

Customer story: Nykredit

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Nykredit makes giant strides with its new process knowledge



Peter Læssøe, Head of Business Development,
Nykredit Markets & Asset Management



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Nykredit Markets & Asset Management is a busy business unit in the financial group Nykredit. The business development in the financial industry is fast-paced and consequently, the organisation is required to move with exceptional speed. To strengthen its change readiness, Nykredit carried out a general process analysis in collaboration with Globeteam enabling much shorter development times for strategic goals.

By Kirsten Nielsen, Globeteam

Today, Nykredit holds about 44 per cent of the Danish mortgage market and has more than one million customers. The company's recent growth has taken place particularly in the subsidiary Totalkredit and within derivatives and asset products. The financial markets have known an enormous product development in later years and as a consequence, Nykredit Markets & Asset Management has had to devote a lot of energy to developing advanced derivatives and asset products. This information comes from Peter Læssøe, Head of Business Development in the business unit Nykredit Markets & Asset Management, whom Globeteam has met in the financial group's head office in the heart of Copenhagen.

Nykredit Markets & Asset Management wanted to enhance the change readiness of this particular area so that both the short-term product improvements and Nykredit's long-term objectives and future strategy would benefit. *"The basis of all business development is knowing where the company is. In order to move ahead, it's necessary to always consider the present situation of the business. In other words, first you need to have a global view of the business processes and to be in control of them – then the company may realise short-term and effective changes,"* says Peter Læssøe, Head of Business Development.

Blue print reduces the business development time

A major reason for inviting Globeteam to carry out a product-based process description was a lacking general view of Nykredit Markets & Asset Management's business processes. *"Nykredit had drawn a few overall sketches together with Internal Audit and there were some paper-based analyses of some projects. But these analyses were unstructured, outdated and far from efficient,"* says Peter Læssøe.

The As-Is process analysis consisted of systematically mapping the existing core processes and process-related data within Nykredit Markets & Asset Management, which has about 350 employees in 10 departments: Markets, Asset Management, Debt Capital Markets, Risk Management, and Operations, among others. *"It was an extensive task and we opted for a fairly high level of abstraction. Based on a combination of existing data and interviews with the management and selected employees Business Development and Globeteam jointly charted the core*



Situation

Nykredit wanted to establish general change readiness to be able to carry out rapid changes and minimize the time-to-market when developing and implementing new products. The catalyst was a lack of overview of the business processes, of the requirements regarding new products and of which IT systems and skills were needed.

Solution

The performance of a product-based process description of Nykredit Markets & Asset Management which was documented using the BPM tool ChangeDriver. This ensures an effective and consistent method and a dynamic maintenance of the process documentation.

Advantages

- ✦ Development of change readiness which contributes significantly to shorten business development times.
- ✦ Complex processes are simplified and made more efficient via a common language and notation.
- ✦ Reduction of time-to-market.
- ✦ Efficient knowledge sharing and process documentation.
- ✦ Cost reductions.

Nykredit

Markets & Asset Management is the business unit within the Nykredit group that is in charge of developing derivatives, asset products etc.

This business area is divided into four main departments: Nykredit Markets, Debt Capital Markets, Asset Management and Ny-kredit Portfolio Administration.

processes of Markets & Asset Managements. This job took about four months to complete and the result has provided us with a good general view of almost all our business processes, improving our change readiness significantly”, says Peter Læssøe.

Thus, the result of the process analysis not only draws an overall picture of all the core processes in view of creating a common understanding and frame of reference – it is also an objective basis for Markets & Asset Management to use when deciding which processes should be redesigned and optimized to reach strategic and tactical objectives. The key processes were afterwards documented using a business process management tool, ChangeDriver, which provides a visual cross-departmental overview of the highly complex and diffuse business processes. In addition, the process documentation may be used again in future projects. *“Today, the results are being used by the departments as an efficient decision-making and documentation basis and they have proven to have a very positive effect in several cases”.*

The cooperation between Nykredit Markets & Asset Management and Globeteam

“The process analysis enhances the maturity of Nykredit Markets & Asset Management because the method used is not tied to one single department but may cover all of Markets & Asset Management – in accordance with our business needs”, says Peter Læssøe, adding this comment on the collaboration with Globeteam: “Working together with Globeteam’s consultants we experienced a large degree of mutual trust. They are highly skilled and Nykredit has obtained the results we aimed for.”

Contact

Henrik Sølvsten: +45 40 53 33 88 (cell phone) or hns@globeteam.com

Claus Moldow: +45 26 31 00 01 (cell phone) or cm@globeteam.com