

OMG, LLC Case Study

OMG, LLC assisted this Client by reengineering their Archival Department and finding substantial cost savings.

Archival Department Services:

Credit Union stats:

- Over \$2 billion in assets
- 34th largest credit union in United States
- Mortgage portfolio contains over 75,000 mortgages
- Thirty (30) member center locations
- Over 250,000 members

Problem:

A large Credit Union, located in the Midwest, staffed their Archival Department with four (4) full time employees. There were significant issues with the Archival Department: under-performance of employees, unknown duties and position descriptions, an overwhelming and ever-increasing backlog of documents, as well as documents being lost. The Archival Department is the gatekeeper to the Credit Union's important and confidential documents, including mortgage documentation for Credit Union loans. Insufficient oversight and accountability, next to very little organization or workflow, caused the department to lose money for the Client through fees, fines, compliance and mishandled documents. This gave the Archival Department the reputation of being a loss and expense, and undue burden on the Institution as a whole.

OMG, LLC Solution:

- Resolved 3-year backlog in 6 months through a structured plan
- Re-engineered processes and established standards for the production flow
- Performed a labor analysis to accurately portray the demands on the department
- Reallocated existing employee resources to fully utilize talents and skillsets
- Restructured the department to have the capability of fulfilling the department's daily demands
- Instituted metric tracking and accountability systems
- Implemented a quality control system that has improved accuracy to 99.99%
- Assisted in realizing savings in various areas of the department
- Through OMG's, analysis and performance, we contracted with the client to provide staffing and services for the Archival Department. The existing employees were reassigned to other areas, according to their skill set, and are now thriving, top producers

OMG, LLC Improvements:

- The view of the Archival Department was changed to that of a profit producer and supporter
 - The Department was originally seen as just a back-office expense, not a supporting department. OMG's analysis allowed the client to see a clear picture of what the department handled in the way of supporting the indirect loan stream that was growing

\$16million a month (without the archival department, the growth would not have been enabled).

- Due to clarity of situations like this, the perspective of the archival department in the eyes of the credit union changed from “an expense only that we wish we could do away with” to “this is probably the largest supporting department to our growth” and “the growth that is happening would not be sustainable without the archival department”.
- The integral importance of the Archival Department to the institution was realized once the processes were mapped out, allowing key decision makers to see how the Archival Department was supporting millions of dollars in profit and growth
- Improved the level of consistent daily processing to a manageable quota
- OMG documented the processes, procedures and tasks of every person and document type in the department
- Process maps were created for every task of the department and for every employee
- Created comprehensive position descriptions for the department
- Instituted metric tracking and accountability systems
 - Allowed for the bill-back of the various departments that fed into the Archival Department to distribute the labor costs based on business demands
- Implemented a work flow strategy that eliminated down-time
- Cross-trained all members to be able to fill in as needed for all positions
- Introduced a staffing situation that was based upon volumes, not on head-count
 - This allows the labor to fluctuate with the business cycles and demands
- Eliminated inefficiencies through the inauguration of task-specific trainings
- Brought to relevance the necessity of certain trainings that were lacking from the Financial Institution’s environment; and then created a training regiment for those trainings and certifications
- Worked with various other vendors of the Client to resolve long-standing issues that were affecting the Archival Department, in addition, had further repercussions throughout the balance of the institution that saved several departments time and money
- OMG was a prototype of a 5-year plan for establishing stability in the department through forecasting and trend analysis

Additional Areas of Improvements:

- Assisted with equipment analysis
 - Saved money through elimination of excessive service contracts on outdated equipment
- Assisted with the realization of financial liability with unnecessary offsite storage of legal documents
 - Documents were being stored offsite due to the inability of the Archival Department to process these documents due to the backlog
- Eliminated the need for finances to be spent on additional in-house storage structures, in which was originally conceived due to mounting backlog
- Saved the Credit Union from enduring a lay-off of existing department employees
 - Due to previous conceived notions that employees could not support department’s needs
 - Performed a staffing analysis, and reallocated and repurposed existing employee resources to tasks better suited for their skillset
 - Employees responded to retraining and repurposing positively and have turned into top-performers for the Client
- Changes in the Archival Department has had positive repercussions on multiple other departments within the Financial Institution, including encouraging the departments to analyze their own processes and procedures for refinement and efficiencies

SAVINGS STATISTICS:

First partial-year savings - 2013 - (30 weeks): \$39,176.00 (or \$1,305.87/week)

- Includes savings from process changes, reduced expenses, and overtime elimination
- Does not include savings realized from elimination of fees and fines from missing documents or failed audits
- Does not include areas of savings due to off-site storage elimination and reduction
- Does not include the financial savings from eliminating the need of additional in-house storage and infrastructure demands