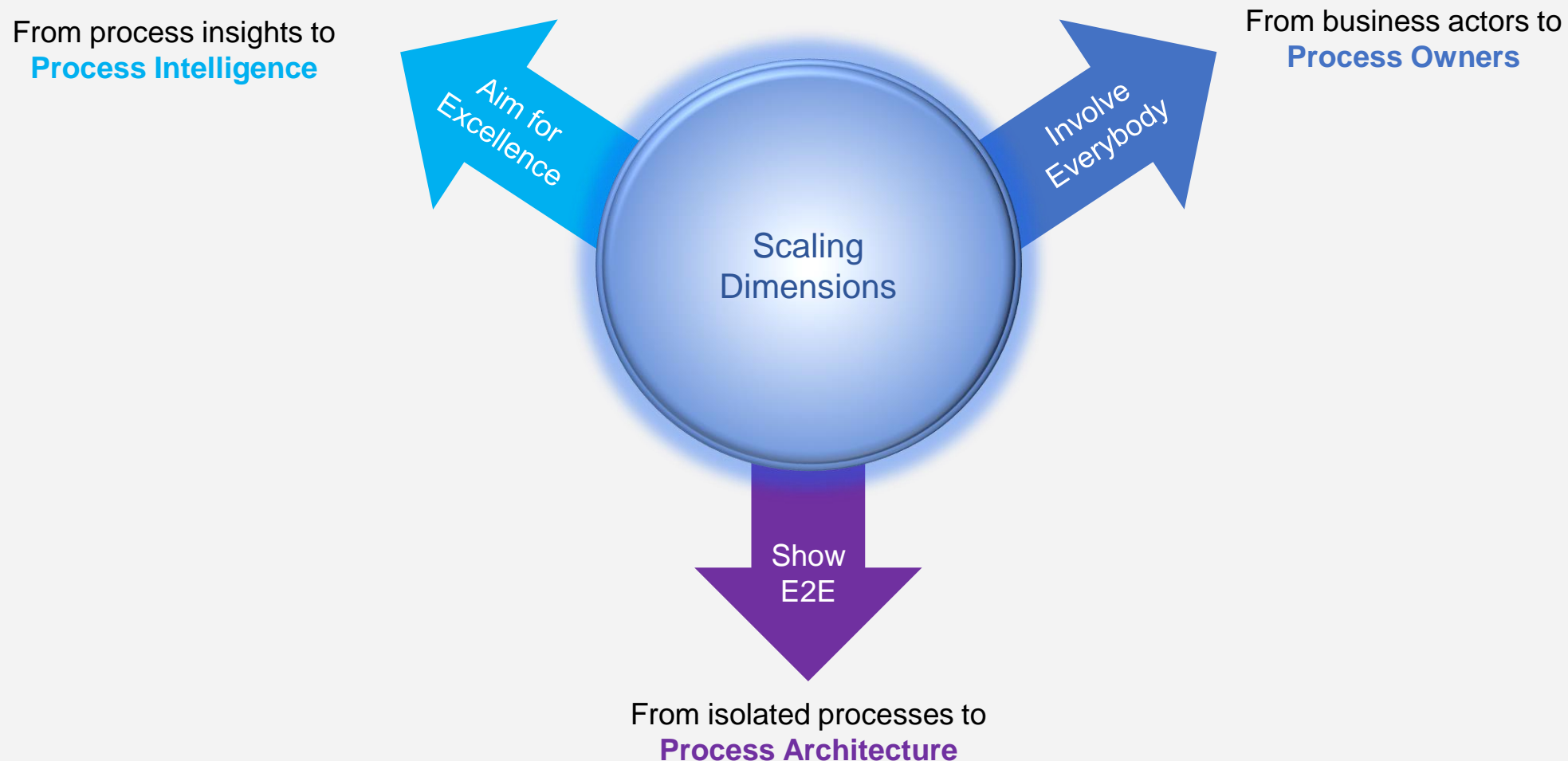
Source system data quality improved because cases weren't accidentally left open

### Compliance & Transparency

The process is now more transparent, considering that Banks operate under extremely strict Supervision Rules on Credit Risk, which exist to protect both the Customer and the Institution

# What's Next?

In the spirit of agility and continuous improvement





## Best Practices and Summary

# Best Practices Summary

---

Process is as important as product

## User Experience

- Make the connection between the operational layer and the source system seamless, you'll get better data quality as a result
- Put the user interaction at the heart of the rollout

## Roll-Out

- Familiarize a large group of users quickly with a small offering to bring change management earlier in the process

## Feedback

- Interview both high performers and non-users
- Make sure there is a continuous feedback channel

## Management Buy-In

- Get the buy-in of first level managers
- Make sure the process experts are involved from the beginning

# A Quick Note on COVID-19

Flexibility is Key, Agility is King

- Agents work day-on day-off shifts to not crowd office, requiring them to cover other agents' cases
  - Communal dashboards that show whole team's work
- Government offering assistance to some customers involved in credit agents
  - Dashboards and alerts to address customers accordingly
- A new process was born in one week
  - ...and is being “mined” from day 1

